

## **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%	↳ Wasco Oil Service Company Nigeria Limited 60%
↳ 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%	

#### 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




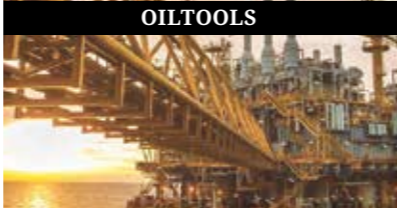
↳ Cahya Mata Professionals Sdn. Bhd.	100%
↳ Cahya Mata Phosphates Industries Sdn. Bhd.	1.12%
↳ Cahya Mata Intelligent Technologies Sdn. Bhd.	100%
↳ Cahya Mata IP Sdn. Bhd.	100%

## 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 <b>RM1.20</b> billion	Revenue <b>RM681.69</b> million	<b>CEMENT</b> 	PBT <b>RM146.04</b> million
	<b>RM60.15</b> million	<b>PROPERTY DEVELOPMENT</b> 	<b>(RM2.22)</b> million
Profit Before Tax (PBT) <b>RM128.24</b> million	<b>RM119.06</b> million	<b>ROAD MAINTENANCE</b> 	<b>RM16.43</b> million
	<b>RM281.27</b> million	<b>OILTOOLS</b> 	<b>RM28.32</b> 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.

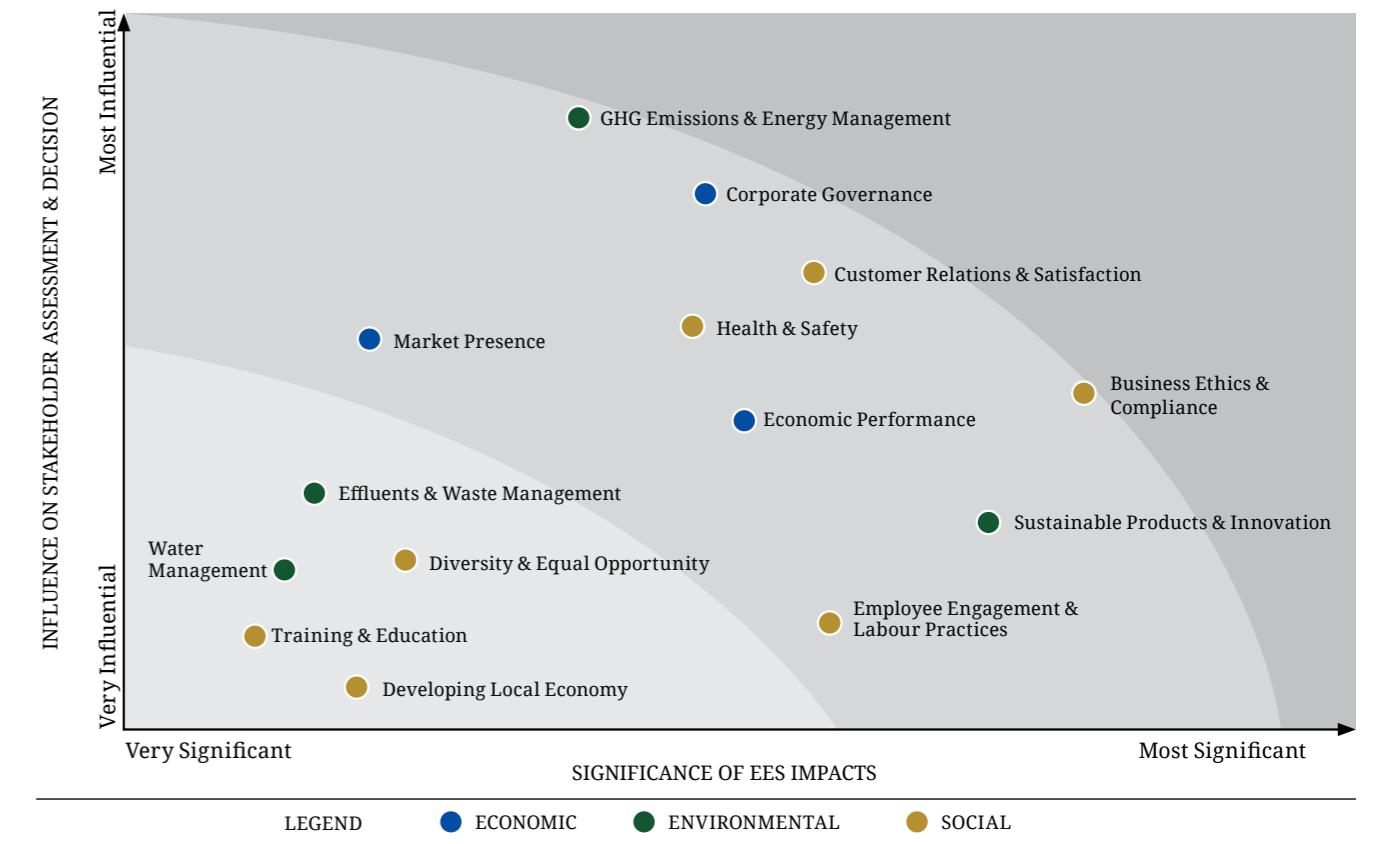
These matters were identified based on the relevancy to our overall businesses and operations, over which the Group exercises complete control. The materiality assessment process is outlined below:

- 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>Economic Performances</li> <li>Corporate Governance</li> <li>Market Presence</li> </ol>
<b>ENVIRONMENTAL</b>	<ol style="list-style-type: none"> <li>Effluents &amp; Waste Management</li> <li>Water Management</li> <li>Sustainable Products &amp; Innovation</li> <li>GHG Emissions &amp; Energy Management</li> </ol>
<b>SOCIAL</b>	<ol style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Diversity &amp; Equal Opportunity</li> <li>Training and Education</li> <li>Customer Relations &amp; Satisfaction</li> <li>Developing Local Economy/Community Engagement</li> <li>Employees Engagement &amp; Labour Practices</li> <li>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	Diversity and Equal Opportunity
Corporate Governance	Training and Education
Customer Relations & Satisfaction	Developing Local Economy/ Community Engagement
Health & Safety	Employees' Engagement and Labour Practices
Business Ethics & Compliance	Effluents and Waste Management
Economic Performances	Market Presence
Sustainable Products & Innovation	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.

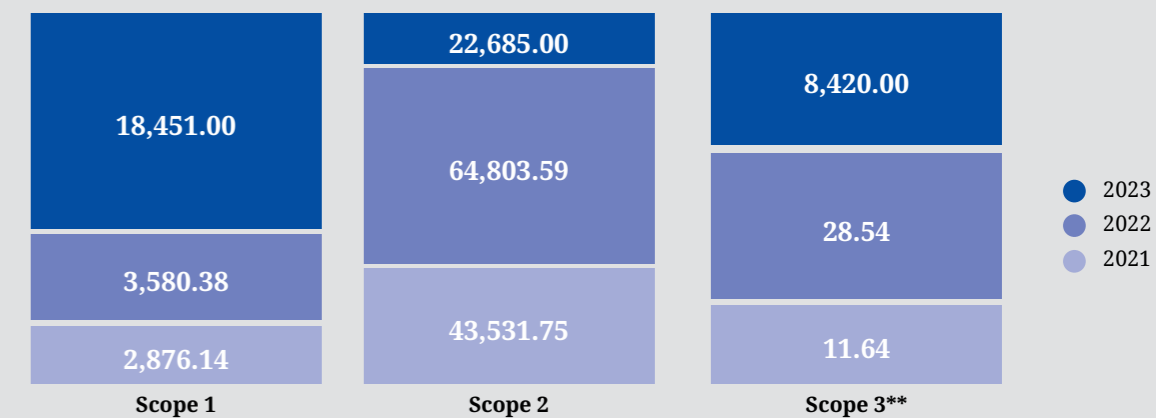
To further evaluate our environmental disclosures, Cahya Mata engaged RAM Sustainability Sdn. Bhd. in 2023 to measure the Group’s overall environmental performances. RAM Sustainability has given the Group a Bronze 1 (B1) rating for the environmental performances, on the basis that the Group has significant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

- LLB (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> Group Chairman Senior Independent Non-Executive Director 16/16	<b>Dato Sri Mahmud Abu Bekir Taib</b> Deputy Group Chairman, Non-Independent Non-Executive Director 16/16	<b>Dato Sri Sulaiman Abdul Rahman b Abdul Taib</b> Group Managing Director 16/16	<b>Dato’ Maznah binti Abdul Jalil</b> Independent Non-Executive Director 16/16
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>

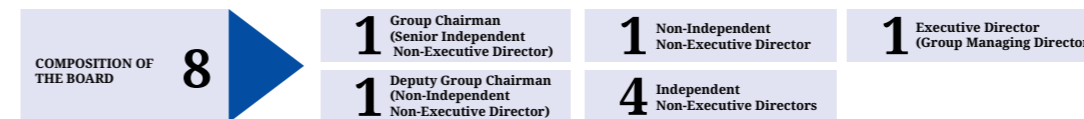
For more information about EFFECTIVE AUDIT AND RISK MANAGEMENT, please refer to pages 61 to 64

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. Directors: Dato Sri Mahmud Abu Bekir Taib (Chairman), Dato’ Maznah binti Abdul Jalil, Dr. Khor Jaw Huei Attendance: 4/4, 4/4, 4/4	The DTC assists and supports the Board’s Digital Transformation initiative for the Group. Directors: Mr. Jeyabalan A/L S.K. Parasingam (Chairman), Dato Sri Mahmud Abu Bekir Taib, Dato’ Maznah binti Abdul Jalil, Madam Umang Nangku Jabu (Ceased as Member on 20.02.2023) Attendance: 8/8, 8/8, 8/8, 2/2	The ESOS Committee was formed to administer the Company’s ESOS which was implemented on 13 November 2020. Directors: Dr. Khor Jaw Huei (Chairman), Dato’ Maznah binti Abdul Jalil, Madam Umang Nangku Jabu Attendance: 2/2, 2/2, 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

BOARD MEETING

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.

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 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.

### 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:

- Group-wide Related Party Transactions Review (4)
- Procurement and Tendering Processes Review
- Post Contract Award Review (2)
- Project Management Review
- Recruitment and Retention Processes Review
- Cybersecurity and IT General Control Review
- Health, Safety, Security and Environment Review (4)
- Internal Control Review of the Enterprise Resource Planning System
- Employees’ Share Option Scheme (“ESOS”) Verification (2)

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

Stakeholder Relevance	Methods of Engagement/Platforms	Frequency
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.	<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>
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<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>
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## 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.

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## DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

### PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. It also provides centralised treasury functions to the Group.

The Group is principally engaged in manufacturing of cement, construction, road maintenance, township, property & infrastructure development and provision of oilfield equipment, supplies and services. The principal activities of the subsidiaries are set out in Note 18 to the financial statements.

### RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
- Owners of the Company	114,443	190,774
- Non-controlling interests	(32,804)	–
	81,639	190,774

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

### ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

### TREASURY SHARES

As at 31 December 2023, the number of treasury shares were 200,000 and the outstanding ordinary shares in issue after set-off of treasury shares was therefore 1,074,176,020.

## DIRECTORS' REPORT

### DIVIDENDS

Since the end of the previous financial year, the Company paid on 28 June 2023 a first and final tax exempt (single-tier) dividend of 3.00 sen per ordinary share, totalling RM32,225,281 in respect of the financial year ended 31 December 2022.

At the forthcoming Annual General Meeting, a first and final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2023, of 2.00 sen per share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

### DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

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

Dato Sri Mahmud Abu Bekir Taib

Dato Sri Sulaiman Abdul Rahman b Abdul Taib

Dato' Maznah binti Abdul Jalil

Umang Nangku Jabu

Dr. Khor Jaw Huei

Jeyabalan A/L S.K. Parasingam

Gee Siew Yoong

Tan Sri Datuk Amar (Dr.) Haji Abdul Aziz bin Dato Haji Husain

(Appointed on 18 September 2023)

(Resigned on 19 April 2023)

**DIRECTORS' REPORT****DIRECTORS (CONT'D.)**

Pursuant to Section 253 of the Companies Act 2016, the list of directors of the subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, is as follows:

Al Rabi'a Lacheheb

Samuel Odu Ezediario

Datu Haji Abdul Hadi bin Datuk Haji Abdul Kadir

Dato' Wan Hazreek Putra Hussain Yusuf

(Appointed on 12 April 2023)

Datu Haji Muhamad Yakup bin Kari

Datuk Amar Haji Mohammad Ali Mahmud

Derek Chee Huong Xing

Dr Baskaran A/L Anandan

Emily Hii San San

Fariz Salleh bin Mohamad Ali

Grant Porter

Haji Othman bin Abdul Rani

Ir. Dr. Md Zarulazam bin Md Eusofe

Iskandar bin Matjani

Karl Vink @ Khalid Abdullah

Mohamed Sirajkumar bin Abdul Razack

Mok Chek Wei

Muhammad Farook

Nelson Roan Kebin

Norasazly bin Mohd Taha

Hajjah Norhafiza binti Mohd

**DIRECTORS' REPORT****DIRECTORS (CONT'D.)**

Pursuant to Section 253 of the Companies Act 2016, the list of directors of the subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, is as follows: (cont'd.)

Norhafizal bin Johari

Raja Hisham Muddin bin R Mohd Iskandar

Rana Mitra

Rashad Muhammad Alzubair Alzubair

Ricky Aryaputra

(Appointed on 15 November 2023)

Shaharum bin Ramli

(Appointed on 12 September 2023)

Shyawalludien bin Mahmad

Stephen Abednigo

Parsons, Stephen Cornelius

Sultan Obaid Said Al Ghaith

Yeoh Kar Hoe

(Appointed on 26 September 2023)

Kanesan A/L Veluppillai

Goh Say Jauw

(Resigned on 30 January 2024)

Ramesh Veetikat Ramachandran

(Resigned on 07 February 2023)

Mukhnizam bin Mahmud

(Resigned on 12 April 2023)

Mastura binti Mansor

(Resigned on 27 June 2023)

Shahrudin bin Abd Rahman

(Resigned on 23 August 2023)

Ramesh A/L Ramankutty

(Resigned on 30 September 2023)

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employees' Share Option Scheme.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

### EMPLOYEES' SHARE OPTION SCHEME

At an Extraordinary General Meeting held on 12 November 2020, the shareholders approved the Employees' Share Option Scheme ("ESOS") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible executive directors and eligible employees of the Company and/or its eligible subsidiaries.

The committee administering the ESOS comprises the following directors:

Dr. Khor Jaw Huei  
Dato' Maznah binti Abdul Jalil  
Umang Nangku Jabu

The salient features and other terms of the ESOS are disclosed in Note 36 to the financial statements.

The Company granted 60,607,500 and 16,465,000 share options under the ESOS in 2020 and 2023. These options will expire on 12 November 2024 and are exercisable at an exercise price of RM1.14/RM1.03 per share if vesting conditions as detailed in Note 36 to the financial statements are met.

Details of options granted to directors are disclosed in the section on Directors' interests in this report.

## DIRECTORS' REPORT

### DIRECTORS' REMUNERATION

Included in the analysis below is remuneration for directors of the Company and its subsidiaries in accordance with the requirements of Companies Act 2016.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Executive:</b>				
Salaries and other emoluments	4,819	3,489	4,819	3,489
Defined contribution and social security plans	1,121	145	1,121	145
Share-based payment	381	–	381	–
Total executive directors' remuneration (excluding benefits-in-kind)	6,321	3,634	6,321	3,634
Benefits-in-kind	31	31	31	31
Total executive directors' remuneration (including benefits-in-kind)	6,352	3,665	6,352	3,665
<b>Non-executive:</b>				
Fees	1,015	1,050	855	950
Other emoluments	1,868	1,943	1,683	1,856
Defined contribution and social security plans	–	84	–	84
Total non-executive directors' remuneration (excluding benefits-in-kind)	2,883	3,077	2,538	2,890
Benefits-in-kind	58	58	58	58
Total non-executive directors' remuneration (including benefits-in-kind)	2,941	3,135	2,596	2,948
Total directors' remuneration	9,293	6,800	8,948	6,613

## DIRECTORS' REPORT

### DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares and options over ordinary shares in the Company during the financial year were as follows:

	← Number of ordinary shares →			
	At 1.1.2023	Acquired	Disposed	At 31.12.2023
<b>Direct interest:</b>				
General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	100,000	–	–	100,000
Dato Sri Mahmud Abu Bekir Taib	1,000,000	–	–	1,000,000
Dato Sri Sulaiman Abdul Rahman B Abdul Taib	6,790,400	–	–	6,790,400
Umang Nangku Jabu	200,000	–	–	200,000
<b>Indirect interest*:</b>				
Dato Sri Mahmud Abu Bekir Taib	4,407,100	–	–	4,407,100
* Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016.				
	← Number of options over ordinary shares →			
	At 1.1.2023	Granted	Exercised	At 31.12.2023
Dato Sri Sulaiman Abdul Rahman B Abdul Taib	–	1,500,000	–	1,500,000

The other directors in office at the end of the financial year had no interest in shares and options over ordinary shares in the Company or its related corporations during the financial year.

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

During the financial year, Cahya Mata Sarawak Berhad and its subsidiaries maintained a directors and officers liability insurance in accordance with Section 289 of the Companies Act 2016, which provide appropriate insurance cover for the directors and officers of the Group. The total insured limit for the directors' and officers' liabilities insurance affected for the directors and officers of the Group is RM50,000,000 and the amount of insurance premium paid by the Group was RM182,000. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
  - to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- which would render it necessary to write off any bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
  - which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
  - not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (c) As at the date of this report, there does not exist:
- any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
  - any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION (CONT'D.)

(d) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due; or
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

### AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remunerations for the financial year ended 31 December 2023 is as follows:

	Group RM	Company RM
Ernst & Young PLT	1,000,500	329,000
Other firms	759,000	–
	1,759,500	329,000

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 April 2024.

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

**Dato Sri Sulaiman Abdul Rahman  
b Abdul Taib**

## STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

We, **General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)** and **Dato Sri Sulaiman Abdul Rahman b Abdul Taib**, being two of the directors of **Cahya Mata Sarawak Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 94 to 268 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 April 2024.

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

**Dato Sri Sulaiman Abdul Rahman b Abdul Taib**

## STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Mandar Shrikrishna Namjoshi**, being the officer primarily responsible for the financial management of **Cahya Mata Sarawak Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 94 to 268 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed **Mandar Shrikrishna Namjoshi**  
at Kuching in the State of Sarawak on  
18 April 2024

**Mandar Shrikrishna Namjoshi**  
Group Chief Financial Officer

Before me,

**Phang Dah Nan**  
Commissioner For Oaths (Q 119)  
Kuching, Sarawak

## INDEPENDENT AUDITORS' REPORT

to the Members of Cahya Mata Sarawak Berhad (Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *Opinion*

We have audited the financial statements of **Cahya Mata Sarawak Berhad**, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 94 to 268.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of matter*

We draw attention to Note 38(b) to the financial statements, which describes the uncertainty related to the future outcome of the arbitration with Syarikat SESCO Berhad in relation to the termination of power purchase agreement for the Integrated Phosphate Complex Plant (Phase 1). Due to the significance of the matter and the potential financial effects of the arbitration on the financial position of the Group and of the Company, it is in our judgment that the matter is of such importance that it is fundamental to users' understanding of the financial statements. Our opinion is not modified in respect of this matter.

#### *Independence and other ethical responsibilities*

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

## INDEPENDENT AUDITORS' REPORT

to the Members of Cahya Mata Sarawak Berhad (Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

#### *Impairment assessment of property, plant and equipment*

As disclosed in Note 13(g) to the financial statements, included in the property, plant and equipment of the Group as at 31 December 2023 is an Integrated Phosphate Complex Project (Phase 1) with a carrying amount of RM837.4 million.

As further disclosed in Note 38(b), the power purchase agreement for the Integrated Phosphate Complex Project (Phase 1) was terminated resulting in a prolonged delay for the plant to achieve commercial production, indicating that the carrying amount of the related property, plant and equipment maybe impaired. Accordingly, the Group estimated the recoverable amount of the property, plant and equipment using value-in-use ("VIU") method. Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the cash generating unit, and discounting them at an appropriate rate.

We have identified this is an important area of audit given the significance of property, plant and equipment and the judgement and estimates involved in the assessment of the recoverable amount.

## INDEPENDENT AUDITORS' REPORT

to the Members of Cahya Mata Sarawak Berhad (Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

#### *Impairment assessment of property, plant and equipment (cont'd.)*

Our procedures include the following:

- Evaluated the key assumptions applied in respect of forecasted sales volume and selling prices, including and where relevant, comparing them against the plant production capacity reports, industry outlook and analyst reports, and market price forecasts prepared by independent market analysts respectively;
- Evaluated the key assumptions applied in respect of raw material prices to quotation obtained from suppliers;
- Assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset; and
- Assessed the adequacy of the disclosures of key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on key assumptions and sensitivities are included in Note 13(g).

#### *Information other than the financial statements and auditors' report thereon*

The directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which is expected to be made available to us after the date of this auditors' report.

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

## INDEPENDENT AUDITORS' REPORT

to the Members of Cahya Mata Sarawak Berhad (Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

#### *Responsibilities of the directors for the financial statements*

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

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

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**INDEPENDENT AUDITORS' REPORT**

to the Members of Cahya Mata Sarawak Berhad (Incorporated in Malaysia)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)***Auditors' responsibilities for the audit of the financial statements (cont'd.)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITORS' REPORT**

to the Members of Cahya Mata Sarawak Berhad (Incorporated in Malaysia)

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, is disclosed in Note 18 to the financial statements.

**OTHER MATTERS**

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

**Ernst & Young PLT**  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
18 April 2024

**Ahmad Zahirudin Bin Abdul Rahim**  
No. 02607/12/2024 J  
Chartered Accountant



**STATEMENTS OF FINANCIAL POSITION**

As at 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	1,461,830	1,439,436	11,939	6,014
Land held for property development	14(a)	306,170	194,969	–	–
Investment properties	15	5,087	5,216	–	–
Intangible assets	16	12,527	6,901	343	357
Goodwill	17	68,485	68,485	–	–
Investments in subsidiaries	18	–	–	1,197,243	1,173,334
Investments in associates	19	715,625	658,663	186,790	186,790
Investments in joint ventures	20	343,304	357,135	68,540	68,540
Deferred tax assets	21	17,081	6,258	–	–
Other receivables	24	363	1,511	37,695	72,849
Investment securities	27	113,727	100,923	75,969	69,251
		<b>3,044,199</b>	2,839,497	<b>1,578,519</b>	1,577,135
<b>Current assets</b>					
Property development costs	14(b)	4,849	107,464	–	–
Inventories	22	436,755	413,999	–	–
Trade and other receivables	24	272,313	243,025	454,734	443,586
Other current assets	25	32,266	31,419	–	–
Investment securities	27	150,923	143,463	150,923	143,463
Derivative financial asset	28	96,649	96,649	96,649	96,649
Tax recoverable		19,943	14,932	–	–
Cash and bank balances	29	617,712	965,357	283,185	312,538
		<b>1,631,410</b>	2,016,308	<b>985,491</b>	996,236
<b>TOTAL ASSETS</b>		<b>4,675,609</b>	4,855,805	<b>2,564,010</b>	2,573,371

**STATEMENTS OF FINANCIAL POSITION**

For the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Income tax payable		24,823	53,380	3,859	4,111
Loans and borrowings	30	113,023	282,005	–	45,000
Lease liabilities	31	26,396	13,569	1,351	824
Trade and other payables	32	643,078	652,040	636,304	777,515
Other current liabilities	33	121	3,393	–	–
		<b>807,441</b>	1,004,387	<b>641,514</b>	827,450
<b>Net current assets</b>		<b>823,969</b>	1,011,921	<b>343,977</b>	168,786
<b>Non-current liabilities</b>					
Deferred tax liabilities	21	75,183	80,797	14,734	14,734
Loans and borrowings	30	206,982	255,787	–	–
Lease liabilities	31	33,497	36,573	7,882	1,715
Trade and other payables	32	4,791	1,028	–	–
		<b>320,453</b>	374,185	<b>22,616</b>	16,449
<b>TOTAL LIABILITIES</b>		<b>1,127,894</b>	1,378,572	<b>664,130</b>	843,899
<b>Equity attributable to owners of the Company</b>					
Share capital	34	867,902	867,902	867,902	867,902
Treasury shares	34	(352)	(352)	(352)	(352)
Other reserves	35	1,267	(29,506)	187,359	175,500
Retained earnings		2,432,045	2,388,652	844,971	686,422
		<b>3,300,862</b>	3,226,696	<b>1,899,880</b>	1,729,472
<b>Non-controlling interests</b>		<b>246,853</b>	250,537	–	–
<b>TOTAL EQUITY</b>		<b>3,547,715</b>	3,477,233	<b>1,899,880</b>	1,729,472
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,675,609</b>	4,855,805	<b>2,564,010</b>	2,573,371

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**STATEMENTS OF CHANGES IN EQUITY**

For the financial year ended 31 December 2023

Group	Total equity RM'000	Attributable to owners of the Company					Non-controlling interests RM'000	
		Total RM'000	Share capital (Note 34) RM'000	Treasury shares (Note 34) RM'000	Other reserves (Note 35) RM'000	Retained earnings RM'000		
<b>At 1 January 2023</b>	3,477,233	3,226,696	867,902	(352)	(29,506)	2,388,652	250,537	
Profit/(loss) net of tax	81,639	114,443	–	–	–	114,443	(32,804)	
Other comprehensive income, net of tax	30,882	26,187	–	–	26,187	–	4,695	
Total comprehensive income/(loss)	112,521	140,630	–	–	26,187	114,443	(28,109)	
<b>Transactions with owners</b>								
Net effect of additional investment in subsidiaries	18	(11,115)	(39,380)	–	–	(350)	(39,030)	28,265
Grant of equity-settled share options to employees		5,141	5,141	–	–	5,141	–	–
Dividends paid to owners of the Company	44(a)	(32,225)	(32,225)	–	–	–	(32,225)	–
Dividends paid to non-controlling interests		(3,840)	–	–	–	–	–	(3,840)
Total transactions with owners		(42,039)	(66,464)	–	–	4,791	(71,255)	24,425
Share of associates' movement in reserves		–	–	–	–	(205)	205	–
<b>At 31 December 2023</b>	3,547,715	3,300,862	867,902	(352)	1,267	2,432,045	246,853	

**STATEMENTS OF CHANGES IN EQUITY**

For the financial year ended 31 December 2023

Group (cont'd.)	Total equity RM'000	Attributable to owners of the Company					Non-controlling interests RM'000	
		Total RM'000	Share capital (Note 34) RM'000	Treasury shares (Note 34) RM'000	Other reserves (Note 35) RM'000	Retained earnings RM'000		
<b>At 1 January 2022</b>	3,232,390	3,012,596	867,902	(352)	22,106	2,122,940	219,794	
Profit net of tax	289,926	287,134	–	–	–	287,134	2,792	
Other comprehensive (loss)/income, net of tax	(88)	2,610	–	–	2,610	–	(2,698)	
Total comprehensive income	289,838	289,744	–	–	2,610	287,134	94	
<b>Transactions with owners</b>								
Acquisition of subsidiaries		37,025	–	–	–	–	37,025	
Grant of equity-settled share options to employees		4,025	4,025	–	–	4,025	–	
Dividends paid to owners of the Company	44(a)	(21,484)	(21,484)	–	–	–	(21,484)	
Dividends paid to non-controlling interests		(6,376)	–	–	–	–	(6,376)	
Total transactions with owners		13,190	(17,459)	–	–	4,025	(21,484)	30,649
Disposal of associates		(57,938)	(57,938)	–	–	(57,938)	–	
Share of associates' movement in reserves		(247)	(247)	–	–	(309)	62	
<b>At 31 December 2022</b>	3,477,233	3,226,696	867,902	(352)	(29,506)	2,388,652	250,537	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**STATEMENTS OF CHANGES IN EQUITY**

For the financial year ended 31 December 2023

Company	Note	Total equity RM'000	Share capital (Note 34) RM'000	Treasury shares (Note 34) RM'000	Other reserves (Note 35) RM'000	Retained earnings RM'000
<b>At 1 January 2023</b>		<b>1,729,472</b>	<b>867,902</b>	<b>(352)</b>	<b>175,500</b>	<b>686,422</b>
Profit net of tax		190,774	–	–	–	190,774
Other comprehensive income, net of tax		6,718	–	–	6,718	–
Total comprehensive income		197,492	–	–	6,718	190,774
<b>Transactions with owners</b>						
Grant of equity-settled share options to employees		5,141	–	–	5,141	–
Dividends paid to owners of the Company	44(a)	(32,225)	–	–	–	(32,225)
Total transactions with owners		(27,084)	–	–	5,141	(32,225)
<b>At 31 December 2023</b>		<b>1,899,880</b>	<b>867,902</b>	<b>(352)</b>	<b>187,359</b>	<b>844,971</b>
<b>At 1 January 2022</b>		<b>1,652,118</b>	<b>867,902</b>	<b>(352)</b>	<b>180,261</b>	<b>604,307</b>
Profit net of tax		103,599	–	–	–	103,599
Other comprehensive expense, net of tax		(8,786)	–	–	(8,786)	–
Total comprehensive income/(loss)		94,813	–	–	(8,786)	103,599
<b>Transactions with owners</b>						
Grant of equity-settled share options to employees		4,025	–	–	4,025	–
Dividends paid to owners of the Company	44(a)	(21,484)	–	–	–	(21,484)
Total transactions with owners		(17,459)	–	–	4,025	(21,484)
<b>At 31 December 2022</b>		<b>1,729,472</b>	<b>867,902</b>	<b>(352)</b>	<b>175,500</b>	<b>686,422</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**STATEMENTS OF CASH FLOWS**

For the financial year ended 31 December 2023

Group	Note	2023 RM'000	2022 RM'000
<b>Operating activities</b>			
Profit before tax		128,241	397,997
<b>Adjustments for:</b>			
Amortisation of intangible assets	8	100	81
Depreciation of property, plant and equipment	8	89,279	67,853
Depreciation of investment properties	8	129	121
Fair value loss in a derivative financial asset	8	–	3,389
Gain on disposal of investment in an associate	6	–	(89,079)
Loss/(gain) on termination of lease contracts	6	396	(60)
Dividend income	4	(7,701)	(5,865)
Reversal of impairment loss on amount due from an associate	6,8	–	(28,504)
Reversal of impairment loss on investment in an associate	6,8	–	(9,128)
Impairment loss on trade and other receivables	8	3,594	4,924
Impairment loss of intangible asset	8	1,368	–
Intangible assets written off	8	78	–
Interest expense	7	41,392	26,577
Interest income	4,5	(17,789)	(10,165)
Inventories written down	8	56,212	624
Loss on disposal of investment securities	8	–	451
Gain on bargain purchase	6	–	(71,066)
Net fair value changes in investment securities	6,8	(10,805)	939
Net gain on disposal of property, plant and equipment	6	(1,619)	(586)
Property, plant and equipment written off	8	60	375
Reversal of impairment loss on trade and other receivables	6	(989)	–
Share options granted under ESOS	9	5,254	4,025
Share of results of associates		(61,033)	(139,113)
Share of results of joint ventures		(25,436)	(31,515)
Unrealised foreign exchange (gain)/loss	6,8	(13,967)	16,834
<b>Total adjustments</b>		<b>58,523</b>	<b>(258,888)</b>
Operating cash flows before changes in working capital		186,764	139,109

**STATEMENTS OF CASH FLOWS**

For the financial year ended 31 December 2023

Group (cont'd.)	Note	2023 RM'000	2022 RM'000
<b>Changes in working capital</b>			
(Increase)/decrease in property development costs		(3,411)	16,612
Increase in land held for development		(3,910)	–
Increase in inventories		(74,332)	(65,948)
(Increase)/decrease in other current assets		(847)	6,114
(Increase)/decrease in receivables		(33,104)	115,688
Decrease in payables		(13,703)	(94,334)
(Decrease)/increase in other current liabilities		(3,272)	1,175
<b>Total changes in working capital</b>		<b>(132,579)</b>	<b>(20,693)</b>
<b>Cash flows from operations</b>			
		<b>54,185</b>	<b>118,416</b>
Interest received		17,788	10,916
Interest paid		(32,669)	(50,033)
Income taxes paid, net of refund		(96,335)	(56,269)
<b>Net cash flows (used in)/from operating activities</b>		<b>(57,031)</b>	<b>23,030</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	13(c)	(37,716)	(67,728)
Acquisition of investment properties	15	–	(533)
Acquisition of land held for property development		(1,265)	(226)
Additional investments in subsidiary acquired from non-controlling interests	18(b) (ii)	(15,660)	–
Acquisition of intangible assets	16	(7,172)	(5,027)
Acquisition of an associate		–	(2,000)
Additional investments in investment securities		(12,976)	(57,157)
Additional investments in a joint venture	20(a)	–	(910)
Capital redemption from investment securities		10,230	–
Capital redemption of investment in joint ventures		1,821	–
Dividends received from associates		8,209	68,260
Dividends received from investments		7,701	5,865
Distribution of profit from joint ventures		37,446	18,358
Proceeds from issuance of preference shares subscribed by corporate shareholder of a subsidiary		400	–
Loan repayment from associate		–	45,411
Net cash inflow arising from acquisition of subsidiaries		–	29,191
Placement of deposits with licensed banks		(10,107)	(3,080)
Proceeds from disposal of an associate	19(a)	–	466,811
Proceeds from disposal of investment securities		5	316,302
Proceeds from disposal of property, plant and equipment		2,359	2,671
<b>Net cash flows (used in)/from investing activities</b>		<b>(16,725)</b>	<b>816,208</b>

**STATEMENTS OF CASH FLOWS**

For the financial year ended 31 December 2023

Group (cont'd.)	Note	2023 RM'000	2022 RM'000
<b>Financing activities</b>			
Dividends paid to owners of the Company	44(a)	(32,225)	(21,484)
Dividends paid to non-controlling interests		(3,840)	(6,377)
Deposit pledged to a licensed bank		(4)	–
Drawdown of borrowings		123,876	267,462
Repayment of borrowings		(356,055)	(641,780)
Repayment of lease liabilities	31	(28,263)	(14,240)
Proceeds from lease receivables	24(b)(vi)	1,766	1,624
<b>Net cash flows used in financing activities</b>		<b>(294,745)</b>	<b>(414,821)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			
<b>Cash and cash equivalents at 1 January</b>		<b>963,421</b>	<b>540,747</b>
<b>Effect of foreign exchange changes on cash and cash equivalents</b>		<b>10,745</b>	<b>(1,743)</b>
<b>Cash and cash equivalents at 31 December</b>	29	<b>605,665</b>	<b>963,421</b>

**STATEMENTS OF CASH FLOWS**

For the financial year ended 31 December 2023

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loans and borrowings (Note 30) RM'000	Lease liabilities (Note 31) RM'000	Total RM'000
<b>At 1 January 2022</b>	898,564	26,775	925,339
<b>Cash movements</b>			
Acquisition of subsidiaries	–	19,258	19,258
Repayment of lease liabilities	–	(14,240)	(14,240)
Drawdown of borrowings	267,462	–	267,462
Repayment of borrowings	(641,780)	–	(641,780)
<b>Non-cash movements</b>			
Acquisition of new leases	–	27,313	27,313
Termination of lease contracts	–	(8,749)	(8,749)
Unrealised foreign exchange loss	13,546	–	13,546
Exchange adjustment	–	(215)	(215)
<b>At 31 December 2022/1 January 2023</b>	<b>537,792</b>	<b>50,142</b>	<b>587,934</b>
<b>Cash movements</b>			
Repayment of lease liabilities	–	(28,263)	(28,263)
Drawdown of borrowings	123,876	–	123,876
Repayment of borrowings	(356,055)	–	(356,055)
<b>Non-cash movements</b>			
Acquisition of new leases	–	38,926	38,926
Termination of lease contracts	–	(1,544)	(1,544)
Modification of lease	–	298	298
Unrealised foreign exchange gain	(3,312)	–	(3,312)
Exchange adjustment	17,704	334	18,038
<b>At 31 December 2023</b>	<b>320,005</b>	<b>59,893</b>	<b>379,898</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**STATEMENTS OF CASH FLOWS**

For the financial year ended 31 December 2023

Company	Note	2023 RM'000	2022 RM'000
<b>Operating activities</b>			
Profit before tax		199,505	123,960
<b>Adjustments for:</b>			
Amortisation of intangible asset	8	50	33
Depreciation of property, plant and equipment	8	1,909	1,378
Fair value loss in a derivative financial asset	6,8	–	3,389
Gain on disposal of property, plant and equipment	6	–	(184)
Dividend income	4	(234,714)	(127,706)
Interest expense	7	17,738	22,827
Interest income	4	(41,087)	(21,572)
Impairment loss on amount due from subsidiaries	8	13,064	–
Impairment loss on investment in a subsidiary	8	8,251	–
Loss on disposal of investment securities	8	–	451
Net fair value changes in investment securities	8	(2,864)	939
Net unrealised foreign exchange differences	8	12	–
Reversal of impairment loss on investment in a subsidiary	6	–	(10,000)
Reversal of impairment loss on trade and other receivables	6	–	(26,963)
Share options granted under ESOS	9	970	51
Total adjustments		(236,671)	(157,357)
<b>Operating cash flows before changes in working capital</b>		<b>(37,166)</b>	<b>(33,397)</b>
<b>Changes in working capital</b>			
Decrease/(increase) in receivables		58,499	(197,191)
(Decrease)/increase in payables		(2,457)	1,407
Total changes in working capital		56,042	(195,784)
<b>Cash flows from/(used in) operations</b>		<b>18,876</b>	<b>(229,181)</b>
Interest received		7,005	5,994
Interest paid		(569)	(9,131)
Taxes paid		(8,983)	(1,750)
<b>Net cash flows from/(used in) operating activities</b>		<b>16,329</b>	<b>(234,068)</b>

**STATEMENTS OF CASH FLOWS**

For the financial year ended 31 December 2023

Company (cont'd.)	Note	2023 RM'000	2022 RM'000
<b>Investing activities</b>			
Additional investments in investment securities		(4,601)	(53,281)
Acquisition of property, plant and equipment	13(d)	(73)	(136)
Acquisition of intangible assets	16	(36)	(54)
Acquisition of a subsidiary	18(a)	–	(5,942)
Additional investment in subsidiary acquired from non-controlling interests	18(b)(ii)	(15,660)	–
Acquisition of preference shares of a subsidiary		(16,500)	–
Capital repayment from a subsidiary	18(c)	–	35,000
Dividends received		234,714	108,670
Proceeds from disposal of investment securities		5	316,302
Proceeds from disposal of property, plant and equipment		–	293
<b>Net cash flows from investing activities</b>		<b>197,849</b>	<b>400,852</b>
<b>Financing activities</b>			
Increase/(decrease) in amounts due to joint ventures under central cash management accounts		8,475	(9,079)
(Decrease)/increase in amounts due to subsidiaries under central cash management accounts		(173,702)	133,824
Dividends paid to owners of the Company	44(a)	(32,225)	(21,484)
Drawdown of borrowings	30	–	45,000
Repayment of borrowings	30	(45,000)	(500,000)
Repayment of lease liabilities	31	(1,067)	(1,398)
<b>Net cash flows used in financing activities</b>		<b>(243,519)</b>	<b>(353,137)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(29,341)</b>	<b>(186,353)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>312,328</b>	<b>498,681</b>
<b>Effect of foreign exchange changes on cash and cash equivalents</b>		<b>(12)</b>	<b>–</b>
<b>Cash and cash equivalents at 31 December</b>	29	<b>282,975</b>	<b>312,328</b>

**STATEMENTS OF CASH FLOWS**

For the financial year ended 31 December 2023

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loans and borrowings (Note 30) RM'000	Lease liabilities (Note 31) RM'000	Total RM'000
<b>At 1 January 2022</b>	500,000	1,791	501,791
Draw down of borrowings	45,000	–	45,000
Acquisition of new lease	–	2,146	2,146
Repayment	(500,000)	(1,398)	(501,398)
<b>At 31 December 2022 and 1 January 2023</b>	<b>45,000</b>	<b>2,539</b>	<b>47,539</b>
Acquisition of new lease	–	7,761	7,761
Repayment	(45,000)	(1,067)	(46,067)
<b>At 31 December 2023</b>	<b>–</b>	<b>9,233</b>	<b>9,233</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business is located at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak.

The Company is principally an investment holding company. It also provides centralised treasury functions to the Group. The Group is principally engaged in manufacturing and trading of cement and construction materials, construction, road maintenance, township, property and infrastructure development and provision of oilfield equipment, supplies and services.

The principal activities of the subsidiaries are set out in Note 18. There have been no significant changes in the nature of the principal activities during the financial year.

### 2. MATERIAL ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

The financial statements of the Group and of the Company have also been prepared on the historical cost basis except as disclosed in the accounting policies below. The accounting policies below are adhered to by the Group and by the Company.

The financial statements of the Group and the Company are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (“RM’000”) except when otherwise indicated.

#### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except in the current period, the Group and the Company adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 January 2023:

Description	Effective for annual period beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of application.

#### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its investment with the investee; and
- the ability to use its power over the investee to affect its returns.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.4 Basis of consolidation (cont'd.)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement(s) with the other vote holders of the investee;
- (b) Rights arising from other contractual arrangements; and
- (c) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.4 Basis of consolidation (cont'd.)

##### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.5 Subsidiaries**

A subsidiary is an entity over which the Group has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) exposure, or rights, to variable returns from its investment with the investee; and
- (c) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

**2.6 Investments in associates and joint ventures**

The financial statements of associates and joint ventures are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.6 Investments in associates and joint ventures (cont'd.)**

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.7 Foreign currency****(a) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

**(b) Foreign currency transactions**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

**(c) Foreign operations**

The assets and liabilities of foreign operations are translated into RM at the rates of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.8 Property, plant and equipment**

Assets under construction is stated at cost, net of accumulated impairment losses, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

For the Group’s accounting policy on impairment, refer to Note 2.12. The impairment accounting policy for goodwill and intangible assets with indefinite lives similarly applies to other non-financial assets, including property, plant and equipment.

Freehold land has unlimited useful lives and therefore are not amortised. Leasehold land are amortised over their lease terms. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and infrastructure	50 years or over the period of lease whichever is shorter
Plant and machinery	2 years to 50 years
Equipment and others	2 years to 30 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet ready for use.

The Group reviews the estimated residual values and expected useful lives of property, plant and equipment at each financial year end and adjusts prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

A contract which involves the use of an item of property, plant and equipment that meets the definition of a lease is recognised as a right-of-use asset.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.9 Land held for property development and property development costs

##### (a) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken other than earthwork, infrastructure work and professional fees incurred to put the land ready for development or where development activities are not expected to be completed within the normal operating cycle. Included in land held for property development consists of leasehold land that meet the definition of right-of-use asset.

Land held for property development is classified as non-current asset and is stated at the lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

##### (b) Property development costs

Property development costs that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Such inventory costs are determined based on a specific identification basis.

Property development costs comprise of costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors. Leasehold land that are included in property development costs meets the definition of right-of-use asset.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.10 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. These include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses consistent with the accounting policies for property, plant and equipment.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

#### 2.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.11 Intangible assets (cont'd.)**

Amortisation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computer software	3 years to 5 years
Other intangible assets	8 years to 20 years

Other intangible assets consist of registered patents, technology and development works.

For the Group's accounting policy on impairment for goodwill and intangible assets with indefinite lives, refer to Note 2.12.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

**2.12 Impairment of non-financial assets**

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.12 Impairment of non-financial assets (contd.)**

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are also tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

**2.13 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials, consumables and spare parts: costs of purchases on a first-in first-out method or weighted average cost formula.
- Finished goods and work-in-progress: costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.
- Completed development units: cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.14 Contract assets and contract liabilities**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time, for example, billings require certification by the customer. Upon receipt of such certification from a customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment on the same basis as financial assets that are within the scope of MFRS 9.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

The amounts recognised as revenue for a given period do not necessarily coincide with the amounts billed to and certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed to and certified by the customer, the difference is recognised as contract asset, whereas in contracts in which the goods or services transferred are lower than the amount billed to and certified by the customer (i.e., when a payment is due or a payment is received before the Group transfers the remaining goods or services), the difference is recognised as contract liabilities.

**2.15 Financial assets**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.15 Financial assets (cont'd.)****(a) Initial recognition and measurement (cont'd.)**

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

**(b) Subsequent measurement**

For the purpose of subsequent measurement, financial assets of the Group and the Company are classified in the following categories:

**(i) Financial assets at amortised cost (debt instruments)**

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, other current assets, cash and bank balances.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.15 Financial assets (cont'd.)****(b) Subsequent measurement (cont'd.)****(ii) Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its listed investment securities under this category.

**(iii) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative financial assets, and unquoted investment securities which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.15 Financial assets (cont'd.)****(c) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; and
- The control of the asset is not retained or substantially all of the risks and rewards of awards of ownership of the financial asset are transferred to another party.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

**2.16 Impairment of financial assets**

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-month (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.16 Impairment of financial assets (cont'd.)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 2.17 Financial liabilities

##### (a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include loan and borrowings, lease liabilities, trade and other current liabilities.

##### (b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities of the Group and the Company are classified as financial liabilities at amortised cost (loans and borrowings).

##### Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.17 Financial liabilities (cont'd.)

##### (c) Derecognition

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

##### (d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 2.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; and
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.18 Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities; or
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group and the Company analyse the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's and the Company's accounting policies. For this analysis, the Group and the Company verify the major inputs applied in the latest valuation or other relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

#### 2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's and the Company's cash management.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.20 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### 2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and the activities to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.22 Leases**

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**(a) As a lessee**

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(i) Right-of-use assets**

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	1 to 94 years
Buildings	1 to 17 years
Motor vehicles	5 years
Plant and machinery	1 to 3 years

If ownership of the leased asset is transferred to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset instead of the lease term. The right-of-use assets are also subject to impairment.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.22 Leases (cont'd.)****(a) As a lessee****(ii) Lease liabilities**

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(iii) Short-term leases and leases of low-value assets**

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.22 Leases (cont'd.)****(b) As a lessor**

Leases in which the Group or the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**2.23 Revenue****Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expects to be entitled in exchange for transferring promised goods or services to a customer. The Group has generally concluded that it is the principal in its revenue arrangements (unless otherwise stated below) because it typically controls the goods or services before transferring to the customers.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, non-cash consideration and consideration payable to the customer, if any). Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at the point in time or over time.

Where contracts with customers include multiple performance obligation, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.23 Revenue (cont'd.)****Revenue from contracts with customers (cont'd.)****(a) Sale of goods**

Revenue from sale of goods is measured based on the consideration specified in a contract with a customer in exchange for transferring goods to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product to customer. An asset is transferred when (or as) the customer obtains control over the asset.

The Group transfers control of a good at a point in time unless one of the following over time criteria is met:

- the customer simultaneously receives and consumes the benefits provided as the Group performs; or
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to-date.

**(b) Construction and road maintenance**

The Group is engaged in construction and road maintenance services. The contracts may include multiple promises to the customers and therefore accounted for as separate performance obligations. The fair value of the revenue, which is based on fixed price under the agreement will be allocated based on relative stand-alone selling price of the consideration of each of the separate performance obligations.

Revenue is recognised progressively based on the stage of completion measured using the input method, which is based on the total actual construction cost incurred to date relative to the estimated total contract costs for the respective construction projects.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.23 Revenue (cont'd.)****Revenue from contracts with customers (cont'd.)****(c) Sale of land and completed properties**

The Group recognises revenue at a point in time for the sale of land and completed properties, when the control of the properties has been delivered to the purchasers, being when the properties have been delivered to the purchasers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

Revenue from sale of land and completed properties is measured at the fixed transaction price agreed under the sale and purchase agreement.

**(d) Sales of properties under construction**

Revenue from properties under construction is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, by reference to the costs incurred to the satisfaction of a performance obligation relative to the total expected which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.23 Revenue (cont'd.)****Revenue from contracts with customers (cont'd.)****(e) Rendering of services**

Revenue from rendering of services is recognised when the Group and the Company transfer control upon performance of services over time to customers where the customer simultaneously receives and consumes the benefits provided as the Group and the Company perform.

Revenue from provision of road maintenance service is recognised in the period in which services are rendered in accordance with the concession.

Revenue from rendering of other services is recognised over time when the services are rendered, using an input method to measure the progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

**Revenue from other sources**

Revenue from other sources are recognised as follows:

- (i) Interest income is recognised on an accrual basis using the effective interest method;
- (ii) Dividend income is recognised when the Group's and the Company's right to receive payment is established, which is generally when shareholders approve the dividend;
- (iii) Rental income is recognised on a straight-line basis over the tenure of the lease; and
- (iv) Grant income is recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in profit or loss as other income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.24 Taxes****(a) Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**2. MATERIAL ACCOUNTING POLICIES (CONT'D.)****2.24 Taxes****(b) Deferred tax (cont'd.)**

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**2.25 Employee benefits****(a) Short term benefits**

Wages, salaries, overtimes, allowances and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees. Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments as a result of past events and when a reliable estimate can be made of the amount of the obligation.

**(b) Defined contribution plan**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group and Company make contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to the defined contribution pension scheme are recognised as expenses in the period in which the related service is performed.

**(c) Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer to those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.25 Employee benefits (cont'd.)

##### (d) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

##### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

## NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

#### 2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

#### 2.27 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

##### (a) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

##### (b) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

##### (c) Repurchased, disposal and reissued of share capital (treasury shares)

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in retained earnings.

#### 2.28 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group or the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company but discloses its existence in the notes to the financial statements.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(a) Impairment of property, plant and equipment**

Property, plant and equipment are tested for impairment when there is an indication that they may be impaired. If any such indication exists, the Group and the Company shall estimate the recoverable amount of cash-generating unit ("CGU") or groups of CGU.

During the year, the Group has carried out an impairment assessment on the property, plant and equipment in relation to the Integrated Phosphate Complex Project (Phase 1) as a result of the matter disclosed in Note 38(b). The recoverable amount of the said property, plant and equipment was determined based on value-in-use method. The estimation of future cash flows is subject to changes and highly subjective. Actual results may differ materially from those estimated.

The key assumptions used in the value-in-use calculations and sensitivity analysis of changes of key assumptions are disclosed in Note 13(g).

**(b) Valuation of derivative assets**

The determination of the fair value of derivative financial assets that are linked to and must be settled by delivery of unquoted equity instruments is subjective and involves significant judgement and uncertainties due to the use of assumptions and certain unobservable inputs. The Group's and the Company's investment in warrants were valued using the Binomial approach and is sensitive to data inputs including stock price, strike price and risk-free rate as disclosed in Note 28.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**4. REVENUE**

Revenue comprised the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers	1,136,543	977,694	–	–
Revenue from other sources:				
- Interest from financial institutions	7,304	6,130	7,304	6,130
- Interest from subsidiaries	–	–	33,783	15,442
- Dividends from investments	7,701	5,865	7,701	5,865
- Dividends from associates	–	–	–	53,893
- Dividends from joint ventures	–	–	19,410	14,403
- Dividends from subsidiaries	–	–	207,603	53,545
- Rental income	49,349	20,881	–	–
	<b>64,354</b>	32,876	<b>275,801</b>	149,278
<b>Total revenue</b>	<b>1,200,897</b>	1,010,570	<b>275,801</b>	149,278

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**4. REVENUE (CONT'D.)****(a) Disaggregation of revenue from contracts with customers:**

Group	Cement RM'000	Trading RM'000	Road maintenance RM'000	Property development and related services RM'000	Oiltools RM'000	Strategic investments and others RM'000	Total RM'000
<b>2023</b>							
<u>Segment revenue</u>							
- Sale of goods	651,725	66,367	-	-	-	419	718,511
- Construction and road maintenance	-	791	116,850	-	-	-	117,641
- Rendering of services	-	-	2,212	18,725	236,560	6,405	263,902
- Sale of completed properties	-	-	-	32,469	-	-	32,469
- Sale of properties under construction	-	-	-	4,020	-	-	4,020
	<b>651,725</b>	<b>67,158</b>	<b>119,062</b>	<b>55,214</b>	<b>236,560</b>	<b>6,824</b>	<b>1,136,543</b>
<u>Geographical revenue</u>							
- Malaysia	651,725	67,158	119,062	55,214	5,919	6,824	905,902
- Outside Malaysia	-	-	-	-	230,641	-	230,641
	<b>651,725</b>	<b>67,158</b>	<b>119,062</b>	<b>55,214</b>	<b>236,560</b>	<b>6,824</b>	<b>1,136,543</b>
<u>Timing of revenue recognition:</u>							
- At a point in time	651,725	66,367	2,270	33,427	81,166	419	835,374
- Over time	-	791	116,792	21,787	155,394	6,405	301,169
	<b>651,725</b>	<b>67,158</b>	<b>119,062</b>	<b>55,214</b>	<b>236,560</b>	<b>6,824</b>	<b>1,136,543</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**4. REVENUE (CONT'D.)****(a) Disaggregation of revenue from contracts with customers: (cont'd.)**

Group (cont'd.)	Cement RM'000	Trading RM'000	Road maintenance RM'000	Property development and related services RM'000	Oiltools RM'000	Strategic investments and others RM'000	Total RM'000
<b>2022</b>							
<u>Segment revenue</u>							
- Sale of goods	579,727	82,060	-	-	25,570	-	687,357
- Construction and road maintenance	1,311	813	134,616	65	-	-	136,805
- Rendering of services	-	-	-	17,330	47,433	8,115	72,878
- Sale of land	-	-	-	25,802	-	-	25,802
- Sale of completed properties	-	-	-	28,062	-	-	28,062
- Sale of properties under construction	-	-	-	26,790	-	-	26,790
	<b>581,038</b>	<b>82,873</b>	<b>134,616</b>	<b>98,049</b>	<b>73,003</b>	<b>8,115</b>	<b>977,694</b>
<u>Geographical revenue</u>							
- Malaysia	581,038	82,873	134,616	98,049	1,740	8,115	906,431
- Outside Malaysia	-	-	-	-	71,263	-	71,263
	<b>581,038</b>	<b>82,873</b>	<b>134,616</b>	<b>98,049</b>	<b>73,003</b>	<b>8,115</b>	<b>977,694</b>
<u>Timing of revenue recognition:</u>							
- At a point in time	579,727	82,060	16,906	58,323	25,570	-	762,586
- Over time	1,311	813	117,710	39,726	47,433	8,115	215,108
	<b>581,038</b>	<b>82,873</b>	<b>134,616</b>	<b>98,049</b>	<b>73,003</b>	<b>8,115</b>	<b>977,694</b>

Information regarding receivables and contract balances are disclosed in Note 24 and 26, respectively.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**4. REVENUE (CONT'D.)****(b) Transaction prices allocated to the remaining performance obligations:**

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied as at the reporting date.

Group	Cement RM'000	Road maintenance RM'000	Total RM'000
<b>2023</b>			
<b>Within one year</b>			
Construction and road maintenance	201	107,203	107,404
	201	107,203	107,404
<b>Over one year</b>			
Construction and road maintenance	–	543,196	543,196
	–	543,196	543,196
	201	650,399	650,600

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**4. REVENUE (CONT'D.)****(b) Transaction prices allocated to the remaining performance obligations: (cont'd.)**

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied as at the reporting date (cont'd.).

Group (cont'd.)	Cement RM'000	Road maintenance RM'000	Property development RM'000	Strategic investments RM'000	Total RM'000
<b>2022</b>					
<b>Within one year</b>					
Construction and road maintenance	201	83,340	3,400	529	87,470
Rendering of services	–	–	4,267	–	4,267
Sale of properties under construction	–	–	4,020	–	4,020
	201	83,340	11,687	529	95,757
<b>Over one year</b>					
Construction and road maintenance	–	644,440	–	–	644,440
Rendering of services	–	–	1,902	–	1,902
	–	644,440	1,902	–	646,342
	201	727,780	13,589	529	742,099

All consideration from contracts with customers is included in the amounts presented above.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**4. REVENUE (CONT'D.)****(c) Significant terms of sale are as follows:**

Sale of goods – Credit period of 30 to 90 (2022: 30 to 90) days from invoicing date.

Construction contracts – Credit period of 30 to 90 (2022: 30 to 90) days from invoicing date. Subject to defect liability period of at least 2 years from handover.

Road maintenance – Credit period of 60 (2022: 60) days from invoicing date.

Rendering of services – Credit period of 30 to 90 (2022: 30 to 90) days from invoicing date.

Rental income – Credit period of 30 to 90 (2022: 30 to 90) days from invoicing date.

Sale of completed properties – Credit period of 30 to 90 (2022: 30 to 90) days from invoicing date. Subject to defect liability period of at least 3 to 18 months from vacant possession date.

Sale of properties under construction – Credit period of 30 to 90 (2022: 30 to 90) days from invoicing date. Subject to defect liability period of at least 18 months from vacant possession date.

Sale of land – Based on terms stipulated in sale and purchase agreements. Subject to fulfilment of condition precedents.

**5. INTEREST INCOME**

	Group	
	2023 RM'000	2022 RM'000
Interest income for financial assets:		
- Trade receivables	377	388
- Shareholder's loan to an associate	–	2,014
- Short term deposits	9,957	1,482
- Lease receivables (Note 24(b)(vii))	151	151
	<b>10,485</b>	4,035

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**6. OTHER INCOME**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fair value changes in investment securities	10,805	–	–	–
Gain on a bargain purchase (Note 18)	–	71,066	–	–
Gain on disposal of investment in an associate (Note 19(a))	–	89,079	–	–
Gain on disposal of investment in a subsidiary	–	4,340	–	–
Gain on disposal of property, plant and equipment	1,619	586	–	184
Gain from capital redemption of joint ventures	10	–	–	–
Gain on termination of lease contracts	–	60	–	–
Insurance settlement	6	1,996	1	–
Net foreign exchange gain:				
- Realised	8,470	3,222	2	–
- Unrealised	13,967	–	–	–
Rental income from properties held for sale (Note 22)	4,712	5,565	–	–
Reversal of impairment loss on:				
- Amount due from an associate (Note 19(c))	–	28,504	–	–
- Amount due from subsidiaries	–	–	–	26,963
- Investment in an associate	–	9,128	–	–
- Investment in a subsidiary	–	–	–	10,000
- Trade receivables (Note 24(a)(ii))	986	–	–	–
- Other receivables (Note 24(b)(v))	3	–	–	–
Management fee income	2,400	1,943	2,400	1,943
Wage subsidies - government grant	–	344	–	–
Write-back of provisions (Note 32(b)(ii))	1,120	–	–	–

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**7. FINANCE COSTS**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense for financial liabilities:				
- Amounts due to joint ventures under central cash management account	7,408	5,275	7,408	5,275
- Amounts due to subsidiaries under central cash management account	–	–	9,761	8,421
- Amount due to corporate shareholders of subsidiaries	388	463	–	–
- Islamic medium-term notes	–	8,153	–	8,154
- Bank borrowings and bank overdrafts	29,360	22,484	257	882
- Lease liabilities (Note 31)	4,236	2,599	312	95
	<b>41,392</b>	<b>38,974</b>	<b>17,738</b>	<b>22,827</b>
Interest capitalised in property, plant and equipment (Note 13(e))	–	(12,397)	–	–
	<b>41,392</b>	<b>26,577</b>	<b>17,738</b>	<b>22,827</b>
Other finance costs:				
- Trade facility charges	286	303	–	–
- Facility fee and commitment fee	927	408	–	408
	<b>1,213</b>	<b>711</b>	<b>–</b>	<b>408</b>
	<b>42,605</b>	<b>27,288</b>	<b>17,738</b>	<b>23,235</b>
Recognised in profit or loss as:				
- Cost of sales	7,408	5,275	17,169	13,696
- Finance costs	35,197	22,013	569	9,539
	<b>42,605</b>	<b>27,288</b>	<b>17,738</b>	<b>23,235</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**8. PROFIT BEFORE TAX**

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amortisation of intangible assets (Note 16)	100	81	50	33
Auditors' remunerations paid to Ernst & Young PLT:				
- Statutory audit	1,001	928	329	329
- Other services	85	572	56	121
Auditors' remunerations paid to other firms	759	299	–	–
Employee benefits expense (Note 9)	263,044	159,472	21,423	18,350
Depreciation of property, plant and equipment (Note 13)	89,279	67,853	1,909	1,378
Depreciation of investment properties (Note 15)	129	121	–	–
Fair value loss on derivative financial asset (Note 28)	–	3,389	–	3,389
Impairment loss on:				
- Amount due from subsidiaries	–	–	13,064	1,547
- Intangible assets (Note 16)	1,368	–	–	–
- Investment in a subsidiary (Note 18)	–	–	8,251	–
- Trade and other receivables (Note 24(a))	3,594	4,924	–	–
Intangible assets written off (Note 16)	78	–	–	–
Inventories written down (Note 22)	56,212	624	–	–
Loss on disposal of investment securities	–	451	–	451
Loss on termination of lease contracts	451	–	–	–
Net foreign exchange loss:				
- Unrealised	–	16,834	12	–
Expense relating to short-term leases (Note 31)	4,441	1,785	–	–
Expense relating to leases of low-value assets (Note 31)	492	208	10	9
Net fair value loss in investment securities	–	939	–	939
Property, plant and equipment written off	60	375	–	–

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**9. EMPLOYEE BENEFITS EXPENSE**

	Group		Company	
	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000
Salaries, allowances and others	239,067	144,091	18,107	16,998
Contributions to a defined contribution plan	15,432	11,599	2,297	1,255
Contributions to social security plans	3,111	1,424	49	47
Share-based payment	5,254	4,025	970	50
Termination benefits	191	85	–	–
	<b>263,055</b>	161,224	<b>21,423</b>	18,350
Less: Amount capitalised in property, plant and equipment (Note 13(f))	–	(1,752)	–	–
	<b>263,055</b>	159,472	<b>21,423</b>	18,350

Included in employee benefits expense of the Group and of the Company are directors' remuneration of RM9,293,000 (2022: RM6,800,000) and RM8,948,000 (2022: RM6,613,000) respectively, as further disclosed in Note 10.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**10. DIRECTORS' REMUNERATION**

The remuneration received and receivable by directors of the Group and of the Company is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company:				
Executive:				
Salaries and other emoluments	5,109	3,200	5,109	3,200
Defined contribution and social security plans	831	434	831	434
Share-based payment	381	–	381	–
Total short-term employee benefits	<b>6,321</b>	3,634	<b>6,321</b>	3,634
Benefits-in-kind	31	31	31	31
	<b>6,352</b>	3,665	<b>6,352</b>	3,665
Non-executive:				
Fees	1,015	1,050	855	950
Other emoluments	1,868	1,943	1,683	1,856
Defined contribution and social security plans	–	84	–	84
	<b>2,883</b>	3,077	<b>2,538</b>	2,890
Benefits-in-kind	58	58	58	58
	<b>2,941</b>	3,135	<b>2,596</b>	2,948
	<b>9,293</b>	6,800	<b>8,948</b>	6,613

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**10. DIRECTORS' REMUNERATION (CONT'D.)**

The details of remuneration received and receivable by the directors of Group and the Company are set out below:

Group	Fees RM'000	Other emoluments RM'000	Total RM'000
<b>2023</b>			
<b>Executive:</b>			
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	–	6,352	6,352
<b>Non-executive:</b>			
General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	150	672	822
Dato Sri Mahmud Abu Bekir Taib	165	658	823
Tan Sri Datuk Amar (Dr.) Haji Abdul Aziz bin Dato Haji Husain	40	6	46
Dato' Maznah binti Abdul Jalil	141	142	283
Umang Nangku Jabu	161	117	278
Dr. Khor Jaw Huei	181	185	366
Jeyabalan A/L S.K. Parasingam	142	140	282
Gee Siew Yong	35	6	41
	<b>1,015</b>	<b>1,926</b>	<b>2,941</b>
	<b>1,015</b>	<b>8,278</b>	<b>9,293</b>
<b>2022</b>			
<b>Executive:</b>			
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	–	3,665	3,665
<b>Non-executive:</b>			
General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	150	713	863
Dato Sri Mahmud Abu Bekir Taib	150	701	851
Tan Sri Datuk Amar (Dr.) Haji Abdul Aziz bin Dato Haji Husain	120	30	150
Datuk Ir. Kamarudin bin Zakaria	79	72	151
Dato' Maznah binti Abdul Jalil	120	132	252
Umang Nangku Jabu	150	137	287
Dr. Khor Jaw Huei	161	182	343
Jeyabalan A/L S.K. Parasingam	120	118	238
	<b>1,050</b>	<b>2,085</b>	<b>3,135</b>
	<b>1,050</b>	<b>5,750</b>	<b>6,800</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**10. DIRECTORS' REMUNERATION (CONT'D.)**

The details of remuneration received and receivable by the directors of the Company are set out below:

Company	Fees RM'000	Other emoluments RM'000	Total RM'000
<b>2023</b>			
<b>Executive:</b>			
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	–	6,352	6,352
<b>Non-executive:</b>			
General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	150	672	822
Dato Sri Mahmud Abu Bekir Taib	150	612	762
Tan Sri Datuk Amar (Dr.) Haji Abdul Aziz bin Dato Haji Husain	40	6	46
Dato' Maznah binti Abdul Jalil	120	126	246
Umang Nangku Jabu	120	85	205
Dr. Khor Jaw Huei	120	130	250
Jeyabalan A/L S.K. Parasingam	120	104	224
Gee Siew Yoong	35	6	41
	<b>855</b>	<b>1,741</b>	<b>2,596</b>
	<b>855</b>	<b>8,093</b>	<b>8,948</b>
<b>2022</b>			
<b>Executive:</b>			
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	–	3,665	3,665
<b>Non-executive:</b>			
General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	150	713	863
Dato Sri Mahmud Abu Bekir Taib	150	681	831
Tan Sri Datuk Amar (Dr.) Haji Abdul Aziz bin Dato Haji Husain	120	30	150
Datuk Ir. Kamarudin bin Zakaria	50	62	112
Dato' Maznah binti Abdul Jalil	120	132	252
Umang Nangku Jabu	120	115	235
Dr. Khor Jaw Huei	120	147	267
Jeyabalan A/L S.K. Parasingam	120	118	238
	<b>950</b>	<b>1,998</b>	<b>2,948</b>
	<b>950</b>	<b>5,663</b>	<b>6,613</b>

Other emoluments comprised salaries, allowances, bonuses, defined contribution plan, social security plans, gratuity and benefits-in-kind.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**11. INCOME TAX EXPENSE**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current income tax:				
- Malaysian income tax	59,422	32,222	8,600	3,602
- Foreign tax	8,694	3,199	-	-
- Withholding tax	359	-	-	-
- (Over)/under provision in respect of prior years	(5,704)	11,798	131	2,062
- Real property gains tax	-	41,118	-	-
	<b>62,771</b>	<b>88,337</b>	<b>8,731</b>	<b>5,664</b>
Deferred income tax (Note 21):				
- Origination and reversal of temporary differences	(13,711)	23,058	-	14,697
- Over provision in respect of prior years	(2,458)	(3,324)	-	-
	<b>(16,169)</b>	<b>19,734</b>	<b>-</b>	<b>14,697</b>
Income tax expense recognised in profit or loss	<b>46,602</b>	<b>108,071</b>	<b>8,731</b>	<b>20,361</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**11. INCOME TAX EXPENSE (CONT'D.)**

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate are as follows:

	Group	
	2023 RM'000	2022 RM'000
Accounting profit before tax	128,241	397,997
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	30,778	95,519
Adjustments:		
Share of results of associates	(14,648)	(33,387)
Share of results of joint ventures	(6,105)	(7,563)
Non-deductible expenses	48,587	46,460
Income not subject to tax	(10,954)	(41,799)
Real property gain tax	-	41,118
Effect of different tax rates in other countries	(4,399)	(411)
Reversal of previously recognised deferred tax assets on unutilised tax losses	1,813	-
Utilisation of previously unrecognised capital allowance, unrecognised tax losses and other temporary differences	(376)	(2,240)
Deferred tax assets not recognised	9,709	1,900
Withholding tax expense	359	-
(Over)/under provision of income tax in respect of prior years	(5,704)	11,798
Over provision of deferred tax in respect of prior years	(2,458)	(3,324)
Income tax expense recognised in profit or loss	<b>46,602</b>	<b>108,071</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**11. INCOME TAX EXPENSE (CONT'D.)**

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate are as follows: (cont'd.)

	Company	
	2023 RM'000	2022 RM'000
Accounting profit before tax	199,505	123,960
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	47,881	29,751
Adjustments:		
Non-deductible expenses	18,106	19,198
Income not subject to tax	(57,387)	(30,650)
Under provision of income tax in respect of previous years	131	2,062
Income tax expense recognised in profit or loss	8,731	20,361

Income tax is calculated at the Malaysian statutory rate of 24% (2022: 24%) of the estimated assessable profit for the year.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**12. EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

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

	Group	
	2023	2022
Profit net of tax attributable to owners of the Company (RM'000)	114,443	287,134
Weighted average number of ordinary shares in issue ('000) (Note 34)	1,074,376	1,074,376
Assumed shares issued from the exercise of ESOS ('000)	(200)	(200)
Adjusted weighted average number of ordinary shares for calculating earnings per ordinary share ('000)	1,074,176	1,074,176
Basic earnings per share (sen) for:	10.65	26.73
Diluted earnings per share (sen) for:	10.65	26.73

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year. At 31 December 2023 and 31 December 2022, ESOS were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**13. PROPERTY, PLANT AND EQUIPMENT**

Group	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and others RM'000	Construction in progress RM'000	Total RM'000
<b>Cost:</b>						
<b>At 1 January 2022</b>	167,071	404,667	893,325	101,959	697,554	2,264,576
Additions	13,536	6,722	25,623	8,216	51,035	105,132
Acquisition of subsidiaries (Note 18(a))	–	13,116	7,298	32,394	–	52,808
Disposals	–	–	(408)	(4,098)	–	(4,506)
Termination of lease contracts	–	(5,702)	–	–	–	(5,702)
Transfer	–	25,631	15,656	–	(258)	41,029
Written off	–	(9)	(570)	(77)	–	(656)
Reclassification	–	5,021	10,087	39	(40,777)	(25,630)
Exchange differences	–	(39)	(147)	(399)	–	(585)
<b>At 31 December 2022</b>	180,607	449,407	950,864	138,034	707,554	2,426,466
<b>At 1 January 2023</b>	180,607	449,407	950,864	138,034	707,554	2,426,466
Additions	–	17,672	29,455	23,108	7,218	77,453
Disposals	–	–	(843)	(4,347)	–	(5,190)
Termination of lease contracts	(262)	(5,522)	–	(151)	–	(5,935)
Written off	(34)	(375)	(18,042)	(92)	–	(18,543)
Reclassification	–	637	–	–	(637)	–
Exchange differences	2,355	1,433	427	1,413	32,624	38,252
<b>At 31 December 2023</b>	182,666	463,252	961,861	157,965	746,759	2,512,503

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**13. PROPERTY, PLANT AND EQUIPMENT**

Group	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and others RM'000	Construction in progress RM'000	Total RM'000
<b>Accumulated depreciation:</b>						
<b>At 1 January 2022</b>	25,318	175,486	637,580	72,588	–	910,972
Depreciation charge for the year (Note 8)	4,012	15,339	37,643	10,859	–	67,853
Disposals	–	–	–	(2,423)	–	(2,423)
Termination of lease contracts	–	(299)	–	–	–	(299)
Written off	–	(5)	(222)	(52)	–	(279)
Exchange differences	–	(23)	(8)	(23)	–	(54)
<b>At 31 December 2022</b>	29,330	190,498	674,993	80,949	–	975,770
<b>At 1 January 2023</b>	29,330	190,498	674,993	80,949	–	975,770
Depreciation charge for the year (Note 8)	3,635	19,757	47,608	18,279	–	89,279
Disposals	–	–	(560)	(3,890)	–	(4,450)
Termination of lease contracts	(262)	(2,909)	–	–	–	(3,171)
Written off	(34)	(375)	(18,042)	(32)	–	(18,483)
Exchange differences	193	59	42	174	–	468
<b>At 31 December 2023</b>	32,862	207,030	704,041	95,480	–	1,039,413
<b>Accumulated impairment:</b>						
<b>At 1 January 2022, 31 December 2022 and 31 December 2023</b>	–	11,212	31	17	–	11,260
<b>Net carrying amount:</b>						
31 December 2022	151,277	247,697	275,840	57,068	707,554	1,439,436
<b>31 December 2023</b>	149,804	245,010	257,789	62,468	746,759	1,461,830

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)**

Company	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Equipment and others RM'000	Total RM'000
<b>Cost:</b>					
At 1 January 2022	340	3,116	6,344	3,262	13,062
Additions	–	–	2,146	136	2,282
Disposals	–	–	(284)	–	(284)
<b>At 31 December 2022 and 1 January 2023</b>	<b>340</b>	<b>3,116</b>	<b>8,206</b>	<b>3,398</b>	<b>15,060</b>
Additions	–	7,761	–	73	7,834
<b>At 31 December 2023</b>	<b>340</b>	<b>10,877</b>	<b>8,206</b>	<b>3,471</b>	<b>22,894</b>
<b>Accumulated depreciation:</b>					
At 1 January 2022	27	1,380	3,415	3,022	7,844
Depreciation charge for the year (Note 8)	9	648	600	121	1,378
Disposals	–	–	(176)	–	(176)
<b>At 31 December 2022 and 1 January 2023</b>	<b>36</b>	<b>2,028</b>	<b>3,839</b>	<b>3,143</b>	<b>9,046</b>
Depreciation charge for the year (Note 8)	9	1,029	737	134	1,909
<b>At 31 December 2023</b>	<b>45</b>	<b>3,057</b>	<b>4,576</b>	<b>3,277</b>	<b>10,955</b>
<b>Net carrying amount:</b>					
At 31 December 2022	304	1,088	4,367	255	6,014
<b>At 31 December 2023</b>	<b>295</b>	<b>7,820</b>	<b>3,630</b>	<b>194</b>	<b>11,939</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)****(a) Right-of-use assets**

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

Group	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Equipment and others RM'000	Total RM'000
<b>At 1 January 2022</b>	141,753	17,517	1,387	–	160,657
Additions	13,536	993	16,645	2,146	33,320
Acquisition of subsidiaries	–	13,031	–	4,962	17,993
Depreciation charge for the year (Note 31)	(4,012)	(4,233)	(5,550)	(1,134)	(14,929)
Termination of lease contracts	–	(5,402)	–	–	(5,402)
Exchange adjustments	–	(15)	–	(53)	(68)
<b>At 31 December 2022 and 1 January 2023</b>	<b>151,277</b>	<b>21,891</b>	<b>12,482</b>	<b>5,921</b>	<b>191,571</b>
Additions	–	13,575	22,799	3,363	39,737
Depreciation charge for the year (Note 31)	(3,635)	(7,890)	(15,681)	(3,260)	(30,466)
Termination of lease contracts	–	(1,844)	–	(151)	(1,995)
Modification of lease	–	(770)	–	–	(770)
Exchange adjustment	2,161	208	–	155	2,524
<b>At 31 December 2023</b>	<b>149,803</b>	<b>25,170</b>	<b>19,600</b>	<b>6,028</b>	<b>200,601</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)****(a) Right-of-use assets (cont'd.)**

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows: (cont'd.)

Company	Land RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2022	313	1,736	–	2,049
Addition	–	–	2,146	2,146
Depreciation charge for the year	(9)	(648)	(184)	(841)
<b>At 31 December 2022 and 1 January 2023</b>	<b>304</b>	<b>1,088</b>	<b>1,962</b>	<b>3,354</b>
Addition	–	7,761	–	7,761
Depreciation charge for the year	(9)	(1,029)	(429)	(1,467)
<b>At 31 December 2023</b>	<b>295</b>	<b>7,820</b>	<b>1,533</b>	<b>9,648</b>

The Group and the Company have lease contracts for various items of land, buildings, plant and machinery, motor vehicles, equipment and others used in their operations.

**(b) Fully depreciated property, plant and equipment**

The gross carrying amounts of fully depreciated property, plant and equipment that are still in use at the reporting date were RM457,705,000 (2022: RM446,506,000) and RM6,174,000 (2022: RM2,811,000) for the Group and the Company, respectively.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)****(c) Reconciliation to the statements of cash flows**

Reconciliation to the cash flows for purchase of property, plant and equipment is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Additions for the financial year	77,453	105,132	7,834	2,282
Less: Interest expense capitalised in assets under construction (Note 13(e))	–	(12,397)	–	–
Less: Depreciation expense capitalised in assets under construction	–	(1,080)	–	–
Less: Leasing arrangements	(39,737)	(23,927)	(7,761)	(2,146)
Total cash payments during the financial year	<b>37,716</b>	67,728	<b>73</b>	136

**(d) Assets charged**

Property, plant and equipment with a carrying amount of RM837,361,000 (2022: RM767,073,000) are subject to a fixed charge to secure the bank loan of a subsidiary as disclosed in Note 30(d).

**(e) Capitalised borrowing costs**

During the previous financial year, interest expense capitalised in construction in progress was RM12,397,000 as disclosed in Note 7. The capitalisation rate to determine the amount of borrowing costs to be capitalised was 5.65%.

**(f) Capitalised employee benefits**

During the previous financial year, employee benefits capitalised in construction in progress was RM1,752,000 as disclosed in Note 9.

**(g) Impairment assessment**

During the current financial year, the Group has carried out an impairment assessment on the property, plant and equipment in relation to the Integrated Phosphate Complex Project (Phase 1), with a carrying amount of RM837,361,000, which is in the process of commissioning. There were indications that the carrying amount of this asset may be impaired as a result of the matter as disclosed in Note 38(b).

Management has determined the recoverable amount of this asset based on value-in-use ("VIU"). The aforementioned impairment review does not give rise to impairment losses of property, plant and equipment as the recoverable amount of the CGU is in excess of its carrying amount.

The fundamental assumption in deriving the VIU for the Integrated Phosphate Complex Project (Phase 1) is that the Arbitration proceedings against SESCO will be concluded in the favour of the Group, resulting in reinstatement of electricity supply under the terms of the existing power purchase agreement and that full commercial operations can commence on 1 January 2025.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)****(g) Impairment assessment (cont'd.)**

The other key assumptions adopted in estimating the VIU are as follows:

**Key assumptions**

Number of projection years	21 years
Pre-tax discount rate	11.5%
Average price range of raw materials – rock phosphate	USD 145/MT

Sales of Yellow Phosphorus	
- Annual sales volume – Year 2	32,760 MT
- Annual sales volume – Year 3 - 21	33,600 MT
- Average selling price	USD 4,100/MT

Sales of Food grade acid	
- Annual sales volume – Year 2	45,445 MT
- Annual sales volume – Year 3	54,134 MT
- Annual sales volume – Year 4 – 21	50,420 MT
- Average selling price	USD 1,072/MT

No impairment loss was required for property, plant and equipment as at 31 December 2023 as the recoverable amount of the CGU exceeded its carrying amount.

The table below provides the sensitivity analysis to the changes of key assumptions:

Sensitivity analysis	Sensitivity – impairment would arise if
Commencement date of commercial operations delayed by 6 months, resulting in delay in the sales and production of finished goods.	There would be an impairment of RM46,606,000. However, the effect of this will be reduced by compensation claims if Cahya Mata Phosphates Industries is successful in its counterclaim against SESCO.
If the average price range of rock phosphate increased by approximately 1% and all other variables held constant.	There would be an impairment of RM7,790,000.
If the average selling price for finished goods (Yellow Phosphorus and Food Grade Acid) decreased by approximately 1%, all other variables held constant.	There would be an impairment of RM47,728,000.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS****(a) Land held for property development**

Group	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
<b>Cost:</b>			
At 1 January 2022	165,633	29,110	194,743
Additions	–	226	226
<b>At 31 December 2022 and 1 January 2023</b>	<b>165,633</b>	<b>29,336</b>	<b>194,969</b>
Additions	4,894	281	5,175
Transferred from property development costs (Note 14b)(ii)	63,566	42,460	106,026
<b>At 31 December 2023</b>	<b>234,093</b>	<b>72,077</b>	<b>306,170</b>

Certain long term leasehold land of the Group with a carrying amount of RM22,092,000 (2022: RM22,092,000) are pledged to secure revolving credit facilities granted to the subsidiaries (Note 30(b)).

The Group has entered into temporary lease arrangements on certain pieces of leasehold land. Rental income recognised during the year amounted to RM258,000 (2022: RM252,000).

Future minimum rental receivable under non-cancellable operating lease as at 31 December were as follows:

	Group	
	2023 RM'000	2022 RM'000
Within one year	276	258

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D.)****(b) Property development costs**

<b>Group</b>	<b>Leasehold land RM'000</b>	<b>Development expenditure RM'000</b>	<b>Total RM'000</b>
<b>Cumulative property development costs:</b>			
At 1 January 2022	75,893	383,705	459,598
Costs incurred during the year	–	19,521	19,521
Unsold units transferred to inventories	(96)	(13,961)	(14,057)
<b>At 31 December 2022 and 1 January 2023</b>	<b>75,797</b>	<b>389,265</b>	<b>465,062</b>
Costs incurred during the year	38	6,260	6,298
Project written off	–	(41)	(41)
Reversal of completed phases	(11,784)	(249,905)	(261,689)
Transferred to land held for property development (Note 14(b)(ii))	(63,566)	(42,460)	(106,026)
<b>At 31 December 2023</b>	<b>485</b>	<b>103,119</b>	<b>103,604</b>
<b>Cumulative costs recognised in profit or loss:</b>			
At 1 January 2022	(2,148)	(333,374)	(335,522)
Recognised during the year	(9,698)	(12,378)	(22,076)
<b>At 31 December 2022 and 1 January 2023</b>	<b>(11,846)</b>	<b>(345,752)</b>	<b>(357,598)</b>
Recognised during the year	(3)	(2,843)	(2,846)
Reversal of completed phases	11,784	249,905	261,689
<b>At 31 December 2023</b>	<b>(65)</b>	<b>(98,690)</b>	<b>(98,755)</b>
<b>Property development costs:</b>			
At 31 December 2022	63,951	43,513	107,464
<b>At 31 December 2023</b>	<b>420</b>	<b>4,429</b>	<b>4,849</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**14. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D.)****(b) Property development costs (cont'd.)****(i) Operating lease arrangements**

The Group has entered into short-term operating lease agreements on certain pieces of leasehold land. Incidental rental income recognised on leasehold land during the year was RM84,000 (2022: RM136,000).

Future minimum rental receivable under non-cancellable operating lease at the reporting date were as follows:

	<b>Group</b>	
	<b>2023 RM'000</b>	<b>2022 RM'000</b>
Within one year	–	66

**(ii) Transfer to land held for development**

During the financial year, property development costs of the Group of RM106,026,000 (which consists of leasehold land of RM63,566,000 and development expenditure of RM42,460,000) have been transferred to land held for property development as there is currently no active development activities been carried out and development activities are now not expected to be completed within the normal operating cycle.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**15. INVESTMENT PROPERTIES**

Group	Leasehold land RM'000	Buildings RM'000	Total RM'000
<b>Cost:</b>			
At 1 January 2022	3,177	2,918	6,095
Additions	–	533	533
<b>At 31 December 2022/1 January 2023/31 December 2023</b>	<b>3,177</b>	<b>3,451</b>	<b>6,628</b>
<b>Accumulated depreciation:</b>			
At 1 January 2022	423	868	1,291
Depreciation charge for the year (Note 8)	39	82	121
<b>At 31 December 2022 and 1 January 2023</b>	<b>462</b>	<b>950</b>	<b>1,412</b>
Depreciation charge for the year (Note 8)	39	90	129
<b>At 31 December 2023</b>	<b>501</b>	<b>1,040</b>	<b>1,541</b>
<b>Net carrying amount:</b>			
At 31 December 2022	2,715	2,501	5,216
<b>At 31 December 2023</b>	<b>2,676</b>	<b>2,411</b>	<b>5,087</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**15. INVESTMENT PROPERTIES (CONT'D.)**

The following are recognised in profit or loss in respect of investment properties:

	Group 2023 RM'000	2022 RM'000
Rental income	(224)	(180)
Direct operating expenses:		
- income generating investment properties	223	62
- non-income generating investment properties	151	133

The estimated fair values for the investment properties are RM28,885,000 (2022: RM27,538,000) and they are derived from directors' valuations based on transacted dealings of comparable properties in nearby locations.

The fair value of these properties is categorised under Level 3 of the fair value hierarchy.

The Group has no restriction on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**16. INTANGIBLE ASSETS**

<b>Group</b>	<b>Computer software RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Cost:</b>			
<b>At 1 January 2022</b>	10,564	1,268	11,832
Additions	4,973	54	5,027
Acquisition of subsidiaries (Note 18)	–	1,368	1,368
<b>At 31 December 2022 and 1 January 2023</b>	<b>15,537</b>	<b>2,690</b>	<b>18,227</b>
Additions	7,136	36	7,172
Written off	–	(78)	(78)
<b>At 31 December 2023</b>	<b>22,673</b>	<b>2,648</b>	<b>25,321</b>
<b>At 1 January 2022</b>	10,460	785	11,245
Amortisation charge for the year (Note 8)	42	39	81
<b>At 31 December 2022 and 1 January 2023</b>	<b>10,502</b>	<b>824</b>	<b>11,326</b>
Amortisation charge for the year (Note 8)	43	57	100
<b>At 31 December 2023</b>	<b>10,545</b>	<b>881</b>	<b>11,426</b>
<b>At 1 January 2023</b>	–	–	–
Impairment during the year (Note 8)	–	1,368	1,368
<b>At 31 December 2023</b>	<b>–</b>	<b>1,368</b>	<b>1,368</b>
<b>Net carrying amount:</b>			
At 31 December 2022	5,035	1,866	6,901
<b>At 31 December 2023</b>	<b>12,128</b>	<b>399</b>	<b>12,527</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**16. INTANGIBLE ASSETS**

<b>Company</b>	<b>Others RM'000</b>
<b>Cost:</b>	
<b>At 1 January 2022</b>	342
Additions	54
<b>At 31 December 2022 and 1 January 2023</b>	<b>396</b>
Additions	36
<b>At 31 December 2023</b>	<b>432</b>
<b>Accumulated amortisation:</b>	
<b>At 1 January 2022</b>	6
Amortisation charge for the year (Note 8)	33
<b>At 31 December 2022 and 1 January 2023</b>	<b>39</b>
Amortisation charge for the year (Note 8)	50
<b>At 31 December 2023</b>	<b>89</b>
<b>Net carrying amount:</b>	
At 31 December 2022	357
<b>At 31 December 2023</b>	<b>343</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**17. GOODWILL**

The carrying amounts of goodwill arising from business combinations are allocated to the following Group's CGU:

	Group	
	2023 RM'000	2022 RM'000
Manufacturing of cement and clinker	61,709	61,709
Recycling plastic into thermasite materials and dealing in goods and articles related to the recycling industry	6,776	6,776
	68,485	68,485

The recoverable amounts of the CGU are determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a three-year period. The key assumptions used for value-in-use calculations are:

	Gross margin		Discount rates	
	2023	2022	2023	2022
Manufacturing of cement and clinker	21%	21%	13%	13%
Recycling plastic into thermasite materials and dealing in goods and articles related to the recycling industry	26%	26%	9%	9%

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**17. GOODWILL (CONT'D.)****(a) Budgeted gross margin**

The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the year immediately before the budgeted year and increased for expected efficiency improvements.

**(b) Discount rates**

The discount rates used are pre-tax and reflect specific risks relating to the segment.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGUs to exceed their recoverable amounts.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES**

	Company	
	2023 RM'000	2022 RM'000
At cost		
Unquoted ordinary shares, at cost	1,207,350	1,184,190
Redeemable preference shares, at cost	52,690	43,690
	<b>1,260,040</b>	<b>1,227,880</b>
Accumulated impairment losses		
At 1 January	(54,546)	(64,546)
Impairment losses (Note 8)	(8,251)	–
Reversal of impairment losses (Note 6)	–	10,000
At 31 December	<b>(62,797)</b>	<b>(54,546)</b>
	<b>1,197,243</b>	<b>1,173,334</b>

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<b>Direct subsidiaries of the Company</b>				
Cahya Mata Alam Sdn. Bhd. <sup>(i)</sup>	Malaysia	Recycling plastic into thermasite materials and dealing in goods and articles related to the recycling industry	<b>70.0</b>	70.0
Cahya Mata Capital Sdn. Bhd.	Malaysia	Investment holding	<b>100.0</b>	95.2

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<b>Direct subsidiaries of the Company (cont'd.)</b>				
Cahya Mata Cement Properties Sdn. Bhd.	Malaysia	Investment and property holding	<b>100.0</b>	100.0
Cahya Mata Development Sdn. Bhd.	Malaysia	Property holding, property development and project management	<b>100.0</b>	100.0
Cahya Mata Education Sdn. Bhd.	Malaysia	Investment holding	<b>100.0</b>	100.0
Cahya Mata Intelligent Technologies Sdn. Bhd.	Malaysia	Provision of software and IT support related services	<b>100.0</b>	100.0
Cahya Mata IP Sdn. Bhd.	Malaysia	Dormant	<b>100.0</b>	100.0
Cahya Mata Oiltools Sdn. Bhd.	Malaysia	Management services and rental of property and equipment	<b>75.0</b>	75.0
Cahya Mata Professionals Sdn. Bhd.	Malaysia	Provision of management services and rental of investment properties	<b>100.0</b>	100.0
Cahya Mata Roads Sdn. Bhd. <sup>(i)</sup>	Malaysia	Investment holding, construction and provision of technical, machinery and motor vehicle rental services	<b>100.0</b>	100.0
Cahya Mata Sabah Sdn. Bhd. <sup>(i)</sup>	Malaysia	Dormant	<b>100.0</b>	100.0

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<b>Direct subsidiaries of the Company (cont'd.)</b>				
Cahya Mata Trading International Pte. Ltd <sup>(ii)</sup>	Singapore	Dormant	100.0	–
Cahya Mata Wires Sdn. Bhd.	Malaysia	Manufacture and sale of wire mesh and related products	69.1	69.1
CMS Infra Trading Sdn. Bhd.	Malaysia	General trading and construction of telecommunication towers, products and services	51.0	51.0
Samalaju Industries Sdn. Bhd.	Malaysia	Investment holding and provision of supervisory services	100.0	100.0
Taibah Properties Sdn. Bhd.	Malaysia	Property development and construction works	100.0	100.0
<b>Subsidiary of Cahya Mata Alam Sdn. Bhd.</b>				
Thermasite Technology Sdn. Bhd.	Malaysia	Research and development activities in new composite materials, innovate and introduce new products and services	100.0	100.0
Thermasite IP Pty. Ltd.	Australia	Dormant	100.0	–

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<b>Subsidiaries of Cahya Mata Cement Properties Sdn. Bhd.</b>				
Cahya Mata Cement Sdn. Bhd.	Malaysia	Manufacture and sale of cement and clinker	100.0	100.0
CMS Concrete Products Sdn. Bhd.	Malaysia	Manufacture and sale of concrete products & industrial building systems products and construction activities	100.0	100.0
<b>Subsidiaries of Cahya Mata Oiltools Sdn. Bhd.</b>				
Oiltools International Sdn. Bhd. <sup>(i)</sup>	Malaysia	Management services, asset ownership, property owner, rental of property and equipment	100.0	100.0
Cahya Mata Oiltools Services Sdn. Bhd. (formerly known as Scomi KMC Sdn. Bhd.)	Malaysia	Provision of oilfield equipment, supplies and services	52.0	52.0
Cahya Mata Oiltools (Bermuda) Limited (formerly known as Scomi Oilfield Limited) <sup>(i)</sup>	Bermuda	Investment holdings	100.0	100.0

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<b>Subsidiaries of Cahya Mata Development Sdn. Bhd.</b>				
Cahya Mata Hotels Sdn. Bhd.	Malaysia	Property holding	100.0	100.0
CMS Land Sdn. Bhd.	Malaysia	Property holding, property development and construction	51.0	51.0
CMS Property Management Sdn. Bhd.	Malaysia	Property management and consultancy	51.0	51.0
Rivervale Condominium Management Sdn. Bhd. <sup>(i)</sup>	Malaysia	Providing management services	100.0	–
<b>Subsidiary of CMS Land Sdn. Bhd.</b>				
Isthmus Raintree Malaysia Management Sdn. Bhd. <sup>(i)</sup>	Malaysia	Providing management services	100.0	–
<b>Subsidiaries of Cahya Mata Roads Sdn. Bhd.</b>				
CMS Roads Sdn. Bhd. <sup>(i)</sup>	Malaysia	Road assessment, maintenance and management	100.0	100.0
CMS Pavement Tech Sdn. Bhd. <sup>(i)</sup>	Malaysia	Road rehabilitation and maintenance	100.0	100.0

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<b>Subsidiaries of Samalaju Industries Sdn. Bhd.</b>				
Cahya Mata Phosphate Industries Sdn. Bhd. Note 18(b) <sup>(iii)</sup>	Malaysia	Construction and operation of an integrated phosphate complex for the feed and fertiliser phosphate products	79.1	59.7
Samalaju Properties Sdn. Bhd.	Malaysia	Provision and management of temporary accommodation, property and township development	51.0	51.0
<b>Subsidiary of Samalaju Properties Sdn. Bhd.</b>				
Samalaju Hotel Management Sdn. Bhd.	Malaysia	Hotel owner and operator	100.0	100.0
<b>Subsidiaries of Cahya Mata Oiltools (Bermuda) Limited (formerly known as Scomi Oilfield Limited)</b>				
Scomi Oiltools (RUS) LLC <sup>(i)</sup>	Russia	Provision of oilfield equipment, supplies and services	100.0	100.0
Scomi Oiltools (Cayman) Ltd. <sup>(i)</sup>	Cayman Island	Provision of oilfield equipment, supplies and services	100.0	100.0

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<b>Subsidiaries of Cahya Mata Oiltools (Bermuda) Limited (formerly known as Scomi Oilfield Limited) (cont'd.)</b>				
Scomi Oiltools Oman LLC <sup>(i)</sup>	Oman	Supply of goods and specialised services principally to the oil and gas industry	<b>51.0</b>	51.0
WASCO Oil Services Company Nigeria Limited <sup>(i)</sup>	Nigeria	Provision of oilfield equipment, supplies and services	<b>60.0</b>	60.0
KMC Oiltools India Pvt. Ltd. <sup>(i)</sup>	India	Provision of oilfield equipment, supplies and services	<b>100.0</b>	100.0
PT Scomi Oiltools <sup>(i)</sup>	Indonesia	Provision of oilfield equipment, supplies and services	<b>95.0</b>	95.0
Scomi Oiltools (Africa) Limited <sup>(i)</sup>	Congo	Investment holding and provision of oilfield equipment, supplies and services	<b>100.0</b>	100.0
Scomi Oiltools (S) Pte. Ltd. <sup>(i)</sup>	Singapore	Investment holding	<b>100.0</b>	100.0

<sup>(i)</sup> Audited by firms other than Ernst & Young PLT.<sup>(ii)</sup> Newly incorporated on 26 September 2023.<sup>(iii)</sup> The effective shareholding of the Group is 80.2% (2022: 60.7%)**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)****(a) Acquisition of subsidiaries**

- (i) On 17 March 2022, the subsidiaries of the Company, Cahya Mata Oiltools Sdn. Bhd. and Oiltools International Sdn. Bhd. entered into four conditional sale and purchase agreements (“SPA”) with Scomi Energy Services Berhad to acquire Scomi Oilfield Ltd together with certain companies and assets within the Oilfield group of companies (collectively known as the “Oilfield Group”) for a total purchase consideration of RM20,400,000.

The acquisition had been completed in September 2022.

At the acquisition date, contingent liabilities at fair value of RM6,232,000 and RM9,948,000 were resulting from a claim by a vendor and Congoles Tax Department as disclosed in Note 32(b). The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree’s identifiable net assets. Accordingly, The Group recognised a gain on bargain purchase of RM71,066,000 as the business was acquired from a distressed vendor forced to dispose the assets at lower than their fair values as disclosed above.

The net assets recognised in the 31 December 2022 financial statements were based on a provisional assessment of their fair value by the date the 2022 were approved for issue by board of director.

In September 2023, the Group completed purchase price allocation review, including the assessment of fair valuation of net assets identified as part of the acquisition. Based on management assessment, it does not require adjustments to the provisional values in the FY2022 financial statements.

From the date of acquisition, the amounts of revenue and loss for the period of Oilfield Group recognised in the financial year ended 31 December 2022 were RM89,057,000 and RM936,000 respectively. If the acquisition of business combination had taken place at the beginning of 2022, the revenue and loss for the period of the Group for the year ended 31 December 2022 would have been RM244,686,000 and RM45,246,000 respectively.

- (ii) On 26 October 2022, the Company completed the acquisition of 4,245,054 ordinary shares, representing 70% of the equity interest in Cahya Mata Alam Sdn. Bhd. for a total cash consideration of RM8,252,000 with RM2,310,000 as contingent consideration as it is payable to the vendors upon acquisition of a list of specified assets from SIRIM Berhad.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)****(a) Acquisition of subsidiaries (cont'd.)**

The total purchase consideration was summarised as below:

The fair value of the identifiable assets and liabilities of the newly acquired subsidiaries as at the date of acquisition were:

	Fair value recognised on acquisition		
	Cahya Mata Oiltools Group RM'000	Cahya Mata Alam RM'000	Total RM'000
<b>Assets</b>			
Property, plant and equipment (Note 13)	52,239	569	52,808
Intangible assets (Note 16)	–	1,368	1,368
Inventories	49,861	139	50,000
Trade and other receivables	113,890	71	113,961
Tax recoverable	7,216	–	7,216
Cash and bank balances	48,639	2	48,641
<b>Liabilities</b>			
Lease liabilities (Note 31)	(19,258)	–	(19,258)
Trade and other payables	(106,184)	(40)	(106,224)
Deferred tax liabilities (Note 21)	937	–	937
Tax payables	(26,377)	–	(26,377)
Total identifiable net assets at fair value	120,963	2,109	123,072
Non-controlling interests	(36,392)	(633)	(37,025)
(Gain on bargain purchase (Note 6))/Goodwill arising on acquisition (Note 17)	(71,066)	6,776	(64,290)
<b>Purchase consideration transferred</b>	<b>13,505</b>	<b>8,252</b>	<b>21,757</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)****(a) Acquisition of subsidiaries (cont'd.)**

The total purchase consideration was summarised as below: (cont'd.)

The fair value of the identifiable assets and liabilities of the newly acquired subsidiaries as at the date of acquisition were: (cont'd.)

	Fair value recognised on acquisition		
	Cahya Mata Oiltools Group RM'000	Cahya Mata Alam RM'000	Total RM'000
Cash paid	13,505	5,942	19,447
Contingent consideration liabilities	–	2,310	2,310
<b>Total purchase consideration</b>	<b>13,505</b>	<b>8,252</b>	<b>21,757</b>
	Cash flow on acquisition		
	Cahya Mata Oiltools Group RM'000	Cahya Mata Alam RM'000	Total RM'000
Net cash acquired with the subsidiary	48,639	2	48,641
Cash paid	(13,505)	(5,942)	(19,447)
<b>Net cash inflow/(outflow) on acquisition</b>	<b>35,134</b>	<b>(5,940)</b>	<b>29,194</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)****(b) Additional investments in subsidiaries****(i) Cahya Mata Oiltools Sdn. Bhd.**

On 1 November 2023, the Company subscribed additional 7,500,000 ordinary shares and 9,000,000 preference shares for a consideration of RM7,500,000 and RM9,000,000 respectively via capitalisation of loan. The corporate shareholder had subscribed to additional shares of 2,500,000 ordinary shares and 3,000,000 preference shares respectively for a cash consideration of RM400,000 and capitalisation of loan of RM5,100,000. There was no change in the effective interest as the non - controlling shareholder also subscribed to the new ordinary shares and preference shares proportionate to their existing interest. The additional investments in subsidiary by corporate shareholders had resulted in increase in non-controlling interest of RM4,544,000 which is recognised directly in equity.

**(ii) Cahya Mata Capital Sdn. Bhd.**

On 28 June 2023, the Company completed the acquisition of 10,038,461 ordinary shares, representing 4.81% of the equity interest in Cahya Mata Capital Sdn. Bhd. for a total cash consideration of RM15,660,000, thereby increasing the total equity in this subsidiary from 95.19% to 100.00%. This had resulted in decrease in noncontrolling interest of RM13,453,000 and profit attributable to the owner of the Company of RM1,605,000 which recognised directly in equity.

**(iii) Cahya Mata Phosphates Industries Sdn. Bhd.**

During the year, the Group subscribed for an additional 319,547,819 new ordinary shares in Cahya Mata Phosphates Industries Sdn. Bhd. for a consideration of RM319,547,819 by way of capitalising the amount due to Samalaju Industries Sdn. Bhd. of RM315,649,514 as equity in Cahya Mata Phosphates Industries Sdn. Bhd. and a cash consideration of RM3,898,305 from Cahya Mata Professionals Sdn. Bhd., thereby increasing the total equity in this subsidiary from 60.74% to 80.18%. This had resulted in increase in non-controlling interest of RM37,174,000 and loss attributable to the owner of the Company of RM40,985,000 which is recognised directly in equity.

**(c) Impairment loss on investment in subsidiary**

Management had estimated the recoverable amount of the investments at the higher of fair value less costs of disposal (“FVLCD”) or value-in-use (VIU) and recognised the impairment losses.

During the year, the Company recognised impairment losses on investment in subsidiary, Cahya Mata Alam Sdn. Bhd. of RM8,251,604 as disclosed in Note 8. The recoverable amount is based on FVLCD, determined from their net assets.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)****(d) Capital repayment from a subsidiary**

On 26 September 2022, the Company had approved the Proposed Share Capital Reduction from Cahya Mata Professional Sdn. Bhd., which entailed the reduction and cancellation of RM35,000,000 of the issued share capital of the subsidiary pursuant to Section 119(1) of the Companies Act 2016. The reduction in share capital was made by returning the excess cash to the Company.

**(e) Non-controlling interests in subsidiaries**

The Group’s subsidiaries that have material non-controlling interests are set out below. The summarised financial information presented below relate to amounts before inter-company elimination.

	Cahya Mata Phosphates Industries Sdn. Bhd.	CMS Land Sdn. Bhd.	Cahya Mata Oiltools Sdn. Bhd. Group
	RM'000	RM'000	RM'000
<b>Summarised Statements of Financial Position At 31 December 2023</b>			
Non-current assets	849,886	105,259	62,196
Current assets	189,264	47,432	193,503
<b>Total assets</b>	<b>1,039,150</b>	<b>152,691</b>	<b>255,699</b>
Current liabilities	463,660	6,708	114,679
Non-current liabilities	206,981	4,917	7,271
<b>Total liabilities</b>	<b>670,641</b>	<b>11,625</b>	<b>121,950</b>
<b>Net assets</b>	<b>368,509</b>	<b>141,066</b>	<b>133,749</b>
Equity attributable to owners of the Company	294,324	66,990	109,870
Non-controlling interests	74,185	74,076	23,879

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)****(e) Non-controlling interests in subsidiaries (cont'd.)**

The Group's subsidiaries that have material non-controlling interests are set out below. The summarised financial information presented below relate to amounts before inter-company elimination. (cont'd.)

	Cahya Mata Phosphates Industries Sdn. Bhd.	CMS Land Sdn. Bhd.	Cahya Mata Oiltools Sdn. Bhd. Group
	RM'000	RM'000	RM'000
<b>Summarised Statements of Profit or Loss and Other Comprehensive Income Year ended 31 December 2023</b>			
Revenue	–	4,296	281,268
(Loss)/profit for the year	(144,736)	2,858	19,114
Other comprehensive income	15,146	–	5,536
Total comprehensive (loss)/income	(129,590)	2,858	24,650
Total comprehensive (loss)/income attributable to owners of the Company	(98,721)	1,458	19,918
Total comprehensive (loss)/income attributable to non-controlling interests	(30,869)	1,400	4,732

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)****(e) Non-controlling interests in subsidiaries (cont'd.)**

The Group's subsidiaries that have material non-controlling interests are set out below. The summarised financial information presented below relate to amounts before inter-company elimination. (cont'd.)

	Cahya Mata Phosphates Industries Sdn. Bhd.	CMS Land Sdn. Bhd.	Cahya Mata Oiltools Sdn. Bhd. Group
	RM'000	RM'000	RM'000
<b>Summarised Statements of Cash Flow Year ended 31 December 2023</b>			
Net cash (used in)/from operating activities	(164,818)	11,989	42,061
Net cash used in investing activities	(4,525)	–	(28,836)
Net cash generated from/(used in) financing activities	148,168	(12,000)	(7,251)
Net (decrease)/increase in cash and cash equivalents	(21,175)	(11)	5,974
Cash and cash equivalents at beginning of the year	72,567	36	34,265
Effect of foreign exchange changes	584	–	4,481
Cash and cash equivalents at end of the year	51,976	25	44,720
<b>Summarised Statements of Financial Position At 31 December 2022</b>			
Non-current assets	798,437	20,647	53,881
Current assets	158,580	141,000	166,098
Total assets	957,017	161,647	219,979
Current liabilities	522,679	12,531	121,850
Non-current liabilities	255,787	3,907	7,137
Total liabilities	778,466	16,438	128,987
Net assets	178,551	145,209	90,992
Equity attributable to owners of the Company	107,421	69,103	70,753
Non-controlling interests	71,130	76,106	20,239

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)****(e) Non-controlling interests in subsidiaries (cont'd.)**

The Group's subsidiaries that have material non-controlling interests are set out below. The summarised financial information presented below relate to amounts before inter-company elimination. (cont'd.)

	Cahya Mata Phosphates Industries Sdn. Bhd.	CMS Land Sdn. Bhd.	Cahya Mata Oiltools Sdn. Bhd. Group
	RM'000	RM'000	RM'000
<b>Summarised Statements of Profit or Loss and Other Comprehensive Income</b>			
<b>Year ended 31 December 2022</b>			
Revenue	–	32,717	89,057
(Loss)/profit for the year	(61,375)	13,822	70,130
Other comprehensive loss	–	–	(11,175)
Total comprehensive (loss)/income	(61,375)	13,822	58,955
Total comprehensive (loss)/income attributable to owners of the Company	(35,964)	7,049	47,654
Total comprehensive (loss)/income attributable to non-controlling interests	(25,411)	6,773	11,301
<b>Summarised Statements of Cash Flows</b>			
<b>Year ended 31 December 2022</b>			
Net cash (used in)/generated from operating activities	(124,071)	(4,026)	19,919
Net cash (used in)/generated from/investing activities	(34,251)	(4)	21,787
Net cash generated from/(used in) financing activities	229,144	4,000	(7,812)
Net increase/(decrease) in cash and cash equivalents	70,822	(30)	33,894
Cash and cash equivalents at beginning of the year	2,013	67	–
Effect of foreign exchange changes	(268)	–	371
Cash and cash equivalents at end of the year	72,567	37	34,265

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**19. INVESTMENTS IN ASSOCIATES**

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Quoted shares in Malaysia, at cost	183,679	183,679	–	–
Unquoted shares, at cost	188,790	188,790	186,790	186,790
	372,469	372,469	186,790	186,790
Share of post-acquisition reserves	343,156	286,194	–	–
	715,625	658,663	186,790	186,790
Fair value of investments in associates for which there is published price quotation	125,193	124,509	–	–

The fair value of the quoted investments in associates is categorised under Level 1 of the fair value hierarchy. Details of the associates, which are incorporated in Malaysia, are as follows:

Name of associates	Principal activities	Proportion of ownership interest	
		2023	2022
		%	%
<b>Held by the Company:</b>			
SACOFA Sdn. Bhd.	Telecommunication infrastructure providers	50.0	50.0
<b>Held through subsidiaries:</b>			
Kenanga Investment Bank Berhad ("KIBB") <sup>(i)</sup>	Investment holding, stockbroking and financial services business	18.9	18.7
Scomi Oiltools Gulf W.L.L.	Producing and supplying oil drilling materials, and operating and servicing oil and gas facilities	25.0	–

<sup>(i)</sup> The Group considers that it exercises influence over KIBB due to the appointment of representative as director of KIBB.

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For the financial year ended 31 December 2023

**19. INVESTMENTS IN ASSOCIATES (CONT'D.)**

Details of the associates, which are incorporated in Malaysia, are as follows: (cont'd.)

**(a) Disposal of associates**

In the previous financial year, the Company had entered into a binding offer with OM Materials (S) Pte. Ltd. (“OMS”) for the disposals of its entire 25% equity interests in OM Materials (Sarawak) Sdn. Bhd. and OM Materials (Samalaju) Sdn. Bhd. for a total cash consideration of USD120,000,000.

The disposal was completed following the full settlement of the disposal consideration by the purchaser on 6 December 2022. The Group recognised a gain of RM89,079,000 as disclosed in Note 6.

**(b) Material associates**

The following table summarises the financial information in respect of each of the Group’s material associates. The summarised financial information represents the amounts in the MFRS financial statements of the associates and not the Group’s share of those amounts.

	<b>Kenanga Investment Bank Berhad Group RM’000</b>	<b>SACOFA Sdn. Bhd. Group RM’000</b>
<b>At 31 December 2023</b>		
Total assets	<b>6,573,908</b>	<b>1,377,697</b>
Total liabilities	<b>(5,502,933)</b>	<b>(377,933)</b>
Net assets	<b>1,070,975</b>	<b>999,764</b>
Revenue	<b>821,056</b>	<b>303,469</b>
Profit for the year	<b>72,751</b>	<b>101,259</b>
Other comprehensive income	<b>23,806</b>	<b>(386)</b>
Total comprehensive income	<b>96,557</b>	<b>100,873</b>
Dividends received by the Group during the year	<b>8,209</b>	<b>–</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**19. INVESTMENTS IN ASSOCIATES (CONT'D.)****(b) Material associates (cont'd.)**

The following table summarises the financial information in respect of each of the Group’s material associates. The summarised financial information represents the amounts in the MFRS financial statements of the associates and not the Group’s share of those amounts. (cont'd.)

	<b>Kenanga Investment Bank Berhad Group RM’000</b>	<b>SACOFA Sdn. Bhd. Group RM’000</b>
<b>At 31 December 2022</b>		
Non-current assets	–	691,819
Current assets	5,962,357	537,645
Current liabilities	(4,946,871)	(202,623)
Non-current liabilities	–	(128,195)
Net assets	<b>1,015,486</b>	<b>898,646</b>
Revenue	723,086	295,116
Profit for the year	55,354	120,488
Other comprehensive income	(2,128)	–
Total comprehensive income	53,226	120,488
Dividends received by the Group during the year	14,366	53,893

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**19. INVESTMENTS IN ASSOCIATES (CONT'D.)****(b) Material associates (cont'd.)**

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in associates.

	<b>Kenanga Investment Bank Berhad Group RM'000</b>	<b>SACOFA Sdn. Bhd. Group RM'000</b>
<b>At 31 December 2023</b>		
Net assets	1,070,975	999,764
Non-controlling interests	–	3,937
	<b>1,070,975</b>	<b>1,003,701</b>
Effective interests in associates	18.94%	50.00%
Group's share of net assets	199,113	501,851
Goodwill	14,661	–
Group's carrying amount	213,774	501,851

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**19. INVESTMENTS IN ASSOCIATES (CONT'D.)****(b) Material associates (cont'd.)**

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in associates (cont'd).

	<b>Kenanga Investment Bank Berhad Group RM'000</b>	<b>SACOFA Sdn. Bhd. Group RM'000</b>
<b>At 31 December 2022</b>		
Net assets	1,015,486	898,646
Non-controlling interests	–	1,497
	<b>1,015,486</b>	<b>900,143</b>
Effective interests in associates	18.94%	50.00%
Group's share of net assets	189,296	452,706
Goodwill	14,661	–
Group's carrying amount	203,957	452,706

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**19. INVESTMENTS IN ASSOCIATES (CONT'D.)****(b) Material associates (cont'd.)**

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in associates (cont'd).

	Kenanga Investment Bank Berhad Group RM'000	SACOFA Sdn. Bhd. Group RM'000
<b>Group's share of results for the year ended 31 December 2023</b>		
Group's share of profit or loss	13,758	48,336
Group's share of other comprehensive income	4,268	–
Group's share of total comprehensive income	18,026	48,336
<b>Group's share of results for the year ended 31 December 2022</b>		
Group's share of profit or loss	10,248	68,161
Group's share of other comprehensive income	(2,377)	100
Group's share of total comprehensive income	7,871	68,261

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**20. INVESTMENTS IN JOINT VENTURES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost	316,233	316,233	68,540	68,540
Redeemable preference shares, at cost	2,731	4,552	–	–
Share of post-acquisition reserves	318,964	320,785	68,540	68,540
	24,340	36,350	–	–
	343,304	357,135	68,540	68,540

The joint arrangements are structured via separate unincorporated and incorporated entities and provide the Group with the rights to the net assets of the entities under the arrangements. Under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities.

Details of the joint ventures are as follows:

Name of joint ventures	Principal activities	Proportion of ownership interest	
		2023 %	2022 %
<b>Held by the Company:</b>			
SEDC Resources Sdn. Bhd.	Investment and property holding	49.0	49.0
<b>Held through subsidiaries:</b>			
COPE-KPF Opportunities 1 Sdn. Bhd. <sup>(i)</sup>	Investment holding	26.7	26.7

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**20. INVESTMENTS IN JOINT VENTURES (CONT'D.)**

Details of the joint ventures are as follows: (cont'd.)

Name of joint ventures	Principal activities	Proportion of ownership interest	
		2023 %	2022 %
<b>Held through subsidiaries: (cont'd.)</b>			
COPE Opportunities 2 Sdn. Bhd. <sup>(i)</sup>	Investment holding	–	16.4
Help Ibraco CMS Sdn. Bhd. (“HICSB”)	Education services	15.8	15.8
PPES Works (Sarawak) Sdn. Bhd.	Civil engineering, building works contractor, provision of road maintenance services and landscaping works	49.0	49.0

<sup>(i)</sup> Ownership interests in COPE-KPF Opportunities 1 Sdn. Bhd. and COPE Opportunities 2 Sdn. Bhd. are held through redeemable preference shares vide respective shareholders' agreements.

**(a) Additional investment in joint ventures**

In the previous financial year, the Group subscribed for an additional 910,000 preference shares in COPE-KPF Opportunities 1 Sdn. Bhd. for a total consideration of RM910,000.

**(b) Capital redemption of investment in joint ventures**

During the financial year, the Group redeemed 1,818,934 and 1,638 preference shares in COPE-KPF Opportunities 1 Sdn. Bhd. and COPE Opportunities 2 Sdn. Bhd. respectively for a cash consideration of RM1,831,000. The gain from capital redemption of RM10,000 is disclosed in Note 6.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**20. INVESTMENTS IN JOINT VENTURES (CONT'D.)****(c) Dilution in the shareholding in HICSB**

During the previous financial year, HICSB had a capital call in which the Group did not participate and consequently, the Group's interest was diluted from 17.7% to 15.8%. There is no change in the joint arrangements structure during the year.

**(d) Material joint ventures**

The following table summarises the financial information in respect of each of the Group's material joint ventures. The summarised financial information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

	PPES Works (Sarawak) Sdn. Bhd. Group RM'000	SEDC Resources Sdn. Bhd. Group RM'000
<b>At 31 December 2023</b>		
Non-current assets	8,972	127,537
Cash and cash equivalents	16,400	18,218
Other current assets	236,847	398,697
Non-current liabilities	(2,632)	(6,964)
Current liabilities	(204,972)	(195,867)
<b>Net assets</b>	<b>54,615</b>	<b>341,621</b>
<b>Year ended 31 December 2023</b>		
Revenue	396,238	331,346
Profit for the year	7,242	44,165
Profit attributable to the owners of the Company	5,673	35,689
Profit attributable to non-controlling interests	1,569	8,476

**NOTES TO FINANCIAL STATEMENTS**

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**20. INVESTMENTS IN JOINT VENTURES (CONT'D.)****(d) Material joint ventures (cont'd.)**

The following table summarises the financial information in respect of each of the Group's material joint ventures. The summarised financial information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

	PPES Works (Sarawak) Sdn. Bhd. Group RM'000	SEDC Resources Sdn. Bhd. Group RM'000
<b>At 31 December 2022</b>		
Non-current assets	9,539	148,157
Cash and cash equivalents	20,043	11,521
Other current assets	244,430	437,965
Non-current liabilities	(3,330)	(7,391)
Current liabilities	(187,308)	(253,075)
Net assets	83,374	337,177
<b>Year ended 31 December 2022</b>		
Revenue	401,696	502,743
Profit for the year	6,045	59,516
Profit attributable to the owners of the Company	4,615	51,540
Profit attributable to non-controlling interests	1,430	7,976

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**20. INVESTMENTS IN JOINT VENTURES (CONT'D.)****(d) Material joint ventures (cont'd.)**

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in joint ventures.

	PPES Works (Sarawak) Sdn. Bhd. Group RM'000	SEDC Resources Sdn. Bhd. Group RM'000
<b>At 31 December 2023</b>		
Net assets	54,615	341,621
Non-controlling interests	(10,225)	(55,467)
Effective interest in joint ventures	44,390	286,154
Group's share of net assets	49.00%	49.00%
Company's share of net assets of subsidiaries of SEDCR through its direct interests	21,751	140,215
Goodwill	–	30,687
Group's carrying amount	17,976	128,848
<b>At 31 December 2022</b>		
Net assets	83,373	337,177
Non-controlling interests	(8,655)	(51,290)
Effective interest in joint ventures	74,718	285,887
Group's share of net assets	49.00%	49.00%
Company's share of net assets of subsidiaries of SEDCR through its direct interests	36,612	140,085
Goodwill	–	28,820
Group's carrying amount	17,976	128,848
Group's carrying amount	54,588	297,753

The Group has no share of contingent liabilities and commitment as at the reporting date.

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**21. DEFERRED TAX**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>At 1 January</b>	<b>(74,539)</b>	(55,692)	<b>(14,734)</b>	(37)
Acquisition of subsidiaries (Note 18(a))	–	937	–	–
Recognised in profit or loss (Note 11)	<b>16,169</b>	(19,734)	–	(14,697)
Exchange adjustment	<b>268</b>	(50)	–	–
<b>At 31 December</b>	<b>(58,102)</b>	(74,539)	<b>(14,734)</b>	(14,734)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. Deferred tax assets and liabilities presented after appropriate offsetting are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets	<b>17,081</b>	6,258	–	–
Deferred tax liabilities	<b>(75,183)</b>	(80,797)	<b>(14,734)</b>	(14,734)
	<b>(58,102)</b>	(74,539)	<b>(14,734)</b>	(14,734)

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets	<b>32,653</b>	23,134	–	–
Deferred tax liabilities	<b>(90,755)</b>	(97,673)	<b>(14,734)</b>	(14,734)
	<b>(58,102)</b>	(74,539)	<b>(14,734)</b>	(14,734)

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**21. DEFERRED TAX (CONT'D.)**

The components and movements in deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Group	Unutilised tax losses, reinvestment and infrastructure allowances and unabsorbed capital allowances RM'000	Other temporary differences RM'000	Total RM'000
	<b>Deferred tax assets:</b>		
<b>At 1 January 2022</b>	9,537	16,674	26,211
Recognised in profit or loss	(7,178)	3,214	(3,964)
Acquisition of a subsidiary	937	–	937
Exchange adjustment	(50)	–	(50)
<b>At 31 December 2022/At 1 January 2023</b>	<b>3,246</b>	<b>19,888</b>	<b>23,134</b>
Recognised in profit or loss	(202)	9,453	9,251
Exchange adjustment	268	–	268
<b>At 31 December 2023</b>	<b>3,312</b>	<b>29,341</b>	<b>32,653</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**21. DEFERRED TAX (CONT'D.)**

The components and movements in deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Group (cont'd.)	Property, plant and equipment RM'000	Property development costs RM'000	Derivative financial assets and others RM'000	Total RM'000
<b>Deferred tax liabilities:</b>				
<b>At 1 January 2022</b>	(76,570)	(4,820)	(513)	(81,903)
Recognised in profit or loss	(1,061)	–	(14,709)	(15,770)
<b>At 31 December 2022/At 1 January 2023</b>	(77,631)	(4,820)	(15,222)	(97,673)
Recognised in profit or loss	7,607	(907)	218	6,918
<b>At 31 December 2023</b>	<b>(70,024)</b>	<b>(5,727)</b>	<b>(15,004)</b>	<b>(90,755)</b>
Company	Property, plant and equipment RM'000	Property, plant and equipment RM'000	Derivative financial assets RM'000	Total RM'000
<b>Deferred tax liabilities:</b>				
<b>At 31 December 2022, 1 January 2023 and 31 December 2023</b>		(37)	(14,697)	(14,734)

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**21. DEFERRED TAX (CONT'D.)**

Deferred tax assets have not been recognised in respect of the following items:

	2023 RM'000	Group 2022 RM'000
Unutilised tax losses	119,001	75,247
Unabsorbed capital allowances	23,500	19,911
Unutilised investment tax allowance	55,504	55,504
Other deductible temporary differences	1,102	2,005
	<b>199,107</b>	152,667
Deferred tax asset @ 24%, if recognised	<b>47,786</b>	36,640

At the reporting date, the Group has losses and allowances as shown above that are available for offset against future taxable profits of the Group in which the losses and allowances arose, for which no deferred tax asset is recognised due to uncertainty of their recoverability and they may not be used to offset taxable profits elsewhere in the Group.

Effective from year of assessment of 2019 and pursuant to Section 44(5F) of the Income Tax Act, 1967, any unutilised tax losses can only be carried forward for a maximum period of ten (10) years of assessment. The unutilised tax losses can only be carried forward until the following years of assessment:

	2023 RM'000	Group 2022 RM'000
Unutilised tax losses to be carried forward until:		
- Year of assessment 2028	52,756	54,545
- Year of assessment 2029	14,729	14,158
- Year of assessment 2030	4,334	3,700
- Year of assessment 2031	10,643	1,705
- Year of assessment 2032	4,761	1,139
- Year of assessment 2033	31,778	–
	<b>119,001</b>	75,247

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**22. INVENTORIES**

	Group	
	2023 RM'000	2022 RM'000
<b>Cost</b>		
Raw materials	38,360	112,131
Spare parts	112,608	116,941
Consumables	13,876	13,922
Work-in-progress	123	124
Finished goods	41,431	45,252
Properties held for sale	104,240	125,629
	<b>310,638</b>	413,999
<b>Net realisable value</b>		
Raw materials	68,216	–
Work-in-progress	22,807	–
Finished goods	35,094	–
	<b>126,117</b>	–
	<b>436,755</b>	413,999

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM612,268,000 (2022: RM497,712,000) and amount written down was RM56,212,000 (2022: RM624,000) as disclosed in Note 8.

The Group has entered into operating lease agreements on certain completed properties in inventories. Rental income recognised during the year was RM4,712,000 (2022: RM5,565,000). Notwithstanding that these properties are under lease arrangements, they are available for sale with the lease arrangements in the normal course of business.

Future minimum rental receivable under the operating lease at the reporting date were as follows:

	Group	
	2023 RM'000	2022 RM'000
Not later than 1 year	3,979	3,759
Later than 1 year and not later than 5 years	15,770	13,728
Later than 5 years	10,133	11,552
	<b>29,882</b>	29,039

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**23. FINANCIAL INSTRUMENTS**

Categories of financial instruments

The table below provides an analysis of financial instruments as at the reporting date categorised as follows:

Group	Carrying amount RM'000	Amortised cost RM'000	At FVTPL RM'000	At FVTOCI RM'000
<b>Financial assets</b>				
<b>At 31 December 2023</b>				
Investment securities	264,650	–	188,681	75,969
Trade and other receivables	269,264	269,264	–	–
Derivative financial asset	96,649	–	96,649	–
Cash and bank balances	617,712	617,712	–	–
	<b>1,248,275</b>	<b>886,976</b>	<b>285,330</b>	<b>75,969</b>
<b>At 31 December 2022</b>				
Investment securities	244,386	–	175,135	69,251
Trade and other receivables	192,780	192,780	–	–
Derivative financial asset	96,649	–	96,649	–
Cash and bank balances	965,357	965,357	–	–
	1,499,172	1,158,137	271,784	69,251

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**23. FINANCIAL INSTRUMENTS (CONT'D.)**

Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments as at the reporting date categorised as follows: (cont'd.)

Group (cont'd.)	Carrying amount RM'000	Amortised cost RM'000
<b>Financial liabilities</b>		
<b>At 31 December 2023</b>		
Loans and borrowings	320,005	320,005
Lease liabilities	59,893	59,893
Trade and other payables	615,796	615,796
	995,694	995,694
<b>At 31 December 2022</b>		
Loans and borrowings	537,792	537,792
Lease liabilities	50,142	50,142
Trade and other payables	653,068	645,122
	1,241,002	1,233,056

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**23. FINANCIAL INSTRUMENTS (CONT'D.)**

Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments as at the reporting date categorised as follows: (cont'd.)

Company	Carrying amount RM'000	Amortised cost RM'000	At FVTPL RM'000	At FVTOCI RM'000
<b>Financial assets</b>				
<b>At 31 December 2023</b>				
Investment securities	226,892	–	150,922	75,969
Trade and other receivables	492,429	492,429	–	–
Derivative financial asset	96,649	–	96,649	–
Cash and bank balances	283,185	283,185	–	–
	1,099,155	775,614	247,571	75,969
<b>At 31 December 2022</b>				
Investment securities	212,714	–	143,463	69,251
Trade and other receivables	516,435	516,435	–	–
Derivative financial asset	96,649	–	96,649	–
Cash and bank balances	312,538	312,538	–	–
	1,138,336	828,973	240,112	69,251

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**23. FINANCIAL INSTRUMENTS (CONT'D.)**

Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments as at the reporting date categorised as follows: (cont'd.)

Company (cont'd.)	Carrying amount RM'000	Amortised cost RM'000
<b>Financial liabilities</b>		
<b>At 31 December 2023</b>		
Lease liabilities	9,233	9,233
Trade and other payables	636,304	636,304
	<b>645,537</b>	<b>645,537</b>
<b>At 31 December 2022</b>		
Loans and borrowings	45,000	45,000
Lease liabilities	2,539	2,539
Trade and other payables	777,515	777,515
	<b>825,054</b>	<b>825,054</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**24. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current</b>				
<b>Trade</b>				
Third parties	242,057	217,284	–	–
Less: Loss allowance	(17,128)	(14,478)	–	–
	<b>224,929</b>	<b>202,806</b>	<b>–</b>	<b>–</b>
<b>Non-trade</b>				
Other receivables	23,138	24,810	5,251	1,129
Other deposits	17,905	10,723	772	425
Amounts due from joint ventures	2,469	1,209	206	44
Amounts due from associate	2,534	2,026	2,494	2,026
Amounts due from subsidiaries under				
- Central cash management accounts	–	–	171,480	141,993
- Current accounts	–	–	275,802	280,369
Dividend receivable	–	–	–	19,037
Interest receivable	298	110	298	110
Lease receivables	1,180	1,484	–	–
	<b>47,524</b>	<b>40,362</b>	<b>456,303</b>	<b>445,133</b>
Less: Loss allowance				
- Joint ventures	(14)	(17)	(1,569)	(1,547)
- Third parties	(126)	(126)	–	–
Other receivables, net	<b>47,384</b>	<b>40,219</b>	<b>454,734</b>	<b>443,586</b>
	<b>272,313</b>	<b>243,025</b>	<b>454,734</b>	<b>443,586</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**24. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>				
<b>Non-trade</b>				
Loan to a subsidiary	–	–	5,986	41,214
Amounts due from subsidiaries under				
- Central cash management accounts	–	–	81,447	68,330
- Current accounts	–	–	44,036	44,036
Advance payment	51,752	51,752	–	–
Lease receivables	363	1,511	–	–
	<b>52,115</b>	<b>53,263</b>	<b>131,469</b>	<b>153,580</b>
Less: Loss allowance				
- Subsidiary companies	–	–	(93,774)	(80,731)
- Advance payment	(51,752)	(51,752)	–	–
	<b>363</b>	<b>1,511</b>	<b>37,695</b>	<b>72,849</b>
<b>Total trade and other receivables (current and non-current)</b>	<b>272,676</b>	<b>244,536</b>	<b>492,429</b>	<b>516,435</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**24. TRADE AND OTHER RECEIVABLES (CONT'D.)****(a) Trade receivables**

- (i) The Group's average credit period ranges from 30 to 90 days (2022: 30 to 90 days). No interest is charged on outstanding trade receivables, except for Cement Division which charges late payments interest of 1% (2022: 1%) per month for sales of goods and are assessed on case-by-case basis.

Information about the credit exposures are disclosed in Note 41(a).

- (ii) The movements in the allowance for impairment losses in respect of trade receivables during the year are shown below:

Group	Lifetime ECL RM'000	Individually impaired RM'000	Total RM'000
At 1 January 2022	853	8,701	9,554
Impairment loss	564	6,673	7,237
Reversal of impairment loss (Note 6)	(78)	(2,235)	(2,313)
At 31 December 2022	1,339	13,139	14,478
Impairment loss (Note 8)	1,935	1,659	3,594
Reversal of impairment loss (Note 6)	(34)	(952)	(986)
Write off	(1)	(118)	(119)
Exchange adjustments	161	–	161
<b>At 31 December 2023</b>	<b>3,400</b>	<b>13,728</b>	<b>17,128</b>

- (iii) Included in trade receivables are related party balances as shown below:

	2023 RM'000	2022 RM'000
Amounts due from associates	3,086	680
Amounts due from joint ventures	77,249	65,760

- (iv) Included in trade receivables are retention sums of RM1,762,000 (2022: RM7,300,000) relating to construction work-in-progress. Retention sums are unsecured, interest free and are expected to be collected in full.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**24. TRADE AND OTHER RECEIVABLES (CONT'D.)****(b) Non-trade receivables****(i) Amounts due from subsidiaries under central cash management accounts**

All balances due to the Company are repayable on demand and earn interest at rates ranging from 2.90% to 3.15% (2022: 3.18% to 4.28%) per annum.

**(ii) Amounts due from subsidiaries under current accounts**

The amounts due from subsidiaries of the Company are unsecured, non-interest bearing and are repayable on demand.

**(iii) Amount due from a subsidiary under loans**

Amount due from a subsidiary under loans of the Company is unsecured and earns interest at 3.66% to 8.00% (2022: 3.05% to 8.00%) per annum.

**(iv) Amounts due from joint ventures and an associate**

These amounts are unsecured, non-interest bearing and are repayable on demand.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**24. TRADE AND OTHER RECEIVABLES (CONT'D.)****(b) Non-trade receivables (cont'd.)****(v) Other receivables that are impaired**

The movement in allowance accounts for impairment losses in respects of the other receivables during the year are shown below:

	2023 RM'000	Group 2022 RM'000
<b>Current (Note (a))</b>		
At 1 January	143	29,196
Reversal of impairment loss (Note 6)	(3)	(28,504)
Written off	-	(549)
At 31 December	<b>140</b>	143
<b>Non-current (Note (b))</b>		
At 1 January/31 December	<b>51,752</b>	51,752

(a) In the previous financial year, the reversal of impairment loss was in respect of loan to an associate, OM Material (Samalaju) Sdn. Bhd. of RM28,504,000 as disclosed in Note 6 due to full settlement of the outstanding amount.

(b) Since the previous financial years, the Group recognised loss allowance for refundable advance payment made to contractors for the Integrated Phosphate Complex Project (Phase 2) of RM51,752,000 (2022: RM51,752,000).

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**24. TRADE AND OTHER RECEIVABLES (CONT'D.)****(b) Non-trade receivables (cont'd.)****(vi) Lease receivables**

The Group has entered into lease arrangements with third parties on properties which are leased from property purchasers. These leases have terms of 2 to 5 (2022: 2 to 6) years.

Future minimum rental receivables under non-cancellable finance leases as at the reporting date were as follows:

	Group	
	2023 RM'000	2022 RM'000
Receivable within 1 year	1,327	1,610
Receivable between 1 to 5 years	446	1,732
Less: unearned interest income	1,773 (231)	3,342 (347)
	1,542	2,995
The lease receivables are presented as follows:		
Current	1,180	1,484
Non-current	362	1,511
	1,542	2,995

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**24. TRADE AND OTHER RECEIVABLES (CONT'D.)****(b) Non-trade receivables (cont'd.)****(vi) Lease receivables**

The movement of finance lease receivables during the financial year were as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	2,995	4,503
Additions	313	3,353
Termination of lease contracts	-	(3,237)
Accretion of interests (Note 5)	151	151
Receipt of lease:		
- principal	(1,766)	(1,624)
- interests	(151)	(151)
At 31 December	1,542	2,995

**(vii) Deposits pledged**

Deposits of the Group amounting to RM4,160,000 is charged with a licensed bank as security for borrowings as referred to in Note 30(c).

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**25. OTHER CURRENT ASSETS**

	Group	
	2023 RM'000	2022 RM'000
Prepaid operating expenses	12,597	3,194
Contract assets from construction contracts (Note 26)	11,413	16,190
Contract assets from property development (Note 26)	8,256	12,035
	<b>32,266</b>	<b>31,419</b>

**26. CONTRACT ASSETS/(CONTRACT LIABILITIES)****Contract assets**

Group	Property development		Construction contracts		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>At 1 January</b>	<b>12,035</b>	12,502	<b>16,190</b>	22,696	<b>28,225</b>	35,198
Revenue recognised during the year	<b>37,440</b>	51,230	<b>117,641</b>	130,024	<b>155,081</b>	181,254
Progress billings during the year	<b>(41,340)</b>	(51,697)	<b>(122,418)</b>	(136,530)	<b>(163,758)</b>	(188,227)
Reclassification	<b>121</b>	–	–	–	<b>121</b>	–
<b>At 31 December</b> (Note 25)	<b>8,256</b>	12,035	<b>11,413</b>	16,190	<b>19,669</b>	28,225

Contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 days (2022: 30 days) and payment is expected within 30 to 90 days (2022: 90 to 120 days). No expected credit losses have been recognised in respect of these contracts.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**26. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D.)****Contract liabilities**

Group	Property development		Construction contracts		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>At 1 January</b>	–	–	<b>(3,393)</b>	(9,682)	<b>(3,393)</b>	(9,682)
Revenue recognised during the year	–	–	<b>3,393</b>	10,014	<b>3,393</b>	10,014
Progress billings during the year	–	–	–	(3,725)	–	(3,725)
Reclassification	<b>(121)</b>	–	–	–	<b>(121)</b>	–
<b>At 31 December</b> (Note 33)	<b>(121)</b>	–	–	(3,393)	<b>(121)</b>	(3,393)

Contract liabilities primarily relate to advance consideration received from customers for construction contracts for which revenue is recognised over time during the construction work. The contract liabilities are expected to be recognised as revenue over a period of 90 to 120 days (2022: 90 to 120 days).

	Group	
	2023 RM'000	2022 RM'000
Retention sums on construction contracts included in:		
Trade receivable (Note 24(a)(iv))	<b>1,762</b>	7,300
Trade payables (Note 32)	<b>(1,240)</b>	(2,371)

**Revenue recognised from amount in contact liabilities**

Set out below if the amount of revenue recognised from

	Group	
	2023 RM'000	2022 RM'000
Amounts included in contract liabilities at the beginning of the year	<b>3,393</b>	6,765

The opening balance of trade receivables arising from revenue from contract with customers is RM108,709,000 (2022: RM136,002,000).

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**27. INVESTMENT SECURITIES**

Group	2023		2022	
	Carrying amount RM'000	Market value RM'000	Carrying amount RM'000	Market value RM'000
<b>Current</b>				
<b>Fair value through profit or loss</b>				
Income debt securities (unquoted)	150,923	150,923	143,458	143,458
Money market funds (quoted)	–	–	5	5
<b>Total current investment securities</b>	<b>150,923</b>	<b>150,923</b>	<b>143,463</b>	<b>143,463</b>
<b>Non-current</b>				
<b>Fair value through profit or loss</b>				
Redeemable participatory shares (unquoted)	37,758	37,758	31,672	31,672
<b>Fair value through other comprehensive income</b>				
Equity instrument (quoted)	75,969	75,969	69,251	69,251
<b>Total non-current investment securities</b>	<b>113,727</b>	<b>113,727</b>	<b>100,923</b>	<b>100,923</b>
<b>Total current and non-current investment securities</b>	<b>264,650</b>	<b>264,650</b>	<b>244,386</b>	<b>244,386</b>

During the current financial year, the equity instrument shares of the Group and of the Company of RM75,969,000 (2022: RM69,251,000) have been pledged to a financial institution for revolving credit facility of RM50,000,000 granted to the Group and the Company as disclosed in Note 30.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**27. INVESTMENT SECURITIES (CONT'D.)**

Company	2023		2022	
	Carrying amount RM'000	Market value RM'000	Carrying amount RM'000	Market value RM'000
<b>Current</b>				
<b>Fair value through profit or loss</b>				
Income debt securities (unquoted)	150,923	150,923	143,458	143,458
Money market funds (quoted)	–	–	5	5
<b>Total current investment securities</b>	<b>150,923</b>	<b>150,923</b>	<b>143,463</b>	<b>143,463</b>
<b>Non-current</b>				
<b>Fair value through other comprehensive income</b>				
Equity instrument (quoted)	75,969	75,969	69,251	69,251
<b>Total current and non-current investment securities</b>	<b>226,892</b>	<b>226,892</b>	<b>212,714</b>	<b>212,714</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**28. DERIVATIVE FINANCIAL ASSET**

	Group/Company	
	2023	2022
	RM'000	RM'000
<b>At 1 January</b>	96,649	100,038
Fair value loss (Note 8)	–	(3,389)
<b>At 31 December</b>	96,649	96,649

On 23 October 2015, the Group and the Company acquired 18,444,697 warrants of SACOFA Sdn. Bhd. (“SACOFA”) for a purchase consideration of RM35,414,000 representing a warrant price of RM1.92 each. The expiry date of the warrants extended to 25 January 2025. Each warrant entitles its holder to subscribe for one new SACOFA ordinary share at an exercise price of RM1.50 at any time during the exercise period.

The following table list the inputs to the Binomial model used to value the derivative financial asset:

	Group/Company	
	2023	2022
Fair value of warrant (RM)	5.28	5.24
Risk-free interest rate (%)	3.74	3.67
Expected life warrants (years)	1.07	2.07
Share price (RM)	6.78	6.74

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**29. CASH AND BANK BALANCES**

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash in hand and at banks	474,136	772,471	151,445	121,377
Short-term deposits with licensed banks	143,576	192,886	131,740	191,161
<b>Total cash and bank balances</b>	<b>617,712</b>	<b>965,357</b>	<b>283,185</b>	<b>312,538</b>

- (a) The Group’s and the Company’s deposits with licensed banks has an interest rate ranging from 1.60% to 7.25% (2022: 1.60% to 2.03%) and 2.15% (2022: 2.03%) per annum, respectively, and maturity period of one day to twelve-four months for the Group and one month for the Company (2022: one day to three months).
- (b) Included in cash and bank balances of the Group and of the Company is overnight placement with a licensed bank of RM126,204,000 (2022: RM119,732,000) and RM123,303,000 (2022: RM119,732,000). The overnight deposits earned interest of 3.05% to 7.90% (2022: 2.9% to 3.0%) per annum.
- (c) Short-term deposits of the Group and of the Company amounting to RM1,967,000 (2022: RM1,936,000) and RM210,000 (2022: RM210,000), respectively, have been pledged as security for banking facilities granted to the Group and the Company.
- (d) Included in cash and bank balances of the Group is cash held under Housing Development Accounts of RM20,074,675 (2022: RM19,070,381). Housing Development Accounts held pursuant to Housing Development (Control and Licensing) Regulations, 2014 and therefore, restricted from use in other operations.

For the purpose of the statements of cash flows, cash and cash equivalents comprised the following at the reporting date:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	617,712	965,357	283,185	312,538
Less: Deposits pledged to licensed banks	(426)	(1,936)	(210)	(210)
Less: Deposits with maturity of more than three months	(11,621)	–	–	–
<b>Cash and cash equivalents</b>	<b>605,665</b>	<b>963,421</b>	<b>282,975</b>	<b>312,328</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**30. LOANS AND BORROWINGS**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current</b>				
<b>Secured:</b>				
Onshore foreign currency loan (Note 30(e))	–	84,948	–	–
Revolving credits (Note 30(b), 30(c))	22,950	39,065	–	45,000
Term loan (Note 30(d))	81,000	47,007	–	–
	103,950	171,020	–	45,000
<b>Unsecured:</b>				
Bankers' acceptance Revolving credits	– 10,000	56,894 55,000	– –	– –
	10,000	111,894	–	–
Transaction costs on borrowings	(927)	(909)	–	–
Total current loans and borrowings	113,023	282,005	–	45,000
<b>Non-current</b>				
<b>Secured:</b>				
Term loan (Note 30(d))	208,369	258,119	–	–
Structuring and management fee	(1,387)	(2,332)	–	–
Total non-current loans and borrowings	206,982	255,787	–	–
Total loans and borrowings	320,005	537,792	–	45,000

The remaining maturities of the loans and borrowings are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
On demand or within 1 year	113,950	282,914	–	45,000
More than 1 year and less than 5 years	208,369	258,119	–	–
	322,319	541,033	–	45,000

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**30. LOANS AND BORROWINGS (CONT'D.)**

(a) The interest rates of the loans and borrowings of the Group and Company are as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Onshore foreign currency loan	–	3.18	–	–
Revolving credits	4.43 to 7.00	1.60 to 5.45	–	4.22 to 5.01
Term loans	6.00 to 8.89	3.25 to 7.38	–	–

(b) The revolving credits of subsidiaries are secured by legal charges over landed properties (Note 14(a)) and a leasehold land (Note 13) of certain subsidiary.

(c) At 31 December 2022, a RM50,000,000 revolving credit facility of the Group and of the Company are secured over the quoted instrument shares of the Group and of the Company as disclosed in Note 27.

(d) The term loan facility is for the purpose of funding the construction and development of the Integrated Phosphate Complex Project (Phase 1) and is secured by a corporate guarantee from the Company, a fixed charge on the subsidiary's property, plant and equipment (Note 13(d)). The term loan is to be repayable over instalments from April 2023 to January 2027.

The term loan is subject to covenant clauses, whereby the subsidiary is required to meet a net debt and financing to equity ratio and a financial payment cover ratio. The first computation of the ratios will be required in the next financial year following the commencement of commercial operations of Integrated Phosphate Complex Project (Phase 1).

(e) A subsidiary utilised onshore foreign currency loan ("OFCL") facility for the purpose of financing import of raw materials. Each drawdown of the facility needs to be repaid within 180 days from drawdown date. The OFCL facility was secured by a first party, second legal charge on the leasehold land as disclosed in Note 13(d).

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**31. LEASE LIABILITIES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current</b>				
Lease liabilities	26,396	13,569	1,351	824
<b>Non-current</b>				
Lease liabilities	33,497	36,573	7,882	1,715
Total lease liabilities	59,893	50,142	9,233	2,539

The movement of lease liabilities during the financial year is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>At 1 January</b>	50,142	26,775	2,539	1,791
Acquisitions of subsidiaries (Note 18)	–	19,258	–	–
Additions	40,049	27,313	7,761	2,146
Modification of lease contracts	(825)	–	–	–
Termination of lease contracts	(1,544)	(8,749)	–	–
Unwinding of interests (Note 7)	4,236	2,599	312	95
Payment of leases:				
- principal	(28,263)	(14,240)	(1,067)	(1,398)
- interests	(4,236)	(2,599)	(312)	(95)
Exchange adjustment	334	(215)	–	–
<b>At 31 December</b>	59,893	50,142	9,233	2,539

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**31. LEASE LIABILITIES (CONT'D.)**

The following are the amounts recognised in the statements of profit or loss:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets (Note 13(a))	30,466	14,929	1,467	841
Interest expense on lease liabilities (Note 7)	4,236	2,599	312	95
Expenses relating to short-term leases (Note 8)	4,441	1,785	–	–
Expenses relating to leases of low-value assets (Note 8)	492	208	10	9

The Group and the Company had total cash outflows for leases amounted to RM37,432,000 (2022: RM18,833,000) and RM1,389,000 (2022: RM1,502,000), respectively in 2023. As at 31 December 2023, the Group and the Company had non-cash additions to right-of-use assets and lease liabilities of RM28,778,000 (2022: RM23,927,000) and RM7,761,000 (2022: RM2,146,000) respectively.

There were no leases with residual value guarantee or leases not yet commenced to which the Group and the Company are committed.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**32. TRADE AND OTHER PAYABLES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current</b>				
<b>Trade</b>				
Trade payables	84,755	80,921	–	–
Deposits payable	2,028	2,012	–	–
Accruals	57,657	75,310	–	–
Retention sums on construction contracts (Note 26)	1,240	2,371	–	–
Amounts due to joint ventures	4,665	12,001	–	–
	<b>150,345</b>	172,615	–	–
<b>Non-trade</b>				
Sundry payables	73,631	60,500	5,015	3,832
Accruals	42,570	37,520	2,010	6,356
Provisions	17,984	16,180	–	–
Amounts due to joint ventures under central cash management accounts	342,698	326,816	342,698	326,816
Amounts due to subsidiaries under				
- Central cash management accounts	–	–	285,875	440,511
- Current accounts	–	–	691	–
Amounts due to joint ventures	274	53	–	–
Amount due to corporate shareholders of subsidiaries	6,854	10,626	–	–
Amount due to associates	1	–	–	–
Amount due to related parties	16	–	–	–
Deposits payable	614	503	15	–
Service tax payables	8,091	7,945	–	–
Retention monies	–	19,282	–	–
	<b>492,733</b>	479,425	<b>636,304</b>	777,515
	<b>643,078</b>	652,040	<b>636,304</b>	777,515

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**32. TRADE AND OTHER PAYABLES (CONT'D.)**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>				
<b>Trade payables</b>				
Deposit payable	1,001	1,028	–	–
<b>Other payables</b>				
Sundry payables	2,932	–	–	–
Amount due to corporate shareholder of subsidiary	858	–	–	–
	<b>4,791</b>	1,028	–	–
<b>Total trade and other payables (current and non-current)</b>	<b>647,869</b>	653,068	<b>636,304</b>	777,515

**(a) Trade payables**

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from one month to four months (2022: one month to four months).

**(b) Non-trade****(i) Sundry payables**

Sundry payables are non-interest bearing and are repayable on demand, normally settled within an average term of six months (2022: six months).

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**32. TRADE AND OTHER PAYABLES (CONT'D.)****(b) Non-trade (cont'd.)**

## (ii) Provisions

Included in the provisions are the following:

- (a) Provision for litigation suit against Cahya Mata Oiltools Services Sdn. Bhd. (formerly known as Scomi KMC Sdn. Bhd.), a subsidiary of the Group, filed by a vendor of a former related company for a claim of RM6,232,000 (2022: RM6,232,000) relating to the supply of chemicals to the said former related company.
- (b) Provision for litigation suit against Cahya Mata Oiltools Services Sdn. Bhd. (formerly known as Scomi KMC Sdn. Bhd.), a subsidiary of the Group, filed by previous employees for a claim of RM979,000 (2022: RM1,810,000) relating to industrial relations employee cases to the said former related company.

During the year, the Group had recognised a write-back of provision of RM1,120,000 (2022: RMNil) as disclosed in Note 6 due to withdrawal of claims by former employees.

- (c) Provision of litigation of RM10,323,000 (2022: RM9,948,000) in respect of claims filed by Congolese Tax Department against Scomi Oiltools Africa Ltd, a subsidiary registered in Cayman Island for alleged outstanding tax amount of USD2,000,000 (2022: USD2,000,000). Subsequent to the filing of case in the Supreme Court of Republic of Congo, no hearing had been fixed for the case.

## (iii) Amounts due to subsidiaries

Amounts due to subsidiaries under central cash management accounts are unsecured, repayable on demand and bears interest at rates ranging from 2.90% to 3.15% (2022: 1.70% to 2.91%) per annum. The amounts under current accounts are unsecured, repayable on demand and non-interest bearing.

## (iv) Amounts due to joint ventures

Amounts due to joint ventures under central cash management accounts are unsecured, repayable on demand and bears interest at rates ranging from 2.90% to 3.15% (2022: 1.70% to 2.91%) per annum.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**32. TRADE AND OTHER PAYABLES (CONT'D.)****(b) Non-trade (cont'd.)**

## (v) Amount due to corporate shareholders of subsidiaries

This amount is unsecured, bears interest at rate of 5.00% (2022: 5.00%) per annum and repayable on demand.

## (vi) Retention monies

These represent retention sums payable to contractors for the construction of an Integrated Phosphate Complex Project (Phase 2).

**33. OTHER CURRENT LIABILITIES**

	Group	
	2023	2022
	RM'000	RM'000
Contract liabilities from property development (Note 26)	121	–
Contract liabilities from construction contracts (Note 26)	–	3,393
	<b>121</b>	<b>3,393</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**34. SHARE CAPITAL**

	Group and Company			
	Number of shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
<b>Issued and fully paid shares classified as equity instruments:</b>				
<b>Ordinary shares</b>				
<b>At 31 December</b>	1,074,376	1,074,376	867,902	867,902
<b>Treasury shares</b>				
<b>At 1 January/31 December</b>	(200)	(200)	(352)	(352)

**(a) Ordinary shares**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

**(b) Treasury shares**

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance. Treasury shares have no rights to voting, dividends and participation in other distribution. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase scheme can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds and the shares repurchased are being held as treasury shares in accordance with Section 127(4) of the Companies Act 2016.

During current financial year, there was no repurchase and resell of treasury shares.

None of the treasury shares held were cancelled during the financial year. As at 31 December 2023, the number of treasury shares were 200,000 (2022: 200,000) and the outstanding ordinary shares in issue after set-off of treasury shares was therefore 1,074,176,020 (2022: 1,074,176,020).

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**35. OTHER RESERVES**

Group	Capital reserve RM'000	Translation reserve RM'000	Merger deficit RM'000	Statutory and regulatory reserve RM'000	Fair value reserve RM'000	Premium paid on acquisition of non-controlling interests RM'000	Employees' share option reserve RM'000	Total RM'000
<b>At 1 January 2023</b>	4,269	(4,303)	(12,000)	3,246	(9,632)	(26,338)	15,252	(29,506)
<b>Other comprehensive income:</b>								
Share of other comprehensive income of associates	–	773	–	–	3,366	–	–	4,139
Exchange differences on foreign operations	–	15,330	–	–	–	–	–	15,330
Fair value changes of an equity instrument	–	–	–	–	6,718	–	–	6,718
	–	16,103	–	–	10,084	–	–	26,187
Net effect of additional investment in subsidiaries	(4,206)	4,025	–	(94)	(75)	–	–	(350)
Grant of equity-settled share options to employees	–	–	–	–	–	–	5,141	5,141
Share of associates' reserves	–	–	–	(205)	–	–	–	(205)
<b>At 31 December 2023</b>	<b>63</b>	<b>15,825</b>	<b>(12,000)</b>	<b>2,947</b>	<b>377</b>	<b>(26,338)</b>	<b>20,393</b>	<b>1,267</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**35. OTHER RESERVES (CONT'D.)**

Group (cont'd.)	Capital reserve RM'000	Translation reserve RM'000	Merger deficit RM'000	Statutory and regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedge reserve RM'000	Premium paid on acquisition of non-controlling interests RM'000	Employees' share option reserve RM'000	Total RM'000
<b>At 1 January 2022</b>	4,269	30,594	(12,000)	3,555	2,288	8,511	(26,338)	11,227	22,106
<b>Other comprehensive income:</b>									
Share of other comprehensive income of associates	-	23,351	-	-	(3,134)	(344)	-	-	19,873
Exchange differences on foreign operations	-	(8,477)	-	-	-	-	-	-	(8,477)
Fair value changes of an equity instrument	-	-	-	-	(8,786)	-	-	-	(8,786)
Disposal of an associate	-	14,874	-	-	(11,920)	(344)	-	-	2,610
Grant of equity-settled share options to employees	-	(49,771)	-	-	-	(8,167)	-	-	(57,938)
Share of associates' reserves	-	-	-	(309)	-	-	-	4,025	(309)
<b>At 31 December 2022</b>	4,269	(4,303)	(12,000)	3,246	(9,632)	-	(26,338)	15,252	(29,506)

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**35. OTHER RESERVES (CONT'D.)**

Company	Merger reserve RM'000	Fair value reserve RM'000	Employees' share option reserve RM'000	Total RM'000
At 1 January 2021 and 31 December 2021	168,000	1,034	11,227	180,261
Other comprehensive income:				
Fair value changes in an equity instrument	-	(8,786)	-	(8,786)
Grant of equity-settled share options to employees	-	-	4,025	4,025
At 1 January 2022 and 31 December 2022	168,000	(7,752)	15,252	175,500
Other comprehensive income:				
Fair value changes in an equity instrument	-	6,718	-	6,718
Grant of equity-settled share options to employees	-	-	5,141	5,141
<b>At 31 December 2023</b>	<b>168,000</b>	<b>(1,034)</b>	<b>20,393</b>	<b>187,359</b>

**(a) Capital reserve**

Capital reserve of the Group comprises accretion from shares issued by subsidiaries, retained earnings capitalised for bonus issues by subsidiaries and share of capital reserve in an associate.

**(b) Translation reserve**

Translation reserve of the Group represents foreign exchange differences arising from the translation of the financial statements of a foreign subsidiary and an associate whose functional currency is different from that of the Group's presentation currency.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**35. OTHER RESERVES (CONT'D.)****(c) Statutory and regulatory reserve**

Relates to the Group's share of statutory reserve of an associate which is in compliance with the requirements of the BNM Guidelines on Capital Fund, pursuant to Section 47(2)(f) of the Financial Services Act 2013 and are not distributable as dividends.

Regulatory reserve is also maintained in compliance with the requirements of the BNM in addition to the collective impairment allowance that has been assessed and recognised in accordance with Malaysian Financial Reporting Standards.

**(d) Fair value reserve**

The fair value reserve of the Group is the share of fair value reserve of an associate is in respect of unrealised fair value changes on financial instruments, net of tax.

Fair value reserve of the Company is in respect of unrealised fair value changes of an equity instrument.

**(e) Cash flow hedge reserve**

In the previous year, the cash flow hedge reserve was the Group's share of an associate's hedging reserve which comprised the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that had not yet occurred.

**(f) Premium paid on acquisition of non-controlling interests**

This represents the difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid for the changes in the Group's and the Company's ownership interests in subsidiaries that do not result in a loss of control.

**(g) Employees' share option reserve**

Employees' share option reserve represents the equity-settled share options granted to employees (Note 36). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**36. EMPLOYEE BENEFITS****Employees' share option scheme ("ESOS")**

The Company implemented an ESOS which came into effect on 13 November 2022. The ESOS is governed by the bylaws which were approved by the shareholders on 12 November 2022.

The salient features of the ESOS are as follows:

- (a) the total number of new shares which may be made available under the scheme shall not exceed seven percent (7%) of the total issued and paid-up share capital of the Company at any point of time during the existence of the ESOS;
- (b) eligible persons are confirmed employees including full-time executive directors of the Group;
- (c) the aggregate number of new shares to be offered to selected employee in accordance with the ESOS shall be determined at the discretion of the ESOS Committee. No option shall be granted for less than 100 shares;
- (d) the option price may be at a discount of not more than ten percent (10%) from the five (5) days weighted average market price of the underlying shares preceding the date of offer or at par value of the ordinary shares of the Company, whichever is higher;
- (e) the ESOS shall be in force for a period of four (4) years and extended period shall not in aggregate exceed ten (10) years from the date of the first offer;
- (f) the ESOS Committee may, at its discretion, at any time before and after an option is granted, limit the maximum number or percentage of exercisable options within the option period; and
- (g) the exercise of the options is subjected to vesting conditions being met by respective grantees. These vesting conditions may be affected by, inter-alia, performance targets being achieved before the options can be exercised. The vesting of the first tranche of the options granted will be reviewed by the ESOS Committee in April 2023. The vesting conditions, if any, shall be determined by the ESOS Committee whose decision shall be final and binding.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**36. EMPLOYEE BENEFITS (CONT'D.)****Employees' share option scheme ("ESOS") (cont'd.)**

As at 31 December 2023, 19,008,000 (2022: 9,504,000) options are vested and exercisable. The exercise period for the above options will lapse on 12 November 2024. Options to subscribe for ordinary shares under the ESOS were granted on the following dates:

Grant date	Exercise price RM'000	Number of options '000	Lapsed date for exercise
12 November 2020 ("First Offer")	1.14	60,463	12 November 2024
30 August 2023 ("Second Offer")	1.03	16,465	12 November 2024

**Movements during the year**

The number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year are as follows:

	Number of options 2023 '000	Number of options 2022 '000
Outstanding at 1 January	40,212	51,854
Offer of ESOS shares during the year	16,465	–
Cancellation of ESOS shares during the year	(4,875)	(11,642)
Outstanding at 31 December	51,802	40,212
Exercisable at 31 December	19,008	9,504

	RM	RM
WAEP	1.11	1.14

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**36. EMPLOYEE BENEFITS (CONT'D.)****Movements during the year (cont'd.)**

The aggregate maximum allocation of share options to executive directors and senior management of the Group and the Company shall not exceed 50%. The actual allocation of share options to executive directors and senior management as at 31 December 2023 was 13.71% (2022: 1.94%).

**Fair value of share options granted**

The fair value of the share options granted is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing models:

	First offer	Second offer
Dividend yield (%)	1.14	1.72
Expected volatility (%)	47.11	35.36
Risk-free interest rate (% p.a.)	2.12	3.29
Expected life of option (years)	4.00	0.6
Exercise price (RM)	1.14	1.03
Weighted average share price (RM)	1.27	1.17

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**37. CAPITAL AND OTHER COMMITMENTS**

Capital commitments as at the reporting date were as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Approved and contracted for:				
- Property, plant and equipment	23,235	46,284	1,896	–
- Intangible assets	14,333	304	–	–
- Investment in redeemable preference shares in joint ventures	5,326	13,702	–	–
	<b>42,894</b>	<b>60,290</b>	<b>1,896</b>	<b>–</b>
Approved but not contracted for:				
- Property, plant and equipment	286,338	200,778	217	2,842
- Intangible assets	4,536	13,045	–	36
	<b>290,874</b>	<b>213,823</b>	<b>217</b>	<b>2,878</b>
	<b>333,768</b>	<b>274,113</b>	<b>2,113</b>	<b>2,878</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**38. CONTINGENCIES**

(a)	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Share of contingent liabilities of an associate	682	682	–	–

- (b) On 15 January 2019, Cahya Mata Phosphates Industries Sdn. Bhd. (“Cahya Mata Phosphates Industries”), a subsidiary of Cahya Mata Sarawak Berhad entered into a Power Purchase Agreement (“PPA”) with Syarikat SESCO Berhad (“SESCO”) in respect of the supply of electric power and energy for the Integrated Phosphate Complex Project (Phase 1) (“the Plant”).

Cahya Mata Phosphates Industries and SESCO are currently engaged in a legal dispute over SESCO’s allegation that it owes them electricity consumption amount on “take-or-pay” rate which is the rate to pay once it commenced commercialisation of the Plant as per the PPA. Cahya Mata Phosphates Industries has not commenced commercialisation of the Plant and maintained that it was only to pay the “take-and-pay” rate being the pre-commercialisation rate, and had done so.

As Cahya Mata Phosphates Industries did not agree with SESCO’s allegation based on their interpretation of the PPA, it commenced arbitration proceedings against SESCO on 17 November 2022.

Given that Cahya Mata Phosphates Industries disagreed to pay SESCO for the alleged electricity claim based on the ongoing arbitration, SESCO then proceeded to threaten the termination of electricity supply to the Plant. Cahya Mata Phosphates Industries sought legal advice and on 20 April 2023, it applied for an injunction to restrain SESCO from terminating the said electricity supply, which was heard in the High Court and also the Court of Appeal, however, Cahya Mata Phosphates Industries was not granted such interim preservation order. On 10 July 2023, SESCO terminated the electricity supply to the Plant. The arbitration proceedings are still ongoing and the commencement of hearing is fixed on 26 to 29 August 2024. Cahya Mata Phosphates Industries has filed its statement of claim, whereas SESCO submitted its defence to the claim and made a counterclaim in a sum of RM342,247,000.

The Group, upon consultation with their solicitors, is of the view that the termination of electricity supply by SESCO was unlawful and Cahya Mata Phosphates Industries shall not be liable for “take-or-pay” electricity volume on the basis that it is still at the testing and commission stages. The Group also takes the position that the termination of the PPA by SESCO was wrongful and ineffective, and the PPA remains valid and enforceable.

The Group believes that Cahya Mata Phosphates Industries has arguable grounds on its claim to be heard during the upcoming arbitration and to reinstate the electricity supply for its integrated phosphate complex in order to achieve the full commercial operations.

As at 31 December 2023, the carrying amount specifically for the property, plant and equipment related to the integrated phosphate complex amounted to RM837,361,000. In the event that arbitration and claims do not develop in ways initially expected, the Group may be unable to realise the future economic benefits from continuing use of the property, plant and equipment as disclosed in Note 3.1(a) and be liable for arbitration settlement to SESCO.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**38. CONTINGENCIES (CONT'D.)**

- (c) On 25 May 2023, Samalaju Industries Sdn. Bhd. (“Samalaju Industries”), a subsidiary of the Company, received Notice of Arbitration that one of the shareholders of Cahya Mata Phosphates Industries, Malaysian Phosphate Venture Sdn. Bhd. (“MPV”) sought to commence arbitration proceeding against both Cahya Mata Phosphates Industries and Samalaju Industries. Subsequently, on 13 October 2023, MPV had through its solicitor served its Statement of Claim and its Bundle of Documents to the solicitor acting for and on behalf of Cahya Mata Phosphates Industries and Samalaju Industries.

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

As at the date of financial statements, Samalaju Industries and Cahya Mata Phosphates Industries have filed an application to challenge the jurisdiction of the arbitral tribunal to administer and arbitrate this dispute. The parties are waiting for the tribunal to render further directions pertaining to hearing of the jurisdictional challenge.

The Group believes that Samalaju Industries and Cahya Mata Phosphates Industries have good arguable case given that Samalaju Industries and Cahya Mata Phosphates Industries did not breach the Shareholders’ Agreement dated 31 December 2013 and they were acting pursuant to the terms of the Constitution of Cahya Mata Phosphates Industries which allows for issuance of shares in the manners which governed by the Companies Act 2016.

- (d) The Company had provided an irrevocable and unconditional guarantee to a consortium of banks in respect of all Cahya Mata Phosphates Industries obligations and liabilities in a Facility Agreement dated 18 January 2021 entered into for a credit facility of USD80.00 million and RM64.80 million provided that the aggregate does not exceed the facility limit of RM400.00 million granted to Cahya Mata Phosphates Industries to part finance the construction and development cost of its project.

As at the reporting date, no values were placed on the unsecured corporate guarantees provide by the Company as the directors regard the value of the credit enhancement provided by the corporate guarantees to be minimal and the likelihood of default to be low..

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**39. SIGNIFICANT RELATED PARTY TRANSACTIONS**

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Note 24 and 32.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>(a) Subsidiaries</b>				
Dividend income from subsidiaries	–	–	<b>(207,603)</b>	(53,545)
Interest income	–	–	<b>(33,783)</b>	(4,842)
Project management services	–	–	<b>(67)</b>	–
Interest expense	–	–	<b>9,761</b>	8,422
Group services fee expense	–	–	<b>6,755</b>	5,022
Receipts for share options granted	–	–	<b>(5,274)</b>	(3,974)
Management fee income	–	–	<b>(28)</b>	–
<b>(b) Associates</b>				
Dividend income	–	–	–	(53,893)
Interest income	<b>(1,488)</b>	(4,020)	–	–
Sale of goods	<b>(4,708)</b>	(4,689)	–	–
Rental income	<b>(3)</b>	(7,493)	–	–
Management fee income	<b>(2,645)</b>	(1,943)	<b>(2,372)</b>	(1,943)
Construction service income	<b>(791)</b>	(813)	–	–
Payment of services	<b>146</b>	205	–	–

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**39. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>(c) Joint ventures</b>				
Dividend income	–	–	<b>(19,410)</b>	(14,403)
Sale of goods	<b>(829)</b>	(2,252)	–	–
Group services fee income	<b>(5,226)</b>	(4,964)	–	–
Management fee income	<b>(906)</b>	(2,040)	–	–
Fleet management income	<b>(140)</b>	–	–	–
Supervision fee/project management fee	<b>(498)</b>	(702)	–	–
Rental income	<b>(2,387)</b>	(3,975)	–	–
License fee income	<b>(10)</b>	(60)	–	–
Construction service income	<b>(119,099)</b>	(115,569)	–	–
Interest expense	<b>7,407</b>	5,275	<b>7,407</b>	5,275
Rental expense	<b>180</b>	180	–	–
Purchase of goods	<b>18,655</b>	30,299	–	–
Payment of services	<b>28</b>	1,348	–	–
<b>(d) Related parties</b>				
Payment of services to:				
- R. T. Cargo Sdn. Bhd. <sup>(i)</sup>	<b>1,300</b>	1,183	–	–
- Satria Realty Sdn. Bhd. <sup>(ii)</sup>	<b>2,420</b>	2,022	<b>479</b>	476
- Silver Lining Systems Sdn. Bhd. <sup>(iii)</sup>	<b>776</b>	–	–	–
Payment of interest to:				
- Malaysian Phosphate Venture s Sdn. Bhd. <sup>(iv)</sup>	<b>276</b>	176	–	–

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**39. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>(e) Key management personnel</b>				
Directors' remuneration (Note 10)	<b>9,293</b>	6,800	<b>8,948</b>	6,613
Other key management personnel				
- Short-term employee benefits	<b>8,962</b>	7,506	<b>6,121</b>	6,882
- Defined contribution and social security plans	<b>702</b>	608	<b>425</b>	532
- Share-based payment	<b>914</b>	54	<b>647</b>	–
Total short-term employee benefits	<b>10,578</b>	8,168	<b>7,193</b>	7,414
Benefits-in-kind	<b>159</b>	188	<b>147</b>	154
	<b>10,737</b>	8,356	<b>7,340</b>	7,568
Total key management personnel	<b>20,030</b>	15,156	<b>16,288</b>	14,181

Other key management personnel comprise persons, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

In 2020, 5,780,000 and 2,737,500 share options were granted to the Group's and the Company's key management personnel under the company's ESOS at an exercise price of RM1.14 each.

In 2023, 6,100,000 and 5,100,000 share options were granted to the Group's and the Company's key management personnel under the company's ESOS at an exercise price of RM1.03 each.

At the reporting date, the total number of outstanding share options granted by the holding company to the abovementioned key management personnel under the ESOS amounting to 7,100,000 (2022: 1,000,000).

<sup>(i)</sup> Umang Nangku Jabu is a director of the Company and R.T. Cargo Sdn. Bhd.

<sup>(ii)</sup> Dato Sri Mahmud Abu Bekir Taib is a director of the Company and Majaharta Sdn. Bhd. which controls Satria Realty Sdn. Bhd.

<sup>(iii)</sup> Dato Sri Mahmud Abu Bekir Taib and Karl Vink @ Khalid Abdullah are directors and shareholders of Silver Lining Systems Sdn. Bhd.

<sup>(iv)</sup> Malaysian Phosphate Ventures Sdn. Bhd. is a corporate shareholder of a subsidiary of the Group.

Other than as disclosed above, there were no material contracts entered into since the end of the financial year by the Company or its subsidiaries which involved the interests of substantial shareholders.

All outstanding balances are unsecured and repayable in accordance with agreed terms.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**40. FAIR VALUE MEASUREMENTS****(a) Determination of fair value and the fair value hierarchy**

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities and broker quotes on Bloomberg and Reuters.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived.

The Group and the Company generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgement and estimation, due to the low complexity of the financial instruments held.

MFRS 13 Fair Value Measurement requires each class of assets and liabilities measured at fair value in the statements of financial position after initial recognition to be categorised according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable.

The following levels of hierarchy are used for determining and disclosing the fair value of those financial instruments and non-financial assets:

- Level 1 - Quoted market prices: quoted prices (unadjusted) in active market for identical instruments;
- Level 2 - Fair values based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and
- Level 3 - Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments and non-financial assets.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**40. FAIR VALUE MEASUREMENTS (CONT'D.)****(b) Financial instruments measured at fair value**

The following tables provide an analysis of financial instruments and financial assets carried at fair values at the reporting date analysed by the various levels within the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>Financial assets</b>				
<b>At 31 December 2023</b>				
Investment securities (Note 27):				
- Equity instrument	75,969	–	–	75,969
- Income debt securities	–	150,923	–	150,923
- Redeemable preference shares	–	–	37,758	37,758
Derivative financial asset (Note 28)	–	–	96,649	96,649
	<b>75,969</b>	<b>150,923</b>	<b>134,407</b>	<b>361,299</b>
<b>At 31 December 2022</b>				
Investment securities (Note 27):				
- Equity instrument	69,251	–	–	69,251
- Income debt securities	–	143,458	–	143,458
- Redeemable preference shares	–	–	31,672	31,672
- Money market funds	5	–	–	5
Derivative financial asset (Note 28)	–	–	96,649	96,649
	<b>69,256</b>	<b>143,458</b>	<b>128,321</b>	<b>341,035</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**40. FAIR VALUE MEASUREMENTS (CONT'D.)****(b) Financial instruments measured at fair value (cont'd.)**

The following tables provide an analysis of financial instruments and financial assets carried at fair values at the reporting date analysed by the various levels within the fair value hierarchy: (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Company</b>				
<b>Financial assets</b>				
<b>At 31 December 2023</b>				
Investment securities (Note 27):				
- Equity instrument	75,969	–	–	75,969
- Income debt securities	–	150,923	–	150,923
Derivative financial asset (Note 28)	–	–	96,649	96,649
	<b>75,969</b>	<b>150,923</b>	<b>96,649</b>	<b>323,541</b>
<b>At 31 December 2022</b>				
Investment securities (Note 27):				
- Equity instrument	69,251	–	–	69,251
- Income debt securities	–	143,458	–	143,458
- Money market funds	5	–	–	5
Derivative financial asset (Note 28)	–	–	96,649	96,649
	<b>69,256</b>	<b>143,458</b>	<b>96,649</b>	<b>309,363</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**40. FAIR VALUE MEASUREMENTS (CONT'D.)****(b) Financial instruments measured at fair value (cont'd.)**

The fair value of Level 1 financial instruments above is based on available quoted market prices.

The fair value of Level 2 financial instruments is based on confirmation by a licensed fund manager regulated by the Securities Commission of Malaysia.

The fair value of the redeemable preference shares is based on the estimated fair value less cost to sell of these shares.

The fair value of the derivative financial asset is based on the Binomial Option Pricing Model which observable inputs include stock price, exercise price, risk free rate and dividend yield.

The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between the levels of the fair value hierarchy during the financial year.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**40. FAIR VALUE MEASUREMENTS (CONT'D.)****(c) Financial instruments not measured at fair value**

The methods and assumptions used to estimate the fair values of the financial instruments not carried at fair value are as follows:

**Loans and borrowings**

The fair values of fixed rate loans and borrowings with remaining maturity of less than one year and variable rate loans and borrowings are estimated to approximate their carrying amounts. For fixed rate loans and borrowings with remaining maturity of more than one year, the fair values are estimated based on discounted cash flows using prevailing market rates of loans and borrowings of similar credit risks and maturity. The fair values of impaired loans and borrowings are represented by their carrying amounts, net of any collective and individual assessment allowances, being the expected recoverable amount.

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	Note
Trade and other receivables	24
Trade and other payables	32
Lease liabilities	31

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or they are already discounted at appropriate discount rates.

For lease receivables and liabilities with remaining maturity of more than one year, the fair values are estimated based on discounted cash flows using a rate based on the current market rate of borrowing of the respective entity at the reporting date.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The Group's overall risk management strategy seeks to minimise potential adverse effects on the financial performance of the Group. The key financial risks include credit risk, liquidity risk, market risk and interest rate risk.

Financial risk management policies are reviewed and approved by the Board of Directors and executed by the management of the respective operating units. The Group Risk Committee provides independent oversight on the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

**(a) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. At the reporting date, the Group's exposure to credit risk arises primarily from trade and other receivables. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries and an associate.

**(i) Trade receivables and contract assets**

- **Risk management objectives, policies and process for managing the risk**

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over the approved limits.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. geographical region, product type, customer rating, type of collateral or whether covered by trade credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(a) Credit risk (cont'd.)****(i) Trade receivables and contract assets (cont'd.)**

- Exposure to credit risk, credit quality and collateral**

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables.

The Group receives financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks. At the end of the reporting period, financial guarantees received by the Group amounted to RM36,950,000 (2022: RM33,320,000) in respect of RM29,700,000 (2022: RM21,636,000) trade receivables. The remaining balance of trade receivables are not secured by any collateral or supported by any other credit enhancements.

Information regarding financial assets that are either past due or impaired and ageing analysis is disclosed below. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(a) Credit risk (cont'd.)****(i) Trade receivables and contract assets (cont'd.)**

- Concentration of credit risk**

The Group determines concentrations of credit risk by monitoring the business segments of its trade receivables on an ongoing basis. The Group does not have significant credit risk exposure to any single counter party or any group of counter parties having similar characteristics. The Group defines counter parties as having similar characteristics if they are related entities. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The credit risk concentration profile of the Group's trade receivables at the reporting date were as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cement	55,999	47,754
Road maintenance	78,124	66,870
Property development	17,673	23,780
Oiltools	73,056	61,601
Strategic investments	13,352	14,191
Support services	3,853	3,088
<b>Total</b>	<b>242,057</b>	<b>217,284</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(a) Credit risk (cont'd.)****(i) Trade receivables and contract assets (cont'd.)**

- Recognition and measurement of impairment loss**

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group's debt recovery process is as follows:

- (i) Above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team; and
- (ii) Above 180 days past due, the Group will commence a legal proceeding against the customer.

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by withholding the transfer of registered ownership of the development properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financing by the purchaser's end-financier.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2023 which are grouped together as they are of similar risk nature.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(a) Credit risk (cont'd.)****(i) Trade receivables and contract assets (cont'd.)**

- Recognition and measurement of impairment loss (cont'd.)**

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>31 December 2023</b>			
Current (not past due)	99,048	(26)	99,022
1 to 30 days past due	41,952	(375)	41,217
31 to 60 days past due	22,105	(814)	21,291
61 to 90 days past due	27,884	(232)	27,652
More than 90 days past due	39,728	(3,981)	35,747
	<b>230,717</b>	<b>(5,788)</b>	<b>224,229</b>
Individually impaired	11,340	(11,340)	–
	<b>242,057</b>	<b>(17,128)</b>	<b>224,929</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(a) Credit risk (cont'd.)****(i) Trade receivables and contract assets (cont'd.)**

- Recognition and measurement of impairment loss (cont'd.)**

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>31 December 2022</b>			
Current (not past due)	105,565	(46)	105,519
1 to 30 days past due	34,272	(431)	33,841
31 to 60 days past due	25,599	(279)	25,320
61 to 90 days past due	17,061	(1,901)	15,160
More than 90 days past due	24,239	(1,273)	22,966
	206,736	(3,930)	202,806
Individually impaired	10,548	(10,548)	–
	217,284	(14,478)	202,806

The movements in the allowance for impairment is disclosed in Note 24(a)(ii).

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(a) Credit risk (cont'd.)****(ii) Financial guarantees**

- Risk management objectives, policies and process for managing the risk**

The Company provides unsecured financial guarantees to banks and a third party for banking and other facilities granted to associates. The Company monitors on an ongoing basis the results of the associates and repayments made by the associates.

- Exposure to credit risk, credit quality and collateral**

The maximum exposure to credit risk relates to corporate guarantees given to SESCO and banks for power supply and banking facilities granted to a subsidiary as disclosed in Note 38(b).

**(iii) Cash and cash equivalents**

The cash and cash equivalents are held with banks and financial institutions. At the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

**(iv) Other receivables**

Credit risks on other receivables are mainly arising from deposits paid for office buildings and equipment rented. These deposits will be received at the end of each lease terms.

At the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position. As at the end of the reporting period, the Group and the Company did not recognise any loss allowance.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(a) Credit risk (cont'd.)****(v) Investments in investment securities**

At the end of the reporting date, the Group's investment securities portfolio mainly invested in government bonds and AAA rated bonds. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

There is no history of default on these bonds and there is no indication that these bonds may default. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

**(b) Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company adopt a prudent approach to manage their liquidity risk. The Group and the Company always maintain sufficient cash and cash equivalents, and have available funding through a diverse source of committed and uncommitted credit facilities from various banks. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(b) Liquidity risk (cont'd.)****Analysis of financial instruments by remaining contractual maturities**

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations.

	Cash Flows				
	Carrying amount RM'000	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
<b>Group</b>					
<b>Financial liabilities:</b>					
<b>At 31 December 2023</b>					
Trade and other payables	615,796	636,375	284,822	47,799	968,996
Loans and borrowings	320,005	126,797	222,966	–	349,763
Lease liabilities	59,893	32,660	35,604	16,865	85,129
Financial guarantees <sup>(i)</sup>	–	332,869	–	–	332,869
	<b>995,694</b>	<b>1,128,701</b>	<b>543,392</b>	<b>64,664</b>	<b>1,736,757</b>
<b>At 31 December 2022</b>					
Trade and other payables	653,068	652,040	1,028	–	653,068
Loans and borrowings	537,792	307,611	305,042	–	612,653
Lease liabilities	50,142	18,568	39,979	18,205	76,752
Financial guarantees <sup>(i)</sup>	–	332,869	–	–	332,869
	<b>1,241,002</b>	<b>1,311,088</b>	<b>346,049</b>	<b>18,205</b>	<b>1,675,342</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(b) Liquidity risk (cont'd.)****Analysis of financial instruments by remaining contractual maturities (cont'd.)**

	Cash Flows				
	Carrying amount RM'000	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
<b>Company</b>					
<b>Financial liabilities:</b>					
<b>At 31 December 2023</b>					
Trade and other payables	636,304	636,304	–	–	636,304
Lease liabilities	9,233	1,763	5,455	3,810	11,028
Financial guarantees <sup>(i)</sup>	–	400	–	–	400
	<b>645,537</b>	<b>638,467</b>	<b>5,455</b>	<b>3,810</b>	<b>647,732</b>
<b>At 31 December 2022</b>					
Trade and other payables	777,515	777,515	–	–	777,515
Loans and borrowings	45,000	45,148	–	–	45,148
Lease liabilities	2,539	914	1,828	–	2,742
Financial guarantees <sup>(i)</sup>	–	400	–	–	400
	<b>825,054</b>	<b>823,977</b>	<b>1,828</b>	<b>–</b>	<b>825,805</b>

<sup>(i)</sup> Based on the maximum amount that can be called under the financial guarantee contracts as disclosed in Note 38.**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(c) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from purchases and imports that are denominated in a currency other than the functional currencies of the Group.

The Group also has exposure to foreign exchange risk as a result of providing unsecured advances to associates.

- Risk management objectives, policies and process for managing the risk**

It is the Group's policy to hedge this risk where the exposures are certain and cost-efficient. The Group and the Company do not apply hedge accounting and do not issue derivative financial instruments for trading purposes.

- Exposure to foreign currency risk**

The currencies giving rise to this risk are primarily United States Dollar (USD). Exposure to foreign currency risk is monitored on an ongoing basis to ensure that the exposure is at an acceptable level. At 31 December 2023 and 31 December 2022, the Group and the Company have not entered into any forward foreign currency contracts.

- Currency risk sensitivity analysis**

A reasonable possible 10% (2022: 10%) strengthening of the USD at the end of the reporting period would have decreased the Group's profit for the year by RM13,905,000 (2022: RM27,918,000), being net of purchases and imports transaction amount, bank borrowings and advances to associate, with all other variables held constant at the reporting date.

A 10% weakening of the above foreign currency against the underlying functional currency at the reporting date would have had the equal but opposite effect on the above currency to the amount shown above, on the basis that all other variables remain constant.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(c) Market risk (cont'd.)****(ii) Interest rate risk**

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

- Risk management objectives, policies and process for managing the risk**

Interest rate exposure arising from the Group's and the Company's borrowings is managed through the use of fixed and floating rate debts. The Group will consider entering into derivative financial instruments where necessary to achieve an appropriate mix of fixed and floating rate exposure.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(c) Market risk (cont'd.)****(ii) Interest rate risk (cont'd.)**

- Exposure to interest rate risk**

As the Group and the Company have no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits and money market funds. The Group's borrowings at floating rates are contractually re-priced at monthly intervals (2022: monthly). The interest rate profile of the Group's and the Company's interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Floating rate instruments</b>				
<b>Financial assets</b>				
Amount due from subsidiaries under central cash management system	–	–	252,927	210,323
Short-term deposits	133,496	192,886	131,740	191,160
Loan to a subsidiary	–	–	5,986	41,214
	<b>133,496</b>	<b>192,886</b>	<b>390,653</b>	<b>442,697</b>
<b>Financial liabilities</b>				
Lease liabilities	59,892	50,142	9,233	2,539
Loan and borrowings	320,005	480,898	–	–
Amount due to corporate shareholders	5,802	5,526	–	–
Amount due to subsidiaries under central cash management system	–	–	285,875	440,511
Amount due to joint ventures under central cash management system	342,698	326,816	342,698	326,816
	<b>728,397</b>	<b>863,382</b>	<b>637,806</b>	<b>769,866</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(c) Market risk (cont'd.)****(ii) Interest rate risk (cont'd.)**

- Interest risk sensitivity analysis**

At the reporting date, it is estimated that a 50 basis points increase in interest rate, with all other variables held constant, would decrease the Group's and the Company's profit net of tax by approximately RM2,261,000 (2022: RM2,548,000) and RM939,000 (2022: RM1,243,000), arising mainly as a result of higher interest expense on net floating borrowing position. A decrease in interest rate would have had the equal but opposite effect on the aforesaid amount, on the basis that all other variables remain constant.

**42. CAPITAL MANAGEMENT**

The primary objective of the Group's and the Company's capital management is to ensure that they maintain healthy capital ratios to support their businesses and maximise shareholder value. No changes were made in the objectives, policies and processes during the years ended 31 December 2023 and 2022.

The Group and the Company review their capital structure and make adjustments to reflect economic conditions, business strategies and future commitments on a continuous basis.

The Group and the Company monitor capital using a gearing ratio. The gearing ratio is calculated as total borrowings (excluding transaction costs) divided by total equity of the Group and of the Company.

The Group and the Company have complied with all externally imposed capital requirements in respect of their external borrowings for the financial years ended 31 December 2023 and 2022.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loans and borrowings (Note 30)	320,005	537,792	–	45,000
Lease liabilities (Note 31)	59,893	50,142	9,233	2,539
Total borrowings	379,898	587,934	9,233	47,539
Total equity	3,547,715	3,477,233	1,899,880	1,729,472
Gearing ratio (times)	0.11	0.17	0.01	0.03

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**43. SEGMENT INFORMATION**

Segmental information is prepared on the basis of the “management approach”, which requires presentation of the segments on the basis of internal reports about the components of the entity.

The Group is organised into businesses based on their activities, and has seven reportable operating segments as follows:

- Cement – manufacturing of cement, clinker and concrete products;
- Road maintenance – road construction and maintenance;
- Property development – property holding, development, project management, lodges accommodation and hotel operations;
- Phosphate – manufacturing of food, feed and fertiliser phosphate products;
- Oiltools – provision of oilfield equipment, supplies and services;
- Strategic investments – quarry operations, production and sale of premix, wires and general trading, education and various investments through the associates and joint ventures; and
- Support services – head office, management services, investment holding and dormant companies.

For each of the divisions, the Group Managing Director reviews the internal management reports on a monthly basis and conducts performance dialogues with the divisions on a regular basis. The Group assesses the performance of the operating segments based on measure of revenue and profit before tax.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities, income and expenses.

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**43. SEGMENT INFORMATION (CONT'D.)**

	Cement RM'000	Road maintenance RM'000	Property development RM'000	Phosphate RM'000	Oiltools RM'000	Strategic investments RM'000	Support Services RM'000	Adjustments and elimintion RM'000	Notes	Per consolidated financial statements RM'000
<b>31 December 2023</b>										
<b>Revenue:</b>										
External customers	651,725	119,062	59,856	-	281,268	67,577	21,409	-		1,200,897
Inter-segment of sales	29,966	-	298	-	-	3,576	67,576	(101,416)	A	-
<b>Total revenue</b>	<b>681,691</b>	<b>119,062</b>	<b>60,154</b>	<b>-</b>	<b>281,268</b>	<b>71,153</b>	<b>88,985</b>	<b>(101,416)</b>		<b>1,200,897</b>
<b>Results:</b>										
Interest income	4,146	978	3,764	1,044	515	9,624	-	(9,586)		10,485
Depreciation and amortisation	53,796	7,804	3,338	2,292	17,783	1,447	3,108	(61)		89,507
Other non-cash expenses	5,019	-	-	52,188	2,423	1,368	236	-	B	61,234
Segment profit/(loss) before tax:										
Company and subsidiaries	146,037	13,645	(2,218)	(156,697)	29,384	17,778	(27)	(6,130)		41,772
Associates	-	-	-	-	(1,061)	62,094	-	-		61,033
Joint ventures	-	2,780	-	-	-	22,656	-	-		25,436
	<b>146,037</b>	<b>16,425</b>	<b>(2,218)</b>	<b>(156,697)</b>	<b>28,323</b>	<b>102,528</b>	<b>(27)</b>	<b>(6,130)</b>		<b>128,241</b>
<b>Assets:</b>										
Investments in associates	-	-	-	-	939	714,686	-	-		715,625
Investments in joint ventures	-	39,728	-	-	-	303,576	-	-		343,304
Additions to non-current assets	31,241	2,856	8,243	4,525	26,024	585	16,326	-	C	89,800
<b>Segment assets</b>	<b>918,955</b>	<b>132,481</b>	<b>617,315</b>	<b>1,026,625</b>	<b>249,619</b>	<b>274,741</b>	<b>1,155,119</b>	<b>300,754</b>	<b>D</b>	<b>4,675,609</b>
<b>Segment liabilities</b>	<b>98,402</b>	<b>37,396</b>	<b>173,759</b>	<b>60,402</b>	<b>106,276</b>	<b>376,517</b>	<b>687,375</b>	<b>(412,233)</b>	<b>E</b>	<b>1,127,894</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**43. SEGMENT INFORMATION (CONT'D.)**

	Cement RM'000	Road maintenance RM'000	Property development RM'000	Phosphate RM'000	Oiltools RM'000	Strategic investments RM'000	Support Services RM'000	Adjustments and elimintion RM'000	Notes	Per consolidated financial statements RM'000
<b>31 December 2022</b>										
<b>Revenue:</b>										
External customers	581,038	134,616	102,876	-	89,057	82,906	20,077	-		1,010,570
Inter-segment of sales	20,848	-	2,136	-	-	7,968	164,842	(195,794)	A	-
<b>Total revenue</b>	<b>601,886</b>	<b>134,616</b>	<b>105,012</b>	<b>-</b>	<b>89,057</b>	<b>90,874</b>	<b>184,919</b>	<b>(195,794)</b>		<b>1,010,570</b>
<b>Results:</b>										
Interest income	2,959	1,550	2,449	254	205	4,345	717	(8,444)		4,035
Depreciation and amortisation	43,479	10,763	3,074	1,787	5,471	919	2,623	(61)		68,055
Other non-cash expenses	2,889	1,019	1,532	-	4,033	13,175	1,049	-	B	23,697
Segment profit/(loss) before tax:										
Company and subsidiaries	80,053	17,107	33,166	(61,312)	73,355	117,277	2,437	(34,714)		227,369
Associates	-	-	-	-	-	139,113	-	-		139,113
Joint ventures	-	2,261	-	-	-	29,254	-	-		31,515
	<b>80,053</b>	<b>19,368</b>	<b>33,166</b>	<b>(61,312)</b>	<b>73,355</b>	<b>285,644</b>	<b>2,437</b>	<b>(34,714)</b>		<b>397,997</b>
<b>Assets:</b>										
Investments in associates	-	-	-	-	2,000	656,663	-	-		658,663
Investments in joint ventures	-	54,588	-	-	-	302,547	-	-		357,135
Additions to non-current assets	35,975	995	3,909	50,808	11,731	116	7,384	-	C	110,918
<b>Segment assets</b>	<b>991,225</b>	<b>192,437</b>	<b>664,959</b>	<b>956,973</b>	<b>211,578</b>	<b>602,031</b>	<b>1,166,710</b>	<b>69,892</b>	<b>D</b>	<b>4,855,805</b>
<b>Segment liabilities</b>	<b>103,803</b>	<b>48,932</b>	<b>405,145</b>	<b>52,669</b>	<b>103,747</b>	<b>190,854</b>	<b>783,447</b>	<b>(310,025)</b>	<b>E</b>	<b>1,378,572</b>

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**43. SEGMENT INFORMATION (CONT'D.)**

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2023 RM'000	2022 RM'000
Impairment loss on intangible assets	8	1,368	–
Impairment loss on trade and other receivables	8	3,594	4,924
Inventories written down	8	56,212	624
Net fair value changes in investment securities	8	–	939
Property, plant and equipment written off	8	60	375
Unrealised forex exchange loss/(gain)	8	–	16,834
		<b>61,234</b>	23,696

C Additions to non-current assets consist of:

	2023 RM'000	2022 RM'000
Property, plant and equipment	77,453	105,132
Land held for property development	5,175	226
Intangible assets	7,172	5,027
Investment properties	–	533
	<b>89,800</b>	110,918

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**43. SEGMENT INFORMATION (CONT'D.)**

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd.)

D The following items are added to/(deducted from) segment assets to arrive at total assets reported in the Group's statement of financial position:

	2023 RM'000	2022 RM'000
Investments in associates	715,625	658,663
Investments in joint ventures	343,304	357,135
Deferred tax assets	17,081	6,258
Current tax assets	19,943	14,932
Inter-segment assets	(795,199)	(967,096)
	<b>300,754</b>	69,892

E The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the Group's statement of financial position:

	2023 RM'000	2022 RM'000
Deferred tax liabilities	75,183	80,797
Income tax payable	24,823	53,380
Loans and borrowings	320,005	537,792
Lease liabilities	59,893	50,142
Inter-segment liabilities	(892,137)	(1,032,136)
	<b>(412,233)</b>	(310,025)

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**43. SEGMENT INFORMATION (CONT'D.)**

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd.)

E The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the Group's statement of financial position: (cont'd.)

**Geographical information**

	Revenue from contracts with customers RM'000	Total non- current assets RM'000
<b>2023</b>		
Malaysia	905,902	2,990,469
Outside Malaysia	230,641	53,730
	<b>1,136,543</b>	<b>3,044,199</b>
<b>2022</b>		
Malaysia	906,431	2,793,276
Outside Malaysia	71,263	46,221
	977,694	2,839,497

**NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**44. DIVIDENDS****(a) Recognised during the financial year:**

	Sen per share	Total amount RM'000
<b>2023</b>		
First and final tax exempt 2022 ordinary (single-tier)	3.00	32,225
<b>2022</b>		
First and final tax exempt 2021 ordinary (single-tier)	2.00	21,484

**(b) Proposed but not recognised as a liability:**

The following dividend will be proposed for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

	Sen per share
First and final tax exempt 2023 ordinary (single-tier)	2.00

## **NOTES TO FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

### **45. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

The financial statements for the year ended 31 December 2023 were authorised for issue by the Board in accordance with a resolution of the directors on 18 April 2024.

# LIST OF PROPERTIES

as at 31 December 2023

Location	Date of acquisition/ revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area/ Built up area (hectare/m <sup>2</sup> )	Age of buildings	Net book value (RM'000)
Lot 4747, Block 18, Salak Land District, Kuching.	2009	Mixed zone land	Vacant land	Leasehold	33 years (2056)	0.23/ N/A	–	294
Lot 5895, Section 64, Sungai Tabuan, Pending Industrial Estate, Kuching.	1996	Land & cement mill	Office & factory	Leasehold	13 years (2036)	6.25/ 15,223	46 years	15,352
Lot 766, Block 20, Kemena Land District, Bintulu.	1997	Land & cement mill	Office & factory	Leasehold	39 years (2062)	6.88/ 68,797	26 years	9,937
Lot 767, Block 20, Kemena Land District, Bintulu.	1997	Land & cement mill	Office & factory	Leasehold	39 years (2062)	7.365/ N/A	24 years	8,542
Lot 1240, Block 20, Kemena Land District, Bintulu.	1997	Mixed zone land	Office & factory	Leasehold	39 years (2062)	7.37/ N/A	–	2,529
Lot 11332-11334, Block 59, Muara Tuang Land District, Samarahan, Sarawak	2017	Land	Vacant land	Leasehold	54 years (2077)	4.44/ N/A	–	8,305
Lot 571, Block 4, Sentah Segu Land District, Kuching.	1992/2002	Land & clinker mill	Office & factory	Leasehold	19 years (2042)	18.27/ 58,595	24 years	103,502
Lot 528, Block 4, Sentah Segu Land District, Kuching.	1996	Mixed zone land	Vacant land	Leasehold	49 years (2072)	0.11/ N/A	–	0
Lot 872, Block 4, Sentah Segu Land District, Kuching.	1996	Mixed zone land	Vacant land	Leasehold	48 years (2071)	0.22/ N/A	–	0
Lot 70, Block 9, Sentah Segu Land District, Kuching.	2013	Mixed zone land	Vacant land	Leasehold	97 years (2120)	1.30/ N/A	–	26
Lot 73, Block 9, Sentah Segu Land District, Kuching.	2013	Mixed zone land	Vacant land	Leasehold	97 years (2120)	0.75/ N/A	–	38

**LIST OF PROPERTIES**

as at 31 December 2023

Location	Date of acquisition/ revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area/ Built up area (hectare/m <sup>2</sup> )	Age of buildings	Net book value (RM'000)
Lot 145, Block 8, Sentah Segu Land District, Kuching.	2014	Mixed zone land	Vacant land	Leasehold	90 years (2113)	3.77/ N/A	–	1,066
Lot 151, Block 8, Sentah Segu Land District, Kuching.	2014	Mixed zone land	Vacant land	Leasehold	47 years (2070)	1.66/ N/A	–	431
Lot 71, 74 & 79, Block 9, Sentah Segu Land District, Kuching.	2014	Mixed zone land	Vacant land	Leasehold	90 years (2113)	6.46/ N/A	–	1,829
Lot 727, Sentah Segu Land District	2018	Land	Vacant land	Leasehold	40 years (2063)	2.77/ N/A	–	806
Lot 482 Block 4 Miri Concession Land District	2018	Land	Vacant land	Leasehold	13 years (2036)	1.9441/ N/A	–	22,337
Lot 56, Block 5 Seduan Land District	2019	Land	Vacant land	Leasehold	87 years (2110)	1.9441/ N/A	–	7,369
Lot 57 & 58, Block 5 Seduan Land District	2019	Land	Vacant land	Leasehold	91 years (2114)	1.9441/ N/A	–	8,576
Lot 415, Block 32, Kemena Land District, Bintulu.	1996	Industrial	Held for rental income	Leasehold	21 years (2044)	2.23/ 712	22 years	1,093
Lot 34 & 35, Section 15, Kuching Town Land District, Kuching.	1994	4-storey shophouse	Held for rental income	Leasehold	792 years (2815)	0.41/ 1,400	25 years	3,147
Lot 1241, Block 20, Kemena Land District, Bintulu.	1997	Industrial land	Vacant land	Leasehold	39 years (2062)	2.76/ N/A	–	1,422
Lot 9882, Section 64, Kuching Town Land District, Kuching.	2010	Mixed zone land	Vacant land	Leasehold	75 years (2098)	3.19/ N/A	–	22,374

**LIST OF PROPERTIES**

as at 31 December 2023

Location	Date of acquisition/ revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area/ Built up area (hectare/m <sup>2</sup> )	Age of buildings	Net book value (RM'000)
Lot 4717-4718, Block 18 Salak Land District, Kuching.	2013	Mixed zone land	Vacant land	Leasehold	34 years (2057)	0.80/ N/A	–	1,038
Lot 4719-4720, Block 18, Salak Land District, Kuching.	2013	Mixed zone land	Vacant land	Freehold	In perpetuity	0.56/ N/A	–	1,030
Lot 212, Block 17, Kuching Central Land District, Kuching.	1996	Mixed zone land	Office & factory	Leasehold	33 years (2056)	5.04/ 1,700	26 years	830
Lot 2128, Sublot 2, Kuching Town Land District, Kuching.	1998	3-storey shophouse	Office	Leasehold	37 years (2060)	0.01/ 334	25 years	254
Lot 2116, Sublot 2, Kuching Town Land District, Kuching.	2003	3-storey shophouse	Office	Leasehold	37 years (2060)	0.01/ 328	25 years	332
Lot 220-222, Section 63, Kuching Land District, Kuching.	2007	4-storey shophouses	Office	Leasehold	775 years (2797)	0.04/ 1,560	15 years	2,543
Lots 3169-3171, 2985-2987 & 2992, Block 7, Muara Tebas Land District, Kuching.	1997	Mixed zone land	Land held for development	Leasehold	94 years (2117)	15.88/ N/A	–	15,201
Lot 2839, Block 7, Muara Tebas Land District, Kuching.	1997	Mixed zone land	Land held for development	Leasehold	86 years (2096)	1.67/ N/A	–	1,596
Lot 2850, Block 7, Muara Tebas Land District, Kuching.	1997	Mixed zone land	Land held for development	Leasehold	86 years (2109)	3.49/ N/A	–	3,343
Lot 2852, Block 7, Muara Tebas Land District, Kuching.	1997	Mixed zone land	Land held for development	Leasehold	86 years (2109)	2.59/ N/A	–	2,483
Lot 3165-3166, Block 7, Kuching Town Land District, Kuching.	1997	Mixed zone land	Land held for development	Leasehold	86 years (2109)	13.23/ N/A	–	12,667

**LIST OF PROPERTIES**

as at 31 December 2023

Location	Date of acquisition/ revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area/ Built up area (hectare/m <sup>2</sup> )	Age of buildings	Net book value (RM'000)
Lot 3241-3245, 3247 & 3179, Block 7, Kuching Town Land District, Kuching.	1997	Mixed zone land	Land held for development	Leasehold	73 years (2109)	13.03/ N/A	–	25,966
Lot 622, Section 66, Kuching Town Land District, Kuching.	1998	Mixed zone land	Land held for development	Leasehold	35 years (2058)	3.14/ N/A	–	3,671
Lot 2520, Section 66, Kuching Town Land District, Kuching.	1998	Mixed zone land	Land held for development	Leasehold	50 years (2073)	1.7089/ N/A	–	2,148
Lot 2521, Section 66, Kuching Town Land District, Kuching.	1998	Mixed zone land	Land held for development	Leasehold	35 years (2058)	11.659/ N/A	–	14,657
Lot 195, Block 207, Kuching North Land District, Kuching.	2019	Mixed zone land	Land held for development	Leasehold	14 years (2037)	3.15/ N/A	–	15,556
Lot 616, Block 207, Kuching North Land District, Kuching.	2020	Mixed zone land	Land held for development	Leasehold	14 years (2037)	0.42/ N/A	–	2,340
Sublot 14, Survey Lot 7648, Block 9, Salak Land District, Kuching.	2017	3-storey intermediate shophouse	Held for rental income	Leasehold	75 years (2098)	0.11 328	8 years	359
Lot 7450, 8580 & 9613, Block 9, Salak Land District, Kuching.	1999	Mixed zone land	Land held for township development	Leasehold	75 years (2098)	238.18/ N/A	–	2,715
Lot 4786 & Lot 8740, Block 14, Salak Land District, Kuching.	1999	Mixed zone land	Land held for township development	Leasehold	77 years (2100)	4.42/ N/A	–	66
Lot 8385, Block 9, Salak Land District, Kuching.	1999	Mixed zone land	Land held for township development	Leasehold	91 years (2114)	2.43 N/A	–	28

**LIST OF PROPERTIES**

as at 31 December 2023

Location	Date of acquisition/ revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area/ Built up area (hectare/m <sup>2</sup> )	Age of buildings	Net book value (RM'000)
Lot 8582, Block 9, Salak Land District, Kuching.	1999	Mixed zone land	Land held for township development	Leasehold	91 years (2114)	824.28/ N/A	–	9,243
Lot 3712, 8567,6443-6460, 6462-6478 & 7687 Block 9, Salak Land District, Kuching.	1999	Mixed zone land	Land held for township development	Leasehold	75 years (2098)	28.23/ N/A	–	75
Lot 1, Block 13, Salak Land District, Kuching.	1999	Mixed zone land	Land held for township development	Leasehold	75 years (2098)	349.70/ N/A	–	3,765
Lot 2082, Section 66, Kuching Town Land District, Kuching.	1996	Land & factory	Office & factory	Leasehold	22 years (2045)	0.85/ 3,936	34 years	1,732
Samalaju Industrial Park, Lot 117, Block 1, Kemena Land District, Bintulu.	2013	Industrial land	Vacant land	Leasehold	51 years (2073)	123.02/ N/A	–	24,590
Samalaju Industrial Park, Lot 108 & 109, Block 1, Kemena Land District, Bintulu.	2015	Mixed zone land	Land held for development	Leasehold	91 years (2114)	32.95/ N/A	–	4,654
Samalaju Industrial Park, Lot 33, Block 54, Kemena Land District, Bintulu.	2015	Mixed zone land	Land held for development	Leasehold	91 years (2114)	311.53/ N/A	–	68,043
Samalaju Industrial Park, Lot 143, Block 1, Kemena Land District, Bintulu.	2015	Mixed zone land	Land held for development	Leasehold	91 years (2114)	22.68/ N/A	–	4,049
Samalaju Industrial Park, Lot 293, Block 1, Kemena Land District, Bintulu.	2015	Mixed zone land	Land held for development	Leasehold	91 years (2114)	83.40/ N/A	–	12,914
Samalaju Industrial Park, Lot 351, Block 1, Kemena Land District, Bintulu.	2015	Mixed zone land	Land held for development	Leasehold	91 years (2114)	13.60/ N/A	0	4,887

**LIST OF PROPERTIES**

as at 31 December 2023

Location	Date of acquisition/ revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area/ Built up area (hectare/m <sup>2</sup> )	Age of buildings	Net book value (RM'000)
Samalaju Industrial Park, Lot 148, Block 1, Kemena Land District, Bintulu.	2015	Industrial Land	For bulding of phosphate plant	Leasehold	50 years (2073)	141.64/ N/A	-	181,472
Lot 42410 Pekan Cempaka, Daerah Petaling, Negeri Selangor,	2023	Five storey shop office	Office	Freehold	In perpetuity	0.02/ 886	27 years	3,145
Samalaju Industrial Park, Lot 132, Block 1, Kemena Land District, Bintulu.	2014	Mixed zone land	Hotel	Leasehold	90 years (2113)	9.35/ 14,460	9 years	32,219
Samalaju Industrial Park, Jalan Bintulu-Miri (Coastal Road), Samalaju Industrial Park, Bintulu.	-	**	Quarters, office, lodge	-	-	N/A/ 49,498	13 years	5,105
Lot 2586, Block 19, Seduan Land District, Sibiu.	-	**	Bulk terminal	-	-	N/A/ 6,049	13 years	8,491
Lot 3494 & Lot 3043, Block 5, Miri Concession Land District, Miri.	-	**	Bulk terminal	-	-	N/A/ 5,507	13 years	9,916
Plot 73, Lot 15 & 37, Block 20, Kemena Land District	-	**	Bintulu port	-	-	N/A/ 13,621	-	978
Lot 1004 Block 4, Sentah-Segu Land District	-	**	Mambong limestone crusher site	-	-	7.255/ N/A	-	3,848

\*\* Land owned by third party

**ANALYSIS OF SHAREHOLDINGS**

as at 29 March 2024

**Total number of issued shares** : 1,074,376,020 ORDINARY SHARES (INCLUDING 200,000 TREASURY SHARES)  
**Voting Rights** : ONE VOTE PER ORDINARY SHARE

Shareholdings of Directors

In Cahya Mata Sarawak Berhad

Number Of Ordinary Shares Held				
Name of Directors	Direct Shareholding	% of Issued Capital *	Indirect Shareholding	% of Issued Capital *
1. General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	100,000	0.01	-	-
2. Dato Sri Mahmud Abu Bekir Taib	1,000,000	0.09	4,407,100 <sup>1</sup>	0.41
3. Dato Sri Sulaiman Abdul Rahman b Abdul Taib	6,790,400	0.63	-	-
4. Dato' Maznah binti Abdul Jalil	-	-	-	-
5. Dr. Khor Jaw Huei	-	-	-	-
6. Jeyabalan A/L S.K. Parasingam	-	-	-	-
7. Umang Nangku Jabu	200,000	0.02	-	-
8. Gee Siew Yoong	-	-	-	-
Name of Directors				Number Of Options Held
1. General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)				-
2. Dato Sri Mahmud Abu Bekir Taib				-
3. Dato Sri Sulaiman Abdul Rahman b Abdul Taib				1,500,000
4. Dato' Maznah binti Abdul Jalil				-
5. Dr. Khor Jaw Huei				-
6. Jeyabalan A/L S.K. Parasingam				-
7. Umang Nangku Jabu				-
8. Gee Siew Yoong				-

**ANALYSIS OF SHAREHOLDINGS**

as at 29 March 2024

Analysis by Size of Shareholdings				
Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Ordinary Shares Held *	% of Issued Capital *
Less than 100 shares	60	0.41	1,578	0.00#
100 to 1,000 shares	1,573	10.82	1,147,907	0.10
1,001 to 10,000 shares	7,497	51.56	39,774,561	3.70
10,001 to 100,000 shares	4,568	31.41	155,208,486	14.45
100,001 to less than 5% of issued shares	839	5.77	541,892,102	50.45
5% and above of issued shares	4	0.03	336,151,386	31.30
<b>Total</b>	<b>14,541</b>	<b>100.00</b>	<b>1,074,176,020</b>	<b>100.00</b>

Analysis of Equity Structure				
Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Ordinary Shares Held *	% of Issued Capital *
Individual	10,501	72.22	403,519,399	37.57
Body Corporate				
Banks/Finance Companies	15	0.10	81,454,500	7.58
Investment Trusts/Foundation/Charities	3	0.02	103,000	0.01
Other type of companies	144	0.99	155,553,806	14.48
Government Agencies/Institutions	6	0.04	70,700,080	6.58
Nominees	3,870	26.61	362,830,232	33.78
Others	2	0.01	15,003	0.00#
<b>Total</b>	<b>14,541</b>	<b>100.00</b>	<b>1,074,176,020</b>	<b>100.00</b>

**ANALYSIS OF SHAREHOLDINGS**

as at 29 March 2024

Thirty Largest Securities Account Holders as per Record of Depositors		
	No. of Ordinary Shares Held	% of Issued Capital *
1. Majaharta Sdn. Bhd.	134,775,306	12.55
2. Lembaga Tabung Haji	78,190,000	7.28
3. Lejla Taib	61,000,000	5.68
4. Sarawak Economic Development Corporation	60,896,080	5.67
5. Ragad Kurdi Taib	50,009,000	4.66
6. Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	27,835,978	2.59
7. Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt An For Citibank New York (Norges Bank 14)</i>	14,138,268	1.32
8. HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA For Vanguard Total International Stock Index Fund</i>	11,122,570	1.04
9. Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Islamic)</i>	10,924,605	1.02
10. Lembaga Tabung Angkatan Tentera	9,146,000	0.85
11. HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA For Vanguard Emerging Markets Stock Index Fund</i>	7,274,600	0.68
12. Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Sulaiman Abdul Rahman b Abdul Taib</i>	6,790,400	0.63
13. Lim Gaik Bway @ Lim Chiew Ah	6,408,900	0.60
14. Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Kian Aik</i>	5,265,000	0.49
15. AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Ta Kin Yan (7000778)</i>	5,200,000	0.48
16. Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt An For Citibank New York (Norges Bank 19)</i>	5,120,300	0.48
17. Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Muk Chee Onn (E-SKN)</i>	5,073,000	0.47
18. HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt An For Morgan Stanley &amp; Co. International PLC (Client)</i>	5,000,000	0.46
19. Citigroup Nominees (Asing) Sdn. Bhd. <i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i>	4,718,900	0.44
20. HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II</i>	4,704,500	0.44

## ANALYSIS OF SHAREHOLDINGS

as at 29 March 2024

Thirty Largest Securities Account Holders as per Record of Depositors			
	No. of Ordinary Shares Held	% of Issued Capital *	
21. HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd For Manulife Investment Al-Faid (4389)</i>	4,601,500	0.43	
22. Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Trustees Berhad For Dana Makmur Pheim (211901)</i>	4,516,200	0.42	
23. Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Ta Kin Yan</i>	4,295,300	0.40	
24. Raden Murya Abdul Taib Mahmud	3,700,000	0.34	
25. Tee Jin Gee	3,550,000	0.33	
26. Low Kok Kong	3,500,000	0.33	
27. TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Kho Chai Yam</i>	3,500,000	0.33	
28. Tee Jin Gee Enterprise Sdn. Bhd.	3,500,000	0.33	
29. Cartaban Nominees (Asing) Sdn. Bhd. <i>The Bank Of New York Mellon For Vanguard FTSE All-World EX-US Small-Cap Index Fund</i>	3,377,900	0.31	
30. Maybank Nominees (Tempatan) Sdn. Bhd. <i>Wong Tung Ann</i>	3,352,400	0.31	
<b>Total</b>	<b>551,486,707</b>	<b>51.34</b>	

Substantial Shareholders as per Register of Substantial Shareholders				
	Name of Substantial Shareholders	Direct Shareholding	Indirect Shareholding	% of Issued Capital *
1.	YB Dato Hajjah Hanifah Hajar Taib-Alsree	2,230,500	134,775,306 <sup>2</sup>	12.75
2.	Majaharta Sdn. Bhd.	134,775,306	-	12.55
3.	Jamilah Hamidah Taib	-	134,775,306 <sup>2</sup>	12.55
4.	Lejla Taib @ Datuk Patinggi Dr. Hajjah Lejla Taib (deceased)	111,000,000	-	10.33
5.	Lembaga Tabung Haji	79,480,000	-	7.40
6.	Sarawak Economic Development Corporation	60,896,080	-	5.67

\* Excludes 200,000 ordinary shares retained as Treasury Shares

# negligible

1 Deem interest pursuant to Section 59 (11) (c) of the Companies Act 2016

2 Deem interest pursuant to Section 8 of the Companies Act 2016

## ADMINISTRATIVE GUIDE

49<sup>th</sup> Annual General Meeting (“AGM”) of Cahya Mata Sarawak Berhad

Date : Thursday, 23 May 2024  
 Time : 3:00 p.m.  
 Venue : Ranyai Ballroom, Level 4, The Waterfront Hotel  
 68, Jalan Tun Abang Haji Openg, 93000 Kuching, Sarawak

### Parking

- You are advised to park your vehicle at Plaza Merdeka. Please scan the QR code at The Waterfront Hotel’s Front Desk at Ground Floor or at the foyer of Ranyai Ballroom at Level 4 for a flat rate.

### Registration

- Registration will start at 2:00 p.m. at the foyer of Ranyai Ballroom, Level 4 of The Waterfront Hotel.
- Please read the signage to ascertain where you should register yourself for the AGM and join the queue accordingly.
- Please produce your original National Registration Identity Card (“MyKad”) or passport to the registration clerk for verification. Please make sure you collect your MyKad or passport thereafter.
- After the verification, you are required to write your name and sign on the Attendance List placed on the registration table.
- You will also be given a barcoded wristband. No person will be allowed to enter the meeting room (Ranyai Ballroom) without the barcoded wristband. There will be no replacement in the event that you lose or misplace the barcoded wristband.
- No person will be allowed to register on behalf of another person even with the original MyKad or passport of that other person.
- The registration counter will handle only verification of identity and registration. If you have any enquiry, please proceed to the Help Desk. The Help Desk will be located next to the registration counters at the foyer of Ranyai Ballroom, Level 4 of The Waterfront Hotel.

### Entitlement to Participate and Vote

- Only a member whose name appears on the Record of Depositors as at 16 May 2024 shall be entitled to participate and vote at the AGM or appoint a proxy to participate and/or vote on his/her behalf.

### Proxy

- A member entitled to attend and vote is entitled to appoint a proxy, to attend and vote instead of him. If you are unable to attend the AGM and wish to appoint a proxy to vote on your behalf, please submit your Form of Proxy in accordance with the notes and instructions printed therein.

- Shareholders who are unable to attend the AGM are encouraged to appoint the Chairman of the Meeting to vote on their behalf.
- If you wish to attend the AGM yourself, please do not submit any Form of Proxy for the AGM that you wish to attend. You will not be allowed to attend the AGM together with a proxy appointed by you.
- If you have submitted your Form of Proxy prior to the AGM and subsequently decided to attend the AGM yourself, please proceed to the Help Desk to revoke the appointment of your proxy.
- If you wish to submit your Form of Proxy, please ensure that the original Form of Proxy is deposited at the Registered Office of Cahya Mata Sarawak Berhad at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak or at 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 not less than forty-eight (48) hours before the time set for holding the AGM, i.e. before 3:00 p.m. on 21 May 2024 or at any adjournment thereof.
- We do not acknowledge receipt of the Form of Proxy. The submission of Form of Proxy via facsimile transmission or email is not acceptable.

### Seating Arrangement for the AGM

- Free seating. All shareholders/proxies/corporate representatives will be allowed to enter the Ranyai Ballroom from 2:00 p.m. onwards.
- All shareholders/proxies/corporate representatives are encouraged to be seated at least ten (10) minutes before the commencement of the AGM.

### Mobile Devices

- Please ensure that all mobile devices, i.e. phones/other sound emitting devices are switched off or put on silent mode during the AGM to ensure smooth and uninterrupted proceedings.

### No Smoking Policy

- A no smoking policy is maintained inside The Waterfront Hotel. Your co-operation is much appreciated.

**ADMINISTRATIVE GUIDE**49<sup>th</sup> Annual General Meeting (“AGM”) of Cahya Mata Sarawak Berhad**Surau/Prayer Room**

20. The Surau is located at Cafe Via Mare, Level 4 of The Waterfront Hotel.

**Voting Procedure**

21. The voting at the AGM will be conducted on a poll. Boardroom Share Registrars Sdn. Bhd. is appointed as Poll Administrator to conduct the polling process. Sky Corporate Services Sdn. Bhd. is appointed as Independent Scrutineers to verify the results of the poll.
22. Upon the conclusion of the poll session by the Chairman, the Independent scrutineer will verify and announce the poll results followed by the Chairman whether the resolutions put to the vote were successfully carried or not.

**Personal Belongings**

23. Please take care of your personal belongings. The organiser will not be held responsible for any item that has gone missing.

**Annual Report 2023**

24. The Annual Report 2023 is made available online and can be downloaded from the Company’s website at www.cahyamata.com.
25. In our effort of going green and preserving the environment, we urge the shareholders to refer to the soft copies of the documents. However, shareholders may request for the printed Annual Report 2023 by completing and submitting the Request Form provided to you.

**Communication Guidance**26. Shareholders are advised to monitor the Company’s website for announcement of changes to the 49<sup>th</sup> AGM arrangements, if any.**Enquiry**

27. If you have any enquiry prior to the AGM, please contact the following persons during office hours:

(a) Cahya Mata Sarawak Berhad  
Level 6, Wisma Mahmud  
Jalan Sungai Sarawak  
93100 Kuching, Sarawak

(b) **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

Mr Sahil Singh Dev  
Telephone Number: 082-257078  
Facsimile Number: 082-333828  
Email: www@cahyamata.com

Telephone Number: 03-7890 4700  
(1) Puan Rozleen Monzali 03-7890 4739  
(2) Encik Zulkernaen Abdul Samad 03-7890 4741  
Facsimile Number: 03-7890 4670  
Email: bsr.helpdesk@boardroomlimited.com

**Personal Data Privacy**

28. By submitting the instrument appointing a proxy and/or representative, the Shareholder of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The Shareholder agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder’s breach of warranty.

**NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 49<sup>th</sup> Annual General Meeting (“AGM”) of Cahya Mata Sarawak Berhad (“Cahya Mata” or “the Company”) will be held at the **Ranyai Ballroom, Level 4, The Waterfront Hotel, 68, Jalan Tun Abang Haji Openg, 93000 Kuching, Sarawak on Thursday, 23 May 2024 at 3:00 p.m.** for the following purposes:

**AS ORDINARY BUSINESS**

- To receive the Audited Financial Statements for the year ended 31 December 2023 and the Reports of the Directors and Auditors thereon.
- To declare a first and final tax exempt (single-tier) dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2023.
- To re-elect the following Directors who retire pursuant to Article 111 of the Company’s Constitution and being eligible offer themselves for re-election:
  - YBhg Dato Sri Sulaiman Abdul Rahman b Abdul Taib
  - Mr Jeyabalan A/L S.K. Parasingam
- To re-elect the following Director who retires pursuant to Article 113 of the Company’s Constitution and being eligible offers herself for re-election:
  - Ms Gee Siew Yoong
- To approve the payment of Directors’ fees amounting to RM150,000 per annum for the Non-Executive Chairman, RM150,000 per annum for the Non-Executive Deputy Chairman and RM120,000 per annum for each of the Non-Executive Directors for the financial year ended 31 December 2023.
- To approve the payment of Directors’ remuneration and benefits payable to Non-Executive Chairman, Non-Executive Deputy Chairman and Non-Executive Directors up to an amount of RM3,000,000 from 24 May 2024 until the next AGM of the Company.
- To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to determine their remuneration.

**AS SPECIAL BUSINESS**

To consider and if thought fit, pass the following Ordinary Resolutions:

**8. Authority to Directors to Issue Shares**

“THAT subject to the Companies Act, 2016 (“the Act”), the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Company’s Constitution, subject to the approvals of the relevant governmental/regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot shares in the Company, grant rights to subscribe for shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time (“10% General Mandate”); AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 10% General Mandate on Bursa Securities, if required; AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

**Ordinary Resolution 1****Ordinary Resolution 2****Ordinary Resolution 3****Ordinary Resolution 4****Ordinary Resolution 5****Ordinary Resolution 6****Ordinary Resolution 7****Ordinary Resolution 8**

**NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING****9. Proposed Renewal of Share Buy-Back Authority**

“THAT subject to Section 127 of the Companies Act 2016, provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be and is hereby authorised to renew the approval granted by the shareholders of the Company at the 48<sup>th</sup> Annual General Meeting of the Company held on 26 May 2023, authorising the Directors of the Company to exercise the power of the Company to purchase such amount of ordinary shares in the Company from time to time through Bursa Securities subject further to the following:

- (a) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company (“Purchased Shares”) at the point of purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Purchased Shares shall not exceed the Company’s audited retained profits as at 31 December 2023 amounted to RM844,971,000;
- (c) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:
  - (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the expiration of the period within the next Annual General Meeting of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
  - (iii) revoked or varied by a resolution passed by the shareholders in general meeting,
 whichever occurs first.
- (d) Upon the completion of the purchase(s) of the Purchased Shares, the Directors of the Company be and are hereby authorised to deal with the Purchased Shares in the following manner:
  - (i) to cancel the Purchased Shares so purchased; or
  - (ii) to retain the Purchased Shares so purchased as treasury shares for distribution as dividend to the shareholders, resell in accordance with the relevant rules of Bursa Securities, transfer for the purposes of or under an employees’ share scheme, transfer as purchase consideration, cancel the shares and/or sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; or
  - (iii) to retain part of the Purchased Shares so purchased as treasury shares and cancel the remainder; or
  - (iv) to deal in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/ or amendments (if any) as may be imposed by the relevant authorities and with fullest power to do all such acts and things thereafter as the Directors may deem fit and expedient in the best interest of the Company.”

**Ordinary Resolution 9****NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING**

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a Member who shall be entitled to participate, speak and vote at the 49<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 77(2) of the Company’s Constitution to issue a General Meeting Record of Depositors (“ROD”) as at 16 May 2024. Only a Depositor whose name appears in the Register of Members/ROD as at 16 May 2024 shall be entitled to participate at the said meeting or appoint a proxy to participate, speak and vote on his/her behalf.

**NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of the shareholders at the 49<sup>th</sup> AGM of the Company to be held on 23 May 2024 for the payment of the first and final dividend under single-tier system in respect of the financial year ended 31 December 2023 (“Dividend”) under Ordinary Resolution 1, the Dividend will be paid on 28 June 2024 to Depositors whose names appear in the ROD on 5 June 2024.

Depositors shall be only entitled to the Dividend in respect of:

- (a) securities transferred into the Depositor’s Securities Account before 4:30 p.m. on 5 June 2024 for ordinary transfers; and
- (b) securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**BY ORDER OF THE BOARD****SAMANTHA TAI YIT CHAN**

SSM PC No.: PC 202008001023 (MAICSA 7009143)

Company Secretary

Kuching, Sarawak

24 April 2024

**Notes:****1. Audited Financial Statements for financial year ended 31 December 2023**

Agenda 1 is for discussion at the meeting and no voting is required.

**2. Ordinary Resolution 1 – First and final tax exempt (single-tier) dividend**

Pursuant to Section 131 of the Companies Act 2016 (“Act”), a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 26 February 2024, the Board had considered the amount of dividend and recommended the same for the shareholders’ approval. The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 28 June 2024 in accordance with the requirements under Section 132(2) and (3) of the Act.

## NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING

### 3. Ordinary Resolutions 2 to 3 – Re-election of Directors who retire by rotation in accordance with Article 111

Article 111 of the Company's Constitution provides that one third (1/3) of the Directors of the Company for the time being shall retire by rotation at the AGM of the Company. Pursuant thereto, two (2) Directors of the Company, namely 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. 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 re-election. Details of the assessment of the directors standing for re-election are on page 59 of the Annual Report 2023.

### 4. Ordinary Resolution 4 – Re-election of Director who retires in accordance with Article 113

Article 113 of the Company's Constitution provides that the Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Company's Constitution. Any Director so appointed shall hold office until the next AGM of the Company and when he/she shall retire, he/she shall be eligible for re-election. Pursuant thereto, Ms Gee Siew Yoong who was appointed on 18 September 2023, is standing for re-election as Director of the Company in accordance with Article 113 of the Company's Constitution and, being eligible has offered herself for re-election. Details of the assessment of the director standing for re-election is on page 59 of the Annual Report 2023.

### 5. Directors' Remuneration – Fees and benefits payable to the Non-Executive Director ("NED")s

5.1 Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 49<sup>th</sup> AGM on the Directors' remuneration in two (2) separate resolutions as below:

- (a) Ordinary Resolution 5 on payment of Directors' fees in respect of the preceding year 2023; and
- (b) Ordinary Resolution 6 on payment of Directors' remuneration and benefits from 24 May 2024 to the next AGM in 2025.

5.2 The Board Remuneration policy for the NEDs as set out in the table below:

#### Ordinary Resolution 5: Directors' fees to the NEDs

Directors' Fee	Approved at 48 <sup>th</sup> AGM for Financial Year ("FY") 2022	Approval sought for FY2023
Non-Executive Chairman	RM150,000	RM150,000
Non-Executive Deputy Chairman	RM150,000	RM150,000
Non-Executive Director	RM120,000	RM120,000

The payment of the fees to the Non-Executive Chairman, Non-Executive Deputy Chairman and NEDs in respect of the financial year ended 31 December 2023 will only be paid if the proposed Ordinary Resolution 5 is passed at the 49<sup>th</sup> AGM.

## NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING

### Ordinary Resolution 6: Remuneration and benefits payable to the NEDs

The remuneration and benefits payable to the NEDs comprise the allowances and other emoluments payable to the Chairman and members of the Board, Board of subsidiaries, Board Committees and such other committees as may be established by the Board.

Board Committee Fees Approved at 48 <sup>th</sup> AGM and approval sought at 49 <sup>th</sup> AGM	Chairman	NED/Member
Group Audit Committee	RM24,000	RM16,000
Nomination and Remuneration Committee	RM16,000	RM12,000
Group Risk Committee	RM16,000	RM12,000
Digital Transformation Committee	RM16,000	RM12,000
Employees' Share Option Scheme Committee	RM16,000	RM12,000

Type of Meeting Attendance Allowance (per meeting) Approved at 48 <sup>th</sup> AGM and approval sought at 49 <sup>th</sup> AGM	Chairman	NED/Member
Board of Cahya Mata	RM2,200	RM2,000
General meeting of Cahya Mata	RM2,200	RM2,000
Group Audit Committee	RM2,000	RM1,800
Nomination and Remuneration Committee	RM1,800	RM1,600
Group Risk Committee	RM1,800	RM1,600
Digital Transformation Committee	RM1,800	RM1,600
Employees' Share Option Scheme Committee	RM1,800	RM1,600

The NEDs' other remuneration and benefits are set out in the table below:

Description	Chairman	Deputy Chairman	NED
Monthly Fixed Allowance	RM50,000	RM40,000	-
Other Benefits	Driver, motor vehicle, petrol, medical coverage		Medical coverage

The Directors' fee policy for subsidiary companies in the Group is set out in the table below:

	Chairman	NED
Directors' fee for subsidiary company which achieves an annual turnover of RM90.0 million and/or a net assets size of RM100.0 million and over (per annum)	RM22,500	RM15,000
Subsidiary Company Directors' meeting attendance allowance (per meeting)	RM2,000	RM2,000

## NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING

Payment of the remuneration and benefits to the NEDs will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred, if the proposed Ordinary Resolution 6 has been passed by shareholders at the 49<sup>th</sup> AGM. The Board's view is that it is equitable for the NEDs to be paid Directors' remuneration and benefits (excluding Directors' fees) after they have rendered their services to the Company and/or its subsidiaries and discharged their duties and responsibilities.

### 6. Ordinary Resolution 7 – Re-appointment of Auditors

6.1 The Audit Committee ("AC") at its meeting held on 16 April 2024 undertook an annual assessment of the objectivity, independence and quality of service delivery of the external auditors, Messrs Ernst & Young PLT ("EY"). In its assessment, the AC considered several factors which include the following:

(a) Quality of EY's performance and their communications with the AC and Cahya Mata group, based on feedback obtained via assessment questionnaires from personnel who had substantial contact with the external audit team and EY throughout the year;

(b) Adequacy of experience and resources provided to the Group by EY, in terms of the firm and the competency of the professional staff assigned to the audit; and

(c) Independence and objectivity of EY and the level of non-audit services rendered by EY to the Company for the FY2023.

6.2 The AC was satisfied with the suitability of EY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provisions of non-audit services by EY to the Company for the FY2023 did not in any way impair their objectivity and independence as external auditors of the Company.

6.3 The Board at its meeting held on 18 April 2024 approved the AC's recommendation for the shareholders' approval to be sought at the 49<sup>th</sup> AGM on the appointment of EY as external auditors of the Company for the FY2024, under Ordinary Resolution 7 in accordance with Section 340(1)(c) and Section 274(1)(a) of the Act.

### 7. Ordinary Resolution 8 – Authority to Directors to Issue Shares

The proposed Ordinary Resolution 8, if passed, will give a renewed mandate to the Directors of the Company, pursuant to Sections 75 and 76 of the Act ("Renewed Mandate") for such purposes as the Directors may deem fit and in the interest of the Company. The Renewed Mandate, unless revoked or varied by the Company in a general meeting will expire at the conclusion of next AGM of the Company.

The Directors of the Company, after due consideration, is of the opinion that this Renewed Mandate will enable the Company further flexibility to raise funds expeditiously other than incurring additional interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow and achieve a more optimal capital structure. Any funds raised from this Renewed Mandate is expected be used for the purpose of a possible fund raising exercise including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisitions and to avoid any delay and cost in convening general meetings to specifically approve such an issue of shares.

The Directors, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 10% General Mandate is in the best interest of the Company. As of the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 26 May 2023 and which will lapse at the conclusion of the 49<sup>th</sup> AGM. The Renewed Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises, or in the event of business opportunities, or other arising circumstances which involve the issue of new shares, and to avoid delay and cost in convening general meetings to approve such issue of shares.

## NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING

### 8. Ordinary Resolution 9 – Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to purchase the Company's shares of an aggregate amount of up to 10% of the total number of issued shares of the Company for the time being. The shareholders' mandate for the Proposed Renewal of Share Buy-Back Authority is subject to renewal on an annual basis. Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Share Buy-Back Statement dated 24 April 2024 which is despatched together with the Notice of 49<sup>th</sup> AGM.

### 9. Abstention from Voting

All the NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolutions 5 and 6 concerning Directors' fees and Directors' remuneration and benefits (excluding Directors' fees) at the 49<sup>th</sup> AGM. Any Director referred to in Ordinary Resolutions 2, 3 and 4 who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election as a Director at the 49<sup>th</sup> AGM.

### 10. Proxy and Entitlement of Participation

10.1 A member entitled to participate and vote at the meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to vote in his stead. If the proxy is not a member, he shall be any person and there shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

10.2 Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint a proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

10.3 Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

10.4 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

10.5 The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak or at 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 not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

10.6 Only members whose names appear in the Record of Depositors as at 16 May 2024 shall be entitled to participate at the meeting.

### 11. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements, all the Resolutions set out in this Notice will be put to vote by poll. Please refer to the details in the Administrative Guide.

### 12. Publication of AGM Notice on the Company's Website

Pursuant to Section 320 of the Act, the Notice of the Company's 49<sup>th</sup> AGM is also available on the Company's website [www.cahyamata.com](http://www.cahyamata.com) throughout the period beginning from the date of notice until the conclusion of the 49<sup>th</sup> AGM.

### 13. Personal Data Privacy

By submitting the instrument appointing a proxy and/or representative, the Shareholder of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The Shareholder agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

## STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- A. The profiles of the Directors who are standing for re-election as per Agenda 3 of the Notice of 49<sup>th</sup> AGM are stated on pages 44, 47 and 49 of the Company’s Annual Report 2023.
- B. The profiles of the Directors are stated on pages 42 to 49 of the Company’s Annual Report 2023. Their shareholdings in the Company are set out on page 275 of the Company’s Annual Report 2023.
- C. Details on the authority to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Note 6 of the Notice of 49<sup>th</sup> AGM.

## STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### SHARE BUY-BACK STATEMENT

#### 1. IMPORTANCE

If you are in any doubt as to the course of action to be taken, you should consult your Stockbroker, Bank Manager, Solicitor, Accountant or other Professional Adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Share Buy-Back Statement (“Statement”) prior to its issuance as it is an exempt Statement. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

#### 2. DETAILS OF THE PROPOSED SHAREHOLDERS’ MANDATE FOR SHARE BUY-BACK

##### 2.1 Introduction

At the 48<sup>th</sup> Annual General Meeting (“AGM”) held on 26 May 2023, Cahya Mata Sarawak Berhad (“Cahya Mata” or “the Company”) obtained shareholders’ approval for the purchase of up to a maximum of ten percent (10%) of the total number of issued shares of the Company on Bursa Securities.

This authority conferred by the shareholders will expire at the conclusion of the forthcoming 49<sup>th</sup> AGM of the Company.

On 18 April 2024, the Board of Directors of Cahya Mata (“Board”) announced to Bursa Securities that Cahya Mata proposed to seek shareholders’ approval for the renewal of the Shareholders’ Mandate at the forthcoming 49<sup>th</sup> AGM to allow the Directors to exercise the power of the Company to purchase its own Shares (referred to the Ordinary Shares of Cahya Mata “Share(s)” or “Cahya Mata Shares”) of up to a maximum of ten percent (10%) of the total number of issued shares of Cahya Mata at any point of time through Bursa Securities (“Proposed Shareholders’ Mandate for Share Buy-Back” or “Proposed Share Buy-Back”).

The purpose of this statement is to provide you with information on the Proposed Share Buy-Back, and to seek your approval for the ordinary resolution to be tabled under special businesses at the forthcoming 49<sup>th</sup> AGM of the Company.

The Proposed Shareholders’ Mandate for Share Buy-Back will take effect immediately after the passing of the ordinary resolution at the forthcoming 49<sup>th</sup> AGM and will continue in force until:

- (a) the conclusion of the next AGM of the Company;
- (b) the expiration of the period within the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Malaysian Companies Act 2016 (“the Act”) but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever occurs first.

The Shareholders’ Mandate for Share Buy-Back, if obtained, would give authority to the Directors to exercise the power of the Company to purchase its own Shares in circumstances which the Directors consider would be in the interest of the Company.

**STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

**2.2 The maximum number or percentage of share to be acquired**

The Board proposes to seek a mandate from the shareholders of Cahya Mata to purchase and/or hold in aggregate up to ten percent (10%) of the total number of issued shares of the Company at any point of time through Bursa Securities.

**2.3 Funding**

The Board proposes to allocate a maximum amount not exceeding the audited retained profits of Cahya Mata for the purchase of its own Shares. As at 31 December 2023, the audited retained profits of the Company amounted to RM 844,971,000. As at 29 February 2024, the unaudited retained profits of the Company amounted to RM 843,206,000.

The funding of the Proposed Share Buy-Back will be sourced from internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of internally generated funds and borrowings and repayment capabilities of the Company at the time of purchase. In the event that the Proposed Share Buy-Back is to be partly financed by bank borrowings, the Board will ensure that the Company will have sufficient funds to repay such borrowing and that the repayment would not have any material effect on the cash flow of Cahya Mata and its subsidiaries companies, collectively (“Cahya Mata Group” or “the Group”).

**3. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK****3.1 Potential Advantages**

The Proposed Share Buy-Back will enable the Company to utilise its surplus financial resources not immediately required for use, to purchase its own Shares. The Proposed Share Buy-Back may enhance the Earning Per Share and reduce the liquidity level of the Shares of the Company in Bursa Securities, which generally shall have a positive impact on the market price of the Shares of the Company. Other potential advantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:

- (a) to allow the Company to take preventive measures against speculation particularly when its Share are undervalued which would in turn stabilise the market price of the Shares and hence, enhance investors' confidence;
- (b) when the Shares bought back by the Company are cancelled, shareholders of the Company are likely to enjoy an increase in the value of their investment in the Company as the net Earning Per Share of the Company and the Group will increase proportionately; and
- (c) the Purchased Shares may be held as Treasury Shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital gain in the Purchased Shares are resold at price(s) higher than their purchase price(s).

**STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

**3.2 Potential Disadvantages**

The potential disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:

- (a) the Proposed Share Buy-Back will reduce the immediate financial resources of the Group;
- (b) the Proposed Share Buy-Back will reduce the amount of financial resources available for distribution to shareholders of the Company in the form of cash dividends;
- (c) Cahya Mata Group foregoing other better investment opportunities which may emerge in the future and/or any income that may be derived from other alternatives uses of such funds as deposit in interest bearing instruments; and
- (d) The cash flow of the Company may be affected if the Company decides to utilise bank borrowing to finance the Proposed Share Buy Back.

Nevertheless, the Board is of the view that the Proposed Share Buy-Back is not expected to have any potential material disadvantages to the shareholders of the Company as well as the Group as it will be implemented only after careful consideration of the financial resources of the Group and the resultant impact on the shareholders of the Company.

**4. FINANCIAL EFFECTS**

The financial effects of the Proposed Share Buy-Back shown below are based on two (2) scenarios:

Minimum Scenario: Assuming none of the 62,080,700 outstanding shares under the Company's Employees' Share Option Scheme (“ESOS”) are exercised into new Cahya Mata shares

Maximum Scenario : Assuming all 62,080,700 outstanding shares under ESOS as at 29 March 2024 being the latest practicable date prior to printing of this Statement (“LPD”) are exercised into new Cahya Mata shares

**STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The proforma effects of the Proposed Share Buy-Back (assuming no resale, cancellation or distribution of Treasury Shares and Cahya Mata purchased up to ten percent (10%) of the total number of its issued shares) are set out below.

**(a) Share Capital**

Assuming the Proposed Shareholders’ Mandate for Share Buy-Back is implemented in full and all the purchased Cahya Mata Shares are cancelled, the effect of the minimum and maximum number of Cahya Mata Shares to be bought back as permitted under the Proposed Share Buy-Back on the issued share capital of the Company are illustrated below.

	Minimum Scenario	Maximum Scenario
Total number of issued shares of Cahya Mata (including Treasury Shares)	1,074,376,020	1,074,376,020
Assuming full exercise of the outstanding ESOS via issuance of new shares	-	62,080,700
Enlarged total number of issued shares of Cahya Mata after the exercise of the outstanding ESOS	1,074,376,020	1,136,456,720
(Less): Maximum number of Cahya Mata shares and purchased pursuant to the Proposed Share Buy-Back	(107,437,602)	(113,645,672)
Total number of issued shares after the Proposed Share Buy-Back	966,938,418	1,022,811,048

The actual quantum of Shares purchased under the Proposed Share Buy-Back is limited to the availability of the retained earnings of Cahya Mata.

**(b) Dividends**

Assuming the Proposed Shareholders’ Mandate for Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of Cahya Mata as a result of the reduction in the issued and paid-up share capital of Cahya Mata as described under Section 4 (a) above.

**(c) Net Assets (“NA”) Per Share and Earning Per Share (“EPS”)**

The NA per share of the Company may be increased or decreased, depending on the purchase prices of the Shares to be bought back by the Company. Should the purchase prices exceed the existing NA per share, the NA of the remaining Shares should decrease accordingly. Conversely, should the purchase price be lower than the existing NA per share unit, the resultant NA per share should increase accordingly. The effective reduction in the issued and paid-up share capital of the Company pursuant to the Proposed Share Buy-Back would generally, all else being equal, increase the consolidated EPS of the Company. However, the Proposed Share Buy-Back, if exercised, is not expected to have any material effect on the NA per share and EPS of the Company for the financial year ending 31 December 2023.

**STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

**(d) Working Capital**

The Proposed Share Buy-Back, as and when implemented will reduce the working capital and cash flow of the Group, the quantum being dependent on the number of Purchased Shares, the purchase price of Cahya Mata Ordinary Shares and the amount of financial resources to be utilised for the purchase of Cahya Mata Ordinary Shares. However, it is not expected to have a material effect on the working capital and cash flow of the Group.

For Purchased Shares which are retained as treasury shares or transfer, upon its resale or transfer, the working capital and cash flow of the Company will increase. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold or transferred.

**5. SHAREHOLDINGS OF DIRECTORS AND MAJOR/SUBSTANTIAL SHAREHOLDERS AND PERSON CONNECTED WITH THE DIRECTORS AND MAJOR SHAREHOLDERS**

Based on the Register of Directors and Register of Substantial Shareholders as at LPD and assuming that Cahya Mata purchases shares of up to ten percent (10%) of its total number of issued shares and that the Purchased Shares are from public shareholders, the effects of the Proposed Share Buy-Back on the shareholdings of the Directors, Major/Substantial Shareholders and persons connected with the Directors and/or Major Shareholders are as follows:

**Minimum Scenario**

Directors	No. of Cahya Mata Shares held				After Proposed Shareholders’ Mandate for Share Buy-Back assuming 10% of the ordinary share capital are bought back and cancelled			
	As at LPD		Minimum Scenario		As at LPD		Minimum Scenario	
	Direct	% <sup>(i)</sup>	Indirect	% <sup>(i)</sup>	Direct	% <sup>(ii)</sup>	Indirect	% <sup>(ii)</sup>
General Dato’ Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	100,000	0.01	-	-	100,000	0.01	-	-
Dato Sri Mahmud Abu Bekir Taib	1,000,000	0.09	4,407,100 <sup>(1)</sup>	0.41	1,000,000	0.10	4,407,100 <sup>(1)</sup>	0.46
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	6,790,400	0.63	-	-	6,790,400	0.70	-	-
Umang Nangku Jabu	200,000	0.02	-	-	200,000	0.02	-	-

**STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

	No. of Cahya Mata Shares held				After Proposed Shareholders' Mandate for Share Buy-Back assuming 10% of the ordinary share capital are bought back and cancelled Minimum Scenario			
	As at LPD							
YB Dato Hajjah Hanifah Hajar Taib-Alsree	2,230,500	0.21	134,775,306 <sup>(2)</sup>	12.55	2,230,500	0.23	134,775,306 <sup>(2)</sup>	13.94
Majaharta Sdn. Bhd.	134,775,306	12.55	-	-	134,775,306	13.94	-	-
Jamilah Hamidah Taib	-	-	134,775,306 <sup>(2)</sup>	12.55	-	-	134,775,306 <sup>(2)</sup>	13.94
Lejla Taib @ Datuk Patinggi Dr. Hajjah Lejla Taib (deceased)	111,000,000	10.33	-	-	111,000,000	11.48	-	-
Sarawak Economic Development Corporation	60,896,080	5.67	-	-	60,896,080	6.30	-	-
Lembaga Tabung Haji	79,480,000	7.40	-	-	79,480,000	8.22	-	-
Person Connected with Directors and/or Major Shareholders	Direct	% <sup>(i)</sup>	Indirect	% <sup>(i)</sup>	Direct	% <sup>(ii)</sup>	Indirect	% <sup>(ii)</sup>
Datin Sri Elena Vasilenko	707,100	0.07	-	-	707,100	0.07	-	-
Raden Murya Abdul Taib Mahmud	3,700,000	0.34	-	-	3,700,000	0.38	-	-

**Notes:**

- (1) Deemed interested pursuant to Section 59(11)(c) of the Act.  
(2) Deemed interested pursuant to Section 8(4) of the Act.  
(#) negligible.

- (i) Based on the existing number of issued shares of 1,074,176,020 shares (excluding 200,000 Treasury Shares held by the Company as at LPD).  
(ii) Based on the number of issued shares of 966,938,418 Shares, assuming the Company purchases the maximum 107,437,602 Shares, representing ten per centum (10%) of its total number of issued shares of 1,074,376,020 Shares

**STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

**Maximum Scenario**

	No. of Cahya Mata Shares held				After Proposed Shareholders' Mandate for Share Buy-Back assuming 10% of the ordinary share capital are bought back and cancelled Maximum Scenario			
	As at LPD							
Directors	Direct	% <sup>(i)</sup>	Indirect	% <sup>(i)</sup>	Direct	% <sup>(ii)</sup>	Indirect	% <sup>(ii)</sup>
General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	100,000	0.01	-	-	100,000	0.01	-	-
Dato Sri Mahmud Abu Bekir Taib	1,000,000	0.09	4,407,100 <sup>(1)</sup>	0.41	1,000,000	0.10	4,407,100 <sup>(1)</sup>	0.43
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	6,790,400	0.63	-	-	6,790,400	0.66	-	-
Umang Nangku Jabu	200,000	0.02	-	-	200,000	0.02	-	-
Major/Substantial Shareholders	Direct	% <sup>(i)</sup>	Indirect	% <sup>(i)</sup>	Direct	% <sup>(ii)</sup>	Indirect	% <sup>(ii)</sup>
YB Dato Hajjah Hanifah Hajar Taib-Alsree	2,230,500	0.21	134,775,306 <sup>(2)</sup>	12.55	2,230,500	0.22	134,775,306 <sup>(2)</sup>	13.18
Majaharta Sdn. Bhd.	134,775,306	12.55	-	-	134,775,306	13.18	-	-
Jamilah Hamidah Taib	-	-	134,775,306 <sup>(2)</sup>	12.55	-	-	134,775,306 <sup>(2)</sup>	13.18
Lejla Taib @ Datuk Patinggi Dr. Hajjah Lejla Taib (deceased)	111,000,000	10.33	-	-	111,000,000	10.85	-	-
Sarawak Economic Development Corporation	60,896,080	5.67	-	-	60,896,080	5.95	-	-
Lembaga Tabung Haji	79,480,000	7.40	-	-	79,480,000	7.77	-	-
Person Connected with Directors and/or Major Shareholders	Direct	% <sup>(i)</sup>	Indirect	% <sup>(i)</sup>	Direct	% <sup>(ii)</sup>	Indirect	% <sup>(ii)</sup>
Datin Sri Elena Vasilenko	707,100	0.07	-	-	707,100	0.07	-	-
Raden Murya Abdul Taib Mahmud	3,700,000	0.34	-	-	3,700,000	0.36	-	-

**Notes:**

- (1) Deemed interested pursuant to Section 59(11)(c) of the Act.  
(2) Deemed interested pursuant to Section 8(4) of the Act.  
(#) negligible.

- (i) Based on the existing number of issued shares of 1,074,176,020 shares (excluding 200,000 Treasury Shares held by the Company as at LPD).  
(ii) Based on 1,022,811,048 Cahya Mata shares which excludes 113,645,672 Cahya Mata shares, being (10%) of the enlarged total number of issued shares of Cahya Mata after exercise of the outstanding ESOS.

**STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

**6. IMPLICATION OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010, AS AMENDED FROM TIME TO TIME AND ANY RE-ENACTMENT THEREOF (“CODE”)**

Based on the Company’s issued and paid-up share capital and the shareholdings of the substantial shareholders of the Company as at LPD, the Proposed Share Buy-Back is not expected to trigger any obligation by the substantial shareholders of the Company and/or parties acting in concert with them to undertake a mandatory offer under the Code. The effect on the shareholdings of the substantial shareholders of the Company after the implementation of the Proposed Share Buy-Back is shown in Section 5 of this Statement.

**7. PURCHASE AND RESALE OF ITS OWN SHARES IN THE PRECEDING TWELVE (12) MONTHS**

Cahya Mata does not have any transaction on purchase and resale of its own Shares in the preceding twelve (12) months prior to the LPD.

The cumulative number of Shares held as Treasury Shares as at 29 March 2024, being the LPD prior to the printing of this Statement was 200,000 Shares.

**8. PRICING**

- (a) Cahya Mata shall purchase its own Shares or resell its Treasury shares (if applicable) only on the market of Bursa Securities. The price for the purchase shall not be more than fifteen percent (15%) above the weighted average market price of Cahya Mata Shares for the five (5) market days immediately preceding the date of purchase.
- (b) If the Purchased Shares are subsequently resold on Bursa Securities, the price for the resale or transfer of Treasury Shares shall:
- (i) not be less than the weighted average market price for Cahya Mata Shares for five (5) market days immediately prior to the resale or transfer; or
- (ii) not be more than 5% to the weighted average market price for Cahya Mata Shares for five (5) market days immediately prior to the resale or transfer provided that:
- (aa) the resale or transfer takes place no earlier than thirty (30) days from the date of the purchase; and
- (bb) the resale or transfer price is not less than the cost of purchase of the Purchased Shares being resold or transferred.

**STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

**9. SHARE PRICES**

The following table sets out the monthly highest and lowest transacted prices of the Company’s Shares on Bursa Securities for the last twelve (12) months from April 2023 to March 2024:

Year		Highest (RM)	Lowest (RM)
2023	April	1.180	1.100
	May	1.150	0.995
	June	1.100	0.955
	July	1.100	0.955
	August	1.190	1.020
	September	1.160	1.020
	October	1.180	1.080
	November	1.160	1.020
	December	1.110	1.020
	2024	January	1.180
February		1.060	0.960
March		0.965	0.910

(Source: Cahyamata.com)

The last transacted price per share unit of the Company on 29 March 2024 being the LPD prior to the printing of this Statement, was RM0.930.

**10. TREATMENT OF SHARES PURCHASED**

In accordance with Section 127 of the Act, the Company would be able to deal with any Cahya Mata Ordinary Shares so purchased by the Company in the following manner:

- (i) to cancel the Purchased Shares so purchased; or
- (ii) to retain the Purchased Shares so purchased as Treasury Shares for distribution as dividend to the shareholders, resell in accordance with the relevant rules of the Bursa Securities, transfer for the purposes of or under an employees’ share scheme, transfer as purchase consideration, cancel the shares and/or sell, transfer or otherwise use the shares for such other purposes as the Minister may be order prescribe; or
- (iii) to retain part of the Purchased Shares so purchased as treasury shares and cancel the remainder; or
- (iv) to deal in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time.

**STATEMENT ACCOMPANYING NOTICE OF 49<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

(Pursuant to Paragraph 12.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

**11. PUBLIC SHAREHOLDING SPREAD**

The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required under paragraph 8.02 (1) of the Listing Requirements.

As at LPD the public shareholding spread of the Company was 69.90%.The Board will ensure that the Company complies with the minimum public spread of 25% in implementing the Proposed Share Buy-Back.

**12. DIRECTORS’ RECOMMENDATION**

The Board of Directors, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and therefore recommends for the shareholders to vote in favour of the Ordinary Resolution 9 on the Proposed Shareholders’ Mandate for Share Buy-Back at the forthcoming 49<sup>th</sup> AGM of the Company.

**13. DIRECTORS’ RESPONSIBILITY STATEMENT**

This Statement has been seen and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy and correctness of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make this Statement misleading.

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents will be available for inspection at the Registered Office of the Company at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak, during the normal office hours from Mondays to Fridays (except public holidays) from the date of this Statement to the time set for the convening of the 49<sup>th</sup> AGM:

- (i) Constitution of the Company; and
- (ii) Statutory financial statements of the Company for the past two (2) financial years ended 31 December 2022 and 31 December 2023.

This Statement is dated 24 April 2024.

<b>Number of shares held:</b>
<b>CDS Account No.:</b>
<b>Email Address:</b>

**CAHYA MATA SARAWAK BERHAD**  
Registration No. 197401003655 (21076-T)  
(Incorporated in Malaysia)



I/We (full name) ..... NRIC/Passport/Co. No. .... of (full address) .....

being a member/members of Cahya Mata Sarawak Berhad (“the Company”) hereby appoint .....

(full name & NRIC/Passport No.) of (full address) ..... OR,

failing him, the Chairman of the Meeting as my/our proxy to participate and vote for me/us and on my/our behalf at the 49<sup>th</sup> Annual General Meeting of the Company to

be held at the Ranyai Ballroom, Level 4, The Waterfront Hotel, 68, Jalan Tun Abang Haji Openg, 93000 Kuching, Sarawak on Thursday, 23 May 2024 at 3:00 p.m. and at any

adjournment thereof and to vote as indicated below:

No.	Ordinary Resolutions	For	Against
1.	To declare a first and final tax exempt (single-tier) dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2023		
2.	To re-elect YBhg Dato Sri Sulaiman Abdul Rahman b Abdul Taib as Director of the Company		
3.	To re-elect Mr Jeyabalan A/L S.K. Parasingam as Director of the Company		
4.	To re-elect Ms Gee Siew Yoong as Director of the Company		
5.	To approve the payment of Directors’ fees amounting to RM150,000 per annum for the Non-Executive Chairman, RM150,000 per annum for the Non-Executive Deputy Chairman and RM120,000 per annum for each of the Non-Executive Directors for the financial year ended 31 December 2023		
6.	To approve the payment of Directors’ remuneration and benefits payable to Non-Executive Chairman, Non-Executive Deputy Chairman and Non-Executive Directors up to an amount of RM3,000,000 from 24 May 2024 until the next AGM of the Company		
7.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to determine their remuneration		
8.	To approve the authority to Directors to issue shares		
9.	To approve the proposed renewal of Share Buy-Back authority		

Date: .....

Signature: .....

- Notes:**
- Proxy and/or Authorised Representatives**
1. A member entitled to participate and vote at the meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorised representative) to vote in his stead. If the proxy is not a member, he shall be any person and there shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
  2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint a proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
  3. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
  4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
  5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak or at 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 not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.
  6. Pursuant to Paragraph 8.29A(G) of the Main Market Listing Requirements, all the Resolutions set out in this Notice will be put to vote by poll. Please refer to the details in the Administrative Guide.

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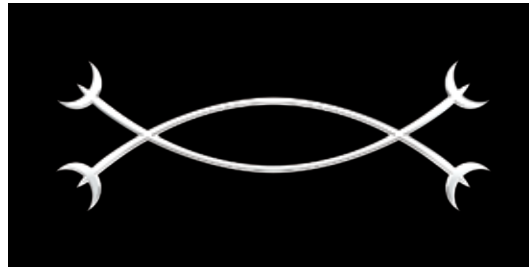
CAHYA MATA SARAWAK BERHAD  
Registration No.:197401003655 (21076-T)  
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93100 Kuching, Sarawak  
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F +60 82 333 828

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**Members entitled to Participate**

For the purpose of determining a Member who shall be entitled to participate, speak and vote at the 49<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 77(2) of the Company's Constitution to issue a General Meeting Record of Depositors ("ROD") as at 16 May 2024. Only a Depositor whose name appears in the Register of Members/ROD as at 16 May 2024 shall be entitled to participate at the said meeting or appoint a proxy to participate, speak and vote on his/her behalf.



CAHYA MATA<sup>TM</sup>  

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SARAWAK