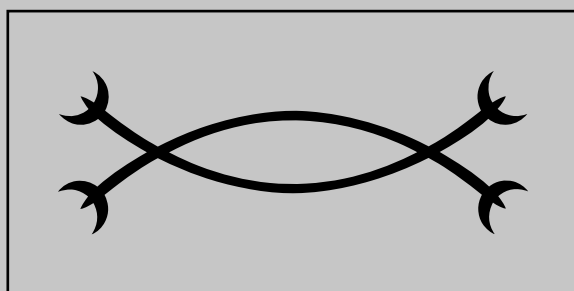


YEARS
50

TO ACHIEVE
A BETTER
FUTURE



CAHYA MATATM
SARAWAK



FINANCIAL
STATEMENTS

2024



CELEBRATING 50 YEARS OF EXCELLENCE, RESILIENCE, AND TRANSFORMATION

MARKING ITS 50TH ANNIVERSARY, CAHYA MATA SARAWAK BERHAD REFLECTS ON A JOURNEY SHAPED BY ENDURING VALUES, PURPOSEFUL LEADERSHIP, AND UNWAVERING COMMITMENT TO SARAWAK'S DEVELOPMENT.

Since its inception in 1974 as the state's first cement manufacturer, the Group has undergone a remarkable transformation—emerging as a diversified conglomerate with a far-reaching economic and societal footprint.

This golden milestone is a testament to the Group's pursuit of excellence—driven by disciplined execution, strategic foresight, and a performance culture anchored in integrity. At every stage of growth, Cahya Mata has demonstrated resilience, responding to evolving landscapes with agility and strength, while maintaining its role as a trusted partner in nation-building.

At the heart of this journey lies the power of transformation—enabled by generations of dedicated individuals whose contributions have shaped the Group's legacy. Through the integration of sustainable practices and forward-looking strategies, Cahya Mata continues to deliver long-term value across its businesses and stakeholders.

As we honour five decades of impact, we reaffirm our commitment to the future—advancing progress through integrated thinking, responsible growth, and people empowerment. Guided by our founding purpose and strengthened by experience, Cahya Mata stands ready to continue shaping Sarawak's future for generations to come.

50th Annual General Meeting

Will be held at The Waterfront Hotel and details as follows:

Date : Friday, 30 May 2025

Time : 3:00 p.m.

Venue : Ranyai Ballroom, Level 4, The Waterfront Hotel
68, Jalan Tun Abang Haji Openg, 93000 Kuching, Sarawak

TO ACHIEVE A BETTER FUTURE

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50 YEARS

2024 KEY PERFORMANCE HIGHLIGHTS

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 FY2024.

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



Note:

* Please refer to Note 43 in the Audited Financial Statement for further details.

FINANCIAL & BUSINESS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Revenue

RM **1.20** billion

Profit Before Tax (PBT)

RM **190.10** million

BUSINESS HIGHLIGHTS



Group PBT Increased by
48.24%



Basic Earnings Per Share
11.93 sen



Nett Gearing
0.07 times



Net Tangible Assets
RM3.11 per share

GROUP FINANCIAL HIGHLIGHTS & SUMMARY

GROUP FINANCIAL HIGHLIGHTS & SUMMARY

	2024	2023	2022	2021	2020
Revenue (RM'000)	1,196,254	1,200,897	1,010,570	814,550	762,788
Profit before taxation (RM'000)	190,100	128,241	397,997	234,607	225,442
Profit after tax (RM'000)	124,923	81,639	289,926	204,748	189,908
EBITDA (RM'000)	296,268	241,352	494,861	334,332	336,665
Profit attributable to owners of the Company (RM'000)	128,192	114,443	287,134	204,218	194,807
Weighted average no. of shares ('000)	1,074,369	1,074,176	1,074,176	1,071,522	1,071,053
Basic earnings per share (sen)	11.93	10.65	26.73	19.06	18.18
Gross dividends per share (sen)	3.00*	2.00	3.0	2.0	2.0
Current assets (RM'000)	1,359,983	1,631,410	2,016,308	1,729,867	1,426,608
Current liabilities (RM'000)	713,311	807,441	1,004,387	1,208,382	556,797
Total assets (RM'000)	4,548,752	4,675,609	4,855,805	4,797,741	4,460,366
Total borrowings (RM'000)	259,717	382,212	591,175	929,506	893,036
Total liabilities (RM'000)	912,120	1,127,894	1,378,572	1,565,351	1,440,842
Total equity (RM'000)	3,636,632	3,547,715	3,477,233	3,232,390	3,019,524
Return on average shareholders' equity (%)	3.83	3.51	9.20	7.04	7.18
Return on total assets (after tax) (%)	2.82	2.45	5.91	4.26	4.37
Current ratio (times)	1.91	2.02	2.01	1.43	2.56
Gearings (times)	0.07	0.11	0.17	0.29	0.30
Net tangible assets per share (RM)	3.11	3.00	2.93	2.75	2.56
Net assets per share (RM)	3.16	3.07	3.00	2.80	2.62

* Subject to shareholders' approval at Cahya Mata's forthcoming 50th Annual General Meeting (AGM)



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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 2024.

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/(loss) for the year attributable to:		
- Owners of the Company	128,192	11,196
- Non-controlling interests	(3,269)	-
	<u>124,923</u>	<u>11,196</u>

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

During the financial year, the Company's issued share capital was increased by RM767,000 through the issuance of 473,000 ordinary shares pursuant to the exercise of Employees' Share Option Scheme ("ESOS") at an exercise price of RM1.14 per ordinary share and transfer from ESOS reserves of RM228,000.

Treasury shares

As at 31 December 2024, the number of treasury shares were 200,000 and the outstanding ordinary shares in issue after set-off of treasury shares was therefore 1,074,649,020.

Dividends

Since the end of the previous financial year, the Company paid on 28 June 2024 a first and final tax exempt (single-tier) dividend of 2.00 sen per ordinary share, totalling RM21,483,520 in respect of the financial year ended 31 December 2023.

At the forthcoming Annual General Meeting, a first and final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2024, of 3.00 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 2025.

DIRECTORS' REPORT

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
CP (R) Dato' Mohd Azman bin Ahmad Sapri (Appointed on 1 January 2025)
Dato' Mat Hassan bin Esa (Appointed on 1 January 2025)

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:

Ahmad Ullah
Al Rabi'a Lacheheb
Aliff Omar bin Mohammad Omar (Appointed on 6 January 2025; resigned on 24 March 2025)
(Resigned on 2 September 2024)
Amirul Azhar bin Baharom
Chief Samuel Odu Ezediaro
Choong Ju Tang (Appointed on 17 January 2025)
Clinton Dale anak Juis (Appointed on 1 April 2025)
Dato' Wan Hazreek Putra Hussain Yusuf
Datu Haji Abdul Hadi bin Datuk Haji Abdul Kadir
Datu Haji Muhamad Yakup bin Kari
Datuk Amar Haji Mohammad Ali Mahmud
Denny Tanunijaya (Appointed on 4 December 2024)
Derek Chee Huong Xing
Dr Baskaran A/L Anandan (Resigned on 11 November 2024)
Dr Yu Tat Loong (Appointed on 12 December 2024)
Emily Hii San San
Fariz Salleh bin Mohamad Ali
Goh Say Jauw (Resigned on 1 March 2024)
Haji Othman bin Abdul Rani
Hajjah Norhafiza binti Mohd
Hilal Omar Mohamed Al Siyabi
Ir. Dr. Md Zarulazam bin Md Eusofe (Resigned on 18 April 2024)
Iskandar bin Matjani
Izzam bin Ibrahim (Appointed on 7 February 2024)
Kanesan A/L Velupillai (Resigned on 26 February 2025)
Karl Vink @ Khalid Abdullah (Resigned on 29 July 2024)
Koh Eng Pew

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.):

Mandar Shrikrishna Namjoshi	(Appointed on 29 July 2024; resigned on 26 February 2025)
Md Yusoff bin Mohamad Noor	(Appointed on 18 November 2024)
Mohamed Sirajkumar bin Abdul Razack	(Resigned on 28 February 2025)
Mok Chek Wei	
Muhammad Farook Thayyil Cherikkallil	
Nelson Raon Kebin	(Resigned on 1 April 2025)
Norhafizal bin Johari	
Parsons, Stephen Cornelius	
Raja Hisham Muddin bin R Mohd Iskandar	(Resigned on 4 December 2024)
Ramesh Veetikam Ramachandran	(Resigned on 7 February 2024)
Rana Mitra	
Rashad Muhammad Alzubair Alzubair	
Raymond Uday anak Benjamin	(Appointed on 18 October 2024)
Ricky Aryaputra Singgih	
Shaharum bin Ramli	(Resigned on 27 August 2024)
Shyawalludien bin Mahmad	
Stephen Abednigo Oghenekomeh	
Sultan Obaid Said Al Ghaith	
Tan Sri Dato' Sri Haji Syed Zainal Abidin bin Syed Mohamed Tahir	(Appointed on 21 February 2025)
Yeoh Kar Hoe	
Zainnurain bin Othman	(Appointed on 1 April 2025)

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 of the Company has received or become entitled to receive any 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 in Directors' remuneration) 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.

DIRECTORS' REPORT

Employees' Share Option Scheme

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. On 27 August 2024, the Board of Directors resolved to extend the ESOS tenure for additional four (4) years till 12 November 2028 in accordance with the terms of the ESOS by-laws.

On 18 February 2025, Board of Directors resolved to disband the ESOS Committee. Following this dissolution, the Nomination and Remuneration Committee ("NRC") will assume the responsibilities of administering the scheme, ensuring continued compliance with regulatory requirements and alignment with the Company's long-term incentive objectives.

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 2024. These options will expire on 12 November 2028 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' 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Executive:				
Salaries and other emoluments	9,598	4,819	9,598	4,819
Defined contribution and social security plans	1,441	1,121	1,441	1,121
Share-based payment	-	381	-	381
Total executive directors' remuneration (excluding benefits-in-kind)	11,039	6,321	11,039	6,321
Benefits-in-kind	31	31	31	31
Total executive directors' remuneration (including benefits-in-kind)	11,070	6,352	11,070	6,352

DIRECTORS' REPORT

Directors' remuneration (cont'd)

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-executive:				
Fees	1,106	1,015	900	855
Other emoluments	1,670	1,868	1,543	1,683
Total non-executive directors' remuneration (excluding benefits-in-kind)	2,776	2,883	2,443	2,538
Benefits-in-kind	58	58	58	58
Total non-executive directors' remuneration (including benefits-in-kind)	2,834	2,941	2,501	2,596
Total directors' remuneration	13,904	9,293	13,571	8,948

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:

	<div> <div>←</div> <div>Number of ordinary shares</div> <div>→</div> </div>			
	At 1.1.2024	Acquired	Disposed	At 31.12.2024
Direct interests:				
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

DIRECTORS' REPORT

Directors' interests (cont'd.)

	Number of ordinary shares			
	At 1.1.2024	Acquired	Disposed	At 31.12.2024
Indirect interest:				
Dato Sri Mahmud Abu Bekir Taib*	4,407,100	-	(1,000,000)	3,407,100

* Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016.

	Number of options over ordinary shares			
	At 1.1.2024	Granted	Exercised	At 31.12.2024
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 and at the end of 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 effected for the directors and officers of the Group is RM50,000,000 in aggregate and the amount of insurance premium paid by the Group was RM195,458. 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.

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:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - (ii) 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.

DIRECTORS' REPORT

Other statutory information (cont'd.)

- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) 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
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
 - (iv) 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:
- (i) 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
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (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.

DIRECTORS' REPORT

Auditors

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

The auditors' remunerations for the financial year ended 31 December 2024 is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	1,153	358
Member firm of Ernst & Young Global Limited	32	-
Other firms	549	-
	<u>1,734</u>	<u>358</u>

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 April 2025.

**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 24 to 162 are drawn up in accordance with MFRS Accounting 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 2024 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 10 April 2025

**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 24 to 162 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 Kuala Lumpur in the Federal Territory
on 10 April 2025

Mandar Shrikrishna Namjoshi
(MIA 54283)
Group Chief Financial Officer

Before me,

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 2024 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 24 to 162.

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 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting 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. Due to the significance of the matter and the potential financial effects of the arbitration on the financial position of the Group, 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"), as applicable to audits of financial statements of public interest entities 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(e) to the financial statements, included in the property, plant and equipment of the Group as at 31 December 2024 is an Integrated Phosphate Complex Project (Phase 1) with a carrying amount of RM814.9 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 identified this to be an area of audit focus given the significance of property, plant and equipment and the judgement and estimates involved in the estimation 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(e).

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAHYA MATA SARAWAK BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements (cont'd.)

Information other than the financial statements and auditors' report thereon (cont'd.)

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.

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 MFRS Accounting 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.

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 (contd.)

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.
- 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.

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.)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CAHYA MATA SARAWAK BERHAD
(INCORPORATED IN MALAYSIA)**

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

Ahmad Zahirudin Bin Abdul Rahim
No. 02607/12/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
10 April 2025

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Revenue	4	1,196,254	1,200,897	118,540	275,801
Cost of sales		(863,218)	(920,329)	(19,158)	(17,169)
Gross profit		333,036	280,568	99,382	258,632
Other income	6	38,109	65,722	3,161	6,803
Administrative expenses		(141,047)	(130,888)	(52,171)	(44,033)
Selling expenses		(34,506)	(34,871)	-	-
Other expenses		(73,690)	(114,047)	(42,393)	(21,328)
Share of results of associates		68,217	61,033	-	-
Share of results of joint ventures		21,386	25,436	-	-
Profit before interest and tax		211,505	152,953	7,979	200,074
Interest income	5	6,477	10,485	-	-
Finance costs	7	(27,882)	(35,197)	(439)	(569)
Profit before tax	8	190,100	128,241	7,540	199,505
Income tax (expense)/credit	11	(65,177)	(46,602)	3,656	(8,731)
Profit for the year		124,923	81,639	11,196	190,774
Other comprehensive income/(loss)					
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss (net of tax):					
Share of other comprehensive income of associates		243	4,139	-	-
Exchange differences on translation of foreign operations		(23,451)	20,025	-	-
Remeasurement of defined benefit liability		279	-	-	-
		(22,929)	24,164	-	-
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss (net of tax):					
Fair value changes of equity instrument designated at fair value through other comprehensive income		3,618	6,718	3,618	6,718
Total other comprehensive (loss)/income for the year, net of tax		(19,311)	30,882	3,618	6,718
Total comprehensive income for the year, net of tax		105,612	112,521	14,814	197,492

**STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(loss) attributable to:					
Owners of the Company		128,192	114,443	11,196	190,774
Non-controlling interests		(3,269)	(32,804)	-	-
		<u>124,923</u>	<u>81,639</u>	<u>11,196</u>	<u>190,774</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		116,190	140,630	14,814	197,492
Non-controlling interests		(10,578)	(28,109)	-	-
		<u>105,612</u>	<u>112,521</u>	<u>14,814</u>	<u>197,492</u>
Earnings per share attributable to owners of the Company (sen per share):					
Basic	12	11.93	10.65		
Diluted	12	<u>11.89</u>	<u>10.65</u>		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	1,402,178	1,461,830	15,330	11,939
Land held for property development	14(a)	299,251	306,170	-	-
Investment properties	15	45,854	5,087	-	-
Intangible assets	16	947	12,527	608	343
Goodwill	17	61,709	68,485	-	-
Investments in subsidiaries	18	-	-	1,197,243	1,197,243
Investments in associates	19	873,363	715,625	311,106	186,790
Investments in joint ventures	20	351,204	343,304	68,540	68,540
Deferred tax assets	21	23,512	17,081	-	-
Trade and other receivables	24	4,399	363	36,102	37,695
Investment securities	27	126,352	113,727	79,587	75,969
		<u>3,188,769</u>	<u>3,044,199</u>	<u>1,708,516</u>	<u>1,578,519</u>
Current assets					
Property development costs	14(b)	4,025	4,849	-	-
Inventories	22	380,001	436,755	-	-
Trade and other receivables	24	285,924	272,313	476,779	454,734
Other current assets	25	30,519	32,266	-	-
Investment securities	27	-	150,923	-	150,923
Derivative financial asset	28	-	96,649	-	96,649
Tax recoverable		12,058	19,943	1,289	-
Cash and bank balances	29	647,456	617,712	395,438	283,185
		<u>1,359,983</u>	<u>1,631,410</u>	<u>873,506</u>	<u>985,491</u>
TOTAL ASSETS		<u>4,548,752</u>	<u>4,675,609</u>	<u>2,582,022</u>	<u>2,564,010</u>
EQUITY AND LIABILITIES					
Current liabilities					
Income tax payable		18,472	24,823	-	3,859
Loans and borrowings	30	117,426	113,023	-	-
Lease liabilities	31	12,359	26,396	1,724	1,351
Trade and other payables	32	565,054	643,078	668,802	636,304
Other current liabilities	33	-	121	-	-
		<u>713,311</u>	<u>807,441</u>	<u>670,526</u>	<u>641,514</u>
Net current assets		<u>646,672</u>	<u>823,969</u>	<u>202,980</u>	<u>343,977</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
(CONT'D.)					
Non-current liabilities					
Deferred tax liabilities	21	67,563	75,183	5,750	14,734
Loans and borrowings	30	95,368	206,982	-	-
Lease liabilities	31	33,176	33,497	7,714	7,882
Trade and other payables	32	2,702	4,791	-	-
		<u>198,809</u>	<u>320,453</u>	<u>13,464</u>	<u>22,616</u>
TOTAL LIABILITIES		912,120	1,127,894	683,990	664,130
Equity attributable to owners of the Company					
Share capital	34	868,669	867,902	868,669	867,902
Treasury shares	34	(352)	(352)	(352)	(352)
Other reserves	35	(7,962)	1,267	194,006	187,359
Retained earnings		<u>2,540,035</u>	<u>2,432,045</u>	<u>835,709</u>	<u>844,971</u>
		<u>3,400,390</u>	<u>3,300,862</u>	<u>1,898,032</u>	<u>1,899,880</u>
Non-controlling interests		<u>236,242</u>	<u>246,853</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY		3,636,632	3,547,715	1,898,032	1,899,880
TOTAL EQUITY AND LIABILITIES		4,548,752	4,675,609	2,582,022	2,564,010

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 2024

← Attributable to owners of the Company →

Group	Total equity	Total	Share capital (Note 34)	Treasury shares (Note 34)	Other reserves (Note 35)	Retained earnings	Non-controlling interests
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	3,547,715	3,300,862	867,902	(352)	1,267	2,432,045	246,853
Profit/(loss) net of tax	124,923	128,192	-	-	-	128,192	(3,269)
Other comprehensive (loss)/income, net of tax	(19,311)	(12,002)	-	-	(12,386)	384	(7,309)
Total comprehensive income/(loss)	105,612	116,190	-	-	(12,386)	128,576	(10,578)
Transactions with owners							
Share-based payments under ESOS	4,822	4,822	767	-	3,029	1,026	-
Dividends paid to owners of the Company	(21,484)	(21,484)	-	-	-	(21,484)	-
Dividends paid to non-controlling interests	(33)	-	-	-	-	-	(33)
Total transactions with owners	(16,695)	(16,662)	767	-	3,029	(20,458)	(33)
Share of associates' movement in reserves	-	-	-	-	128	(128)	-
At 31 December 2024	3,636,632	3,400,390	868,669	(352)	(7,962)	2,540,035	236,242

44(a)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company						
	Total equity	Total	Share capital (Note 34)	Treasury shares (Note 34)	Other reserves (Note 35)	Retained earnings	Non-controlling interests
Group (cont'd.)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	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)
Transactions with owners							
Net effect of additional investment in subsidiaries	18(a)	(11,115)	(39,380)	-	(350)	(39,030)	28,265
Share-based payments under ESOS		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	-
At 31 December 2023	3,547,715	3,300,862	867,902	(352)	1,267	2,432,045	246,853

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 2024

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
At 1 January 2024		1,899,880	867,902	(352)	187,359	844,971
Profit net of tax		11,196	-	-	-	11,196
Other comprehensive income, net of tax		3,618	-	-	3,618	-
Total comprehensive income		14,814	-	-	3,618	11,196
Transactions with owners						
Share-based payments under ESOS		4,822	767	-	3,029	1,026
Dividends paid to owners of the Company	44(a)	(21,484)	-	-	-	(21,484)
Total transactions with owners		(16,662)	767	-	3,029	(20,458)
At 31 December 2024		1,898,032	868,669	(352)	194,006	835,709

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company (cont'd.)	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
At 1 January 2023		1,729,472	867,902	(352)	175,500	686,422
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
Transactions with owners						
Share-based payments under ESOS		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)
At 31 December 2023		1,899,880	867,902	(352)	187,359	844,971

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 2024

Group	Note	2024 RM'000	2023 RM'000
Operating activities			
Profit before tax		190,100	128,241
<u>Adjustments for:</u>			
Amortisation of intangible assets	8	115	100
Depreciation of property, plant and equipment	8	84,569	89,279
Depreciation of investment properties	8	128	129
Loss on termination of lease contracts	8	443	451
Gain on modification of lease contracts	6	-	(55)
Dividend income from investments	4	(8,964)	(7,701)
Impairment loss on trade and other receivables	8	6,288	3,594
Impairment loss on goodwill	8	6,776	-
Impairment loss of intangible asset	8	14,048	1,368
Intangible assets written off	8	-	78
Interest expense	7	34,563	41,392
Interest income	4,5	(16,625)	(17,789)
Inventories written down	8	13,843	56,212
Net fair value changes in investment securities	6	(10,274)	(10,805)
Net gain on disposal of property, plant and equipment	6	(186)	(1,619)
Property, plant and equipment written off	8	980	60
Reversal of impairment loss on trade and other receivables	6	(1,725)	(989)
Share options granted under ESOS	9	3,257	5,254
Share of results of associates		(68,217)	(61,033)
Share of results of joint ventures		(21,386)	(25,436)
Unrealised foreign exchange loss/(gain)	6,8	16,169	(13,967)
Total adjustments		53,802	58,523
Operating cash flows before changes in working capital		243,902	186,764

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group (cont'd.)	Note	2024 RM'000	2023 RM'000
Operating activities (cont'd.)			
<u>Changes in working capital</u>			
Increase in property development costs		(2,128)	(3,411)
Decrease/(increase) in land held for development		4,995	(3,910)
Increase in inventories		(1,037)	(74,332)
Decrease/(increase) in other current assets		1,747	(847)
Increase in receivables		(20,457)	(33,104)
Decrease in payables		(85,268)	(13,703)
Decrease in other current liabilities		(121)	(3,272)
Total changes in working capital		<u>(102,269)</u>	<u>(132,579)</u>
Cash flows from operations		141,633	54,185
Interest received		16,625	17,788
Interest paid		(25,215)	(32,669)
Income taxes paid, net of refund		<u>(78,167)</u>	<u>(96,335)</u>
Net cash flows from/(used in) operating activities		<u>54,876</u>	<u>(57,031)</u>
Investing activities			
Acquisition of property, plant and equipment	13(c)	(32,695)	(37,716)
Acquisition of land held for property development		-	(1,265)
Additional investment in subsidiary acquired from non-controlling interests		-	(15,660)
Acquisition of intangible assets	16	(2,583)	(7,172)
Additional investments in an associate	19(a)	(27,667)	-
Additional investments in investment securities		(3,538)	(12,976)
Capital redemption from investment securities		-	10,230
Capital redemption of investment in joint ventures		-	1,821
Dividends received from associates		35,039	8,209
Dividends received from investment securities		8,964	7,701
Dividends received from joint ventures		13,486	37,050
Distribution of profit from joint ventures		-	396
Proceeds from issuance of preference shares to non-controlling interests		-	400
Placement of deposits with licensed banks		(9,370)	(10,107)
Proceeds from disposal of investment securities		155,729	5
Proceeds from disposal of property, plant and equipment		563	2,359
Net cash flows from/(used in) investing activities		<u>137,928</u>	<u>(16,725)</u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group (cont'd.)	Note	2024 RM'000	2023 RM'000
Financing activities			
Dividends paid to owners of the Company	44(a)	(21,484)	(32,225)
Dividends paid to non-controlling interests		(33)	(3,840)
Deposit pledged to a licensed bank		(2,411)	(4)
Drawdown of borrowings		-	123,876
Repayment of borrowings		(104,011)	(356,055)
Repayment of lease liabilities	31	(29,335)	(28,263)
Proceeds from exercise of ESOS		539	-
Proceeds from lease receivables	24(b)(vi)	2,744	1,766
Net cash flows used in financing activities		<u>(153,991)</u>	<u>(294,745)</u>
Net increase/(decrease) in cash and cash equivalents		38,813	(368,501)
Cash and cash equivalents at 1 January		605,665	963,421
Effect of foreign exchange changes on cash and cash equivalents		<u>(20,850)</u>	<u>10,745</u>
Cash and cash equivalents at 31 December	29	<u>623,628</u>	<u>605,665</u>

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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
At 1 January 2023	537,792	50,142	587,934
<u>Cash movements</u>			
Repayment of lease liabilities	-	(28,263)	(28,263)
Drawdown of borrowings	123,876	-	123,876
Repayment of borrowings	(356,055)	-	(356,055)
<u>Non-cash movements</u>			
Acquisition of new leases	-	40,049	40,049
Termination of lease contracts	-	(1,544)	(1,544)
Modification of lease	-	(825)	(825)
Unrealised foreign exchange loss	(3,312)	-	(3,312)
Exchange adjustment	17,704	334	18,038
At 31 December 2023/1 January 2024	320,005	59,893	379,898
<u>Cash movements</u>			
Repayment of lease liabilities	-	(29,335)	(29,335)
Repayment of borrowings	(104,011)	-	(104,011)
<u>Non-cash movements</u>			
Acquisition of new leases	-	16,284	16,284
Termination of lease contracts	-	(1,352)	(1,352)
Unrealised foreign exchange gain	(959)	-	(959)
Exchange adjustment	(2,241)	45	(2,196)
At 31 December 2024	212,794	45,535	258,329

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 2024

Company	Note	2024 RM'000	2023 RM'000
Operating activities			
Profit before tax		7,540	199,505
<u>Adjustments for:</u>			
Amortisation of intangible asset	8	59	50
Depreciation of property, plant and equipment	8	2,391	1,909
Loss on disposal of property, plant and equipment	8	83	-
Dividend income	4	(78,008)	(234,714)
Interest expense	7	19,597	17,738
Interest income	4	(40,532)	(41,087)
Impairment loss on amount due from subsidiaries	8	37,978	13,064
Impairment loss on investment in a subsidiary	8	-	8,251
Impairment loss on trade and other receivables	8	4,330	-
Net fair value changes in investment securities	6	(1,268)	(2,864)
Net unrealised foreign exchange differences	6,8	(8)	12
Share options granted under ESOS	9	2,266	970
Total adjustments		(53,112)	(236,671)
Operating cash flows before changes in working capital		(45,572)	(37,166)
<u>Changes in working capital</u>			
(Increase)/decrease in receivables		(123,438)	58,499
Increase/(decrease) in payables		2,051	(2,457)
Total changes in working capital		(121,387)	56,042
Cash flows (used in)/from operations		(166,959)	18,876
Interest received		9,221	7,005
Interest paid		(439)	(569)
Taxes paid		(10,476)	(8,983)
Net cash flows (used in)/from operating activities		(168,653)	16,329

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company (cont'd.)	Note	2024 RM'000	2023 RM'000
Investing activities			
Additional investments in investment securities		(3,538)	(4,601)
Acquisition of property, plant and equipment	13(c)	(3,800)	(73)
Acquisition of intangible assets	16	(324)	(36)
Additional investment in an associate	19(a)	(27,667)	-
Additional investment in subsidiary acquired from non-controlling interests	18(a)(ii)	-	(15,660)
Acquisition of preference shares of a subsidiary	18(a)(i)	-	(16,500)
Dividends received		78,008	234,714
Proceeds from disposal of investment securities		155,729	5
Proceeds from disposal of property, plant and equipment		120	-
Net cash flows from investing activities		<u>198,528</u>	<u>197,849</u>
Financing activities			
(Decrease)/increase in amounts due to joint ventures under central cash management accounts		(73,434)	8,475
Increase/(decrease) in amounts due to subsidiaries under central cash management accounts		178,728	(173,702)
Dividends paid to owners of the Company	44(a)	(21,484)	(32,225)
Proceeds from exercise of ESOS		539	-
Repayment of borrowings		-	(45,000)
Repayment of lease liabilities	31	(1,979)	(1,067)
Net cash flows from/(used in) financing activities		<u>82,370</u>	<u>(243,519)</u>
Net increase/(decrease) in cash and cash equivalents		112,245	(29,341)
Cash and cash equivalents at 1 January		282,975	312,328
Effect of foreign exchange changes on cash and cash equivalents		8	(12)
Cash and cash equivalents at 31 December	29	<u>395,228</u>	<u>282,975</u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

	Loans and borrowings	Lease liabilities (Note 31)	Total
	RM'000	RM'000	RM'000
At 1 January 2023	45,000	2,539	47,539
Acquisition of new lease	-	7,761	7,761
Repayment	(45,000)	(1,067)	(46,067)
At 31 December 2023 and 1 January 2024	-	9,233	9,233
Acquisition of new lease	-	2,184	2,184
Repayment	-	(1,979)	(1,979)
At 31 December 2024	-	9,438	9,438

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 registered office and principal place of business is located at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak. The branch office is located at Level 15, Menara Darussalam, 12, Jalan Pinang, 50450 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

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 MFRS Accounting Standards, 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 2024:

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

The adoption of the above amendments to standards did not give rise to significant effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of application, except for the following:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. MFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. MFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted.

The Group and the Company are currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended 31 December of each year. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

The Company controls an investee if and only if the Company has all the following:

- (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.

Changes in the Group's ownership interests in subsidiaries, without a loss of control, are accounted for as equity transactions.

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

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The identifiable assets acquired and the liabilities assumed are measured at their fair values and the amount of any non-controlling interests in the acquiree or proportionate share of the acquiree's identifiable net assets at the acquisition date. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

Business combinations and goodwill (cont'd.)

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.

2.5 Subsidiaries

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 THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.7 Foreign currency (cont'd.)

(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.

2.8 Property, plant and equipment

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.8 Property, plant and equipment (cont'd.)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.9 Land held for property development and property development costs (cont'd.)

(a) Land held for property development (cont'd.)

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.

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. For a transfer from inventories to investment property carried at cost, the Group does not change the carrying amount of the property transferred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

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.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

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 carrying amounts of non-financial assets are reviewed at the end of each reporting date to determine whether there is an indication of impairment. If such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount. 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.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGU).

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.12 Impairment of non-financial assets (cont'd.)

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.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.14 Contract assets and contract liabilities (cont'd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.15 Financial assets (cont'd.)

(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.

(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.

These investments were irrevocably designated at fair value through OCI as the Group and the Company consider these investments to be strategic in nature.

(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 THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 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

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 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 THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.16 Impairment of financial assets (cont'd.)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.17 Financial liabilities (cont'd.)

(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.

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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

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.

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 economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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, where 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 are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.22 Leases (cont'd.)

(a) As a lessee (cont'd.)

(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.

(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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.22 Leases (cont'd.)

(a) As a lessee (cont'd.)

(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.

(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

The Group's revenue from contracts with customers are described below:

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.23 Revenue (cont'd.)

Revenue from contracts with customers (cont'd.)

The Group's revenue from contracts with customers are described below: (cont'd.)

(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.

(c) Sale of lands and completed properties

The Group recognises revenue at a point in time for the sale of lands 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 lands 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 THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.23 Revenue (cont'd.)

Revenue from contracts with customers (cont'd.)

The Group's revenue from contracts with customers are described below: (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; and
- (iii) Rental income is recognised on a straight-line basis over the tenure of the lease.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.24 Taxes (cont'd.)

(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 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.

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.

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 THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 Binomial Option Pricing 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. Material accounting policies (cont'd.)

2.27 Equity instruments (cont'd.)

(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.

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:

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. Significant accounting judgements and estimates (cont'd.)

Key sources of estimation uncertainty (cont'd.)

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

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(e).

4. Revenue

Revenue comprised the following:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers	1,128,122	1,136,543	-	-
Revenue from other sources:				
- Interest from financial institutions	10,148	7,304	10,148	7,304
- Interest from subsidiaries	-	-	30,384	33,783
- Dividends from investments	8,964	7,701	7,157	7,701
- Dividends from associates	-	-	25,461	-
- Dividends from joint ventures	-	-	11,317	19,410
- Dividends from subsidiaries	-	-	34,073	207,603
- Rental income	49,020	49,349	-	-
	68,132	64,354	118,540	275,801
Total revenue	1,196,254	1,200,897	118,540	275,801

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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
2024							
Segment revenue							
- Sale of goods	619,348	60,526	-	1,245	74,680	3	755,802
- Construction and road maintenance	3	201	140,957	-	-	-	141,161
- Rendering of services	-	-	1,576	17,201	157,450	4,992	181,219
- Sale of completed properties	-	-	-	12,857	-	-	12,857
- Sale of properties under construction	-	-	-	3,798	-	-	3,798
- Sale of land	-	-	-	33,285	-	-	33,285
	619,351	60,727	142,533	68,386	232,130	4,995	1,128,122
Geographical revenue							
- Malaysia	619,351	60,727	142,533	68,386	13,135	4,995	909,127
- Outside Malaysia	-	-	-	-	218,995	-	218,995
	619,351	60,727	142,533	68,386	232,130	4,995	1,128,122
Timing of revenue recognition							
- At a point in time	619,348	60,526	1,576	47,387	74,680	3	803,520
- Over time	3	201	140,957	20,999	157,450	4,992	324,602
	619,351	60,727	142,533	68,386	232,130	4,995	1,128,122

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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
2023							
Segment revenue							
- Sale of goods	651,725	66,367	-	958	81,166	419	800,635
- Construction and road maintenance	-	791	116,850	-	-	-	117,641
- Rendering of services	-	-	2,212	17,767	155,394	6,405	181,778
- Sale of completed properties	-	-	-	32,469	-	-	32,469
- Sale of properties under construction	-	-	-	4,020	-	-	4,020
	651,725	67,158	119,062	55,214	236,560	6,824	1,136,543
Geographical revenue							
- Malaysia	651,725	67,158	119,062	55,214	5,919	6,824	905,902
- Outside Malaysia	-	-	-	-	230,641	-	230,641
	651,725	67,158	119,062	55,214	236,560	6,824	1,136,543
Timing of revenue recognition							
- 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
	651,725	67,158	119,062	55,214	236,560	6,824	1,136,543

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	Property development and related services RM'000	Oiltools RM'000	Total RM'000
2024					
Within one year					
Construction and road maintenance	-	111,084	-	-	111,084
Rendering of services	-	-	-	181,810	181,810
Sale of properties under construction	-	-	13,695	-	13,695
	-	111,084	13,695	181,810	306,589
Over one year					
Construction and road maintenance	-	549,416	-	-	549,416
Rendering of services	-	-	-	140,700	140,700
	-	549,416	-	140,700	690,116
	-	660,500	13,695	322,510	996,705
2023					
Within one year					
Construction and road maintenance	3	107,203	-	-	107,206
Rendering of services	-	-	-	374,621	374,621
	3	107,203	-	374,621	481,827
Over one year					
Construction and road maintenance	-	543,196	-	-	543,196
Rendering of services	-	-	-	306,313	306,313
	-	543,196	-	306,313	849,509
	3	650,399	-	680,934	1,331,336

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. Revenue (cont'd.)

(c) Significant terms of sale are as follows:

Sale of goods – Advanced payment or credit term with credit period of 30 to 90 (2023: 30 to 90) days from invoicing date.

Construction contracts - Credit period of 30 to 90 (2023: 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 (2023: 60) days from invoicing date.

Rendering of services - Credit period of 30 to 90 (2023: 30 to 90) days from invoicing date.

Sale of completed properties - Based on the milestones as established in contracts, certified by architect where applicable. Subject to defect liability period of at least 18 months from vacant possession date.

Sale of properties under construction - Based on the milestones as established in contracts, certified by architect where applicable. Subject to defect liability period of at least 18 months from vacant possession date.

Sale of lands – Based on terms stipulated in sale and purchase agreements. Subject to fulfilment of condition precedents. Included in sales of land is land compensation in respect of compulsory acquisition by the State Government pursuant to Section 46 of the Land Code.

Rental income – Credit period of 30 to 90 (2023: 30 to 90) days from invoicing date.

5. Interest income

	Group	
	2024	2023
	RM'000	RM'000
Interest income for financial assets:		
- Trade receivables	218	377
- Short term deposits	6,010	9,957
- Lease receivables (Note 24(b)(vi))	249	151
	<u>6,477</u>	<u>10,485</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. Other income

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Net fair value changes in investment securities	10,274	10,805	1,268	2,864
Gain on disposal of property, plant and equipment	186	1,619	-	-
Gain on modification of lease contracts	-	55	-	-
Gain from capital redemption of joint ventures	-	10	-	-
Insurance settlement	2,212	6	-	1
Net foreign exchange gain:				
- Realised	7,277	8,470	-	2
- Unrealised	-	13,967	8	-
Rental income from properties held for sale (Note 22)	4,041	4,120	-	-
Reversal of impairment loss on:				
- Trade receivables (Note 24(a)(ii))	1,725	986	-	-
- Other receivables (Note 24(b)(v))	-	3	-	-
Management fee income	1,885	2,400	1,885	2,400
Write-back of provisions	21	1,120	-	-

7. Finance costs

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest expense for financial liabilities:				
- Amounts due to joint ventures under central cash management account	7,924	7,408	7,924	7,408
- Amounts due to subsidiaries under central cash management account	-	-	11,234	9,761
- Amount due to corporate shareholders of subsidiaries	497	388	-	-
- Bank borrowings and bank overdrafts	22,789	29,360	-	257
- Lease liabilities (Note 31)	3,353	4,236	439	312
	34,563	41,392	19,597	17,738
Other finance costs:				
- Trade facility charges	316	286	-	-
- Term loan transaction cost	927	927	-	-
	1,243	1,213	-	-
	35,806	42,605	19,597	17,738
Recognised in profit or loss as:				
- Cost of sales	7,924	7,408	19,158	17,169
- Finance costs	27,882	35,197	439	569
	35,806	42,605	19,597	17,738

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. Profit before tax

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets (Note 16)	115	100	59	50
Auditors' remunerations:				
Audit fees				
- Ernst & Young PLT	1,153	1,033	358	329
- Member firm of Ernst & Young Global Limited	32	-	-	-
- Other firms	549	766	-	-
Non-audit service fees				
- Ernst & Young PLT	867	265	317	53
Employee benefits expense (Note 9)	240,116	263,055	26,754	21,423
Depreciation of property, plant and equipment (Note 13)	84,569	89,279	2,391	1,909
Depreciation of investment properties (Note 15)	128	129	-	-
Impairment loss on:				
- Amount due from subsidiaries	-	-	37,978	13,064
- Goodwill (Note 17)	6,776	-	-	-
- Intangible assets (Note 16)	14,048	1,368	-	-
- Investment in a subsidiary (Note 18(b))	-	-	-	8,251
- Trade receivables (Note 24(a)(ii))	1,958	3,594	-	-
- Other receivables (Note 24(b)(v))	4,330	-	4,330	-
Intangible assets written off (Note 16)	-	78	-	-
Inventories written down (Note 22)	13,843	56,212	-	-
Loss on disposal of property, plant and equipment	-	-	83	-
Loss on termination of lease contracts	443	451	-	-
Net unrealised foreign exchange loss	16,169	-	-	12
Expense relating to short-term leases (Note 31)	6,365	4,441	-	-
Expense relating to leases of low-value assets (Note 31)	495	492	10	10
Property, plant and equipment written off	980	60	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. Employee benefits expense

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and others	220,444	239,067	21,912	18,107
Contributions to a defined contribution plan	14,896	15,432	2,524	2,297
Contributions to social security plans	2,609	3,111	52	49
Share-based payment	3,257	5,254	2,266	970
Termination benefits	-	191	-	-
	241,206	263,055	26,754	21,423
Less: Amount capitalised in property development costs	(1,090)	-	-	-
	240,116	263,055	26,754	21,423
Recognised in profit or loss as:				
- Cost of sales	155,986	163,562	-	-
- Administrative expenses	56,318	55,808	26,754	21,423
- Selling expenses	17,434	25,207	-	-
- Other expenses	10,378	18,478	-	-
	240,116	263,055	26,754	21,423

Included in employee benefits expense of the Group and of the Company are directors' remuneration of RM11,070,000 (2023: RM6,352,000) and RM11,070,000 (2023: RM6,352,000) respectively, as further disclosed in Note 10.

10. Directors' remuneration

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors of the Company:				
Executive:				
Salaries and other emoluments	9,598	5,109	9,598	5,109
Defined contribution and social security plans	1,441	831	1,441	831
Share-based payment	-	381	-	381
Total short-term employee benefits	11,039	6,321	11,039	6,321
Benefits-in-kind	31	31	31	31
	11,070	6,352	11,070	6,352

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. Directors' remuneration (cont'd.)

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-executive:				
Fees	1,106	1,015	900	855
Other emoluments	1,670	1,868	1,543	1,683
	2,776	2,883	2,443	2,538
Benefits-in-kind	58	58	58	58
	2,834	2,941	2,501	2,596
	13,904	9,293	13,571	8,948

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

Group	Fees	Other emoluments	Total
	RM'000	RM'000	RM'000
2024			
Executive:			
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	-	11,070	11,070
Non-executive:			
General Dato' Seri DiRaja Tan Sri (Dr.)			
Mohd Zahidi bin Haji Zainuddin (Retired)	150	651	801
Dato Sri Mahmud Abu Bekir Taib	182	619	801
Dato' Maznah binti Abdul Jalil	150	120	270
Umang Nangku Jabu	150	76	226
Dr. Khor Jaw Huei	188	136	324
Jeyabalan A/L S.K. Parasingam	166	112	278
Gee Siew Yong	120	14	134
	1,106	1,728	2,834
	1,106	12,798	13,904

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. Directors' remuneration (cont'd.)

The details of remuneration received and receivable by the directors of the Group and the Company are set out below: (cont'd.)

Group (cont'd.)	Fees RM'000	Other emoluments RM'000	Total RM'000
2023			
Executive:			
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	-	6,352	6,352
Non-executive:			
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
	1,015	1,926	2,941
	1,015	8,278	9,293
Company			
2024			
Executive:			
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	-	11,070	11,070
Non-executive:			
General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	150	651	801
Dato Sri Mahmud Abu Bekir Taib	150	603	753
Dato' Maznah binti Abdul Jalil	120	98	218
Umang Nangku Jabu	120	56	176
Dr. Khor Jaw Huei	120	102	222
Jeyabalan A/L S.K. Parasingam	120	77	197
Gee Siew Yoong	120	14	134
	900	1,601	2,501
	900	12,671	13,571

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. Directors' remuneration (cont'd.)

The details of remuneration received and receivable by the directors of the Company are set out below: (cont'd.)

Company (cont'd.)	Fees RM'000	Other emoluments RM'000	Total RM'000
2023			
Executive:			
Dato Sri Sulaiman Abdul Rahman b Abdul Taib	-	6,352	6,352
Non-executive:			
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
	855	1,741	2,596
	855	8,093	8,948

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

11. Income tax expense/(credit)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	61,490	59,422	5,465	8,600
- Foreign tax	12,555	8,694	-	-
- Withholding tax	131	359	-	-
- Under/(over) provision in respect of prior years	5,538	(5,704)	(137)	131
	79,714	62,771	5,328	8,731
Deferred income tax (Note 21):				
- Origination and reversal of temporary differences	(10,749)	(13,711)	(8,984)	-
- Over provision in respect of prior years	(3,788)	(2,458)	-	-
	(14,537)	(16,169)	(8,984)	-
Income tax expense/(credit) recognised in profit or loss	65,177	46,602	(3,656)	8,731

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. Income tax expense/(credit) (cont'd.)

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Accounting profit before tax	190,100	128,241	7,540	199,505
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	45,624	30,778	1,809	47,881
Adjustments:				
Share of results of associates	(16,372)	(14,648)	-	-
Share of results of joint ventures	(5,133)	(6,105)	-	-
Non-deductible expenses	57,332	48,587	22,273	18,106
Income not subject to tax	(11,964)	(10,954)	(19,028)	(57,387)
Effect of different tax rates in other countries	(1,220)	(4,399)	-	-
Effect of capital gain tax	6,124	-	6,124	-
Effect of exercise of derivative financial assets	(14,697)	-	(14,697)	-
Effect of transfer of property from inventories to investment property	265	-	-	-
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	(930)	(376)	-	-
Deferred tax assets not recognised	4,267	9,709	-	-
Withholding tax expense	131	359	-	-
Under/(over) provision of income tax in respect of prior years	5,538	(5,704)	(137)	131
Over provision of deferred tax in respect of prior years	(3,788)	(2,458)	-	-
Income tax expense/(credit) recognised in profit or loss	65,177	46,602	(3,656)	8,731

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. Earnings per share

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

Diluted earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year after adjustment for the effects of dilutive potential ordinary shares.

	Group	
	2024	2023
Profit net of tax attributable to owners of the Company (RM'000)	128,192	114,443
Weighted average number of ordinary shares in issue ('000)	1,074,369	1,074,176
Assumed shares issued from the exercise of ESOS ('000)	4,072	-
Adjusted weighted average number of ordinary shares for calculating earnings per ordinary share ('000)	1,078,441	1,074,176
Basic earnings per share (sen) for:	11.93	10.65
Diluted earnings per share (sen) for:	11.89	10.65

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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
Cost:						
At 1 January 2023	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)	(7,364)	-	(342)	-	(7,968)
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
At 31 December 2023	182,666	461,410	961,861	157,774	746,759	2,510,470
At 1 January 2024	182,666	461,410	961,861	157,774	746,759	2,510,470
Additions	6,059	4,623	13,626	14,461	5,622	44,391
Transferred from land held for property development (Note 14(a))	4,894	-	-	-	-	4,894
Disposals	-	-	-	(977)	-	(977)
Termination of lease contracts	(1,249)	(5,275)	-	(3,459)	-	(9,983)
Written off	-	(4,600)	-	(1,834)	-	(6,434)
Exchange differences	(1,541)	196	(554)	(1,675)	(18,545)	(22,119)
At 31 December 2024	190,829	456,354	974,933	164,290	733,836	2,520,242

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. Property, plant and equipment (cont'd.)

Group (cont'd.)	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
Accumulated depreciation:						
At 1 January 2023	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)	(4,751)	-	(191)	-	(5,204)
Written off	(34)	(375)	(18,042)	(32)	-	(18,483)
Exchange differences	193	59	42	174	-	468
At 31 December 2023	32,862	205,188	704,041	95,289	-	1,037,380
At 1 January 2024	32,862	205,188	704,041	95,289	-	1,037,380
Depreciation charge for the year (Note 8)	3,831	20,102	42,569	18,067	-	84,569
Disposals	-	-	-	(600)	-	(600)
Termination of lease contracts	(867)	(4,580)	-	(2,741)	-	(8,188)
Written off	-	(3,918)	-	(1,536)	-	(5,454)
Exchange differences	(175)	(67)	(208)	(453)	-	(903)
At 31 December 2024	35,651	216,725	746,402	108,026	-	1,106,804

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. Property, plant and equipment (cont'd.)

Group (cont'd.)	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
Accumulated impairment losses:						
At 1 January 2023/ 31 December 2023/ 31 December 2024	-	11,212	31	17	-	11,260
Net carrying amount:						
31 December 2023	149,804	245,010	257,789	62,468	746,759	1,461,830
31 December 2024	155,178	228,417	228,500	56,247	733,836	1,402,178

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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
Cost:					
At 1 January 2023	340	3,116	8,206	3,398	15,060
Additions	-	7,761	-	73	7,834
At 31 December 2023 and 1 January 2024	340	10,877	8,206	3,471	22,894
Additions	-	-	2,184	3,800	5,984
Disposals	-	-	(315)	-	(315)
Written off	-	(1,708)	-	(1,033)	(2,741)
At 31 December 2024	340	9,169	10,075	6,238	25,822
Accumulated depreciation:					
At 1 January 2023	36	2,028	3,839	3,143	9,046
Depreciation charge for the year (Note 8)	9	1,029	737	134	1,909
At 31 December 2023 and 1 January 2024	45	3,057	4,576	3,277	10,955
Depreciation charge for the year (Note 8)	9	1,145	866	371	2,391
Disposals	-	-	(113)	-	(113)
Written off	-	(1,708)	-	(1,033)	(2,741)
At 31 December 2024	54	2,494	5,329	2,615	10,492
Net carrying amount:					
At 31 December 2023	295	7,820	3,630	194	11,939
At 31 December 2024	286	6,675	4,746	3,623	15,330

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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
At 1 January 2023	151,277	21,891	12,482	5,921	191,571
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 adjustments	2,162	208	-	155	2,525
At 31 December 2023 and 1 January 2024	149,804	25,170	19,600	6,028	200,602
Additions	6,059	3,026	-	2,611	11,696
Transferred from land held for property development (Note 14(a))	4,894	-	-	-	4,894
Depreciation charge for the year (Note 31)	(3,831)	(7,835)	(15,681)	(2,983)	(30,330)
Termination of lease contracts	(382)	(695)	-	(718)	(1,795)
Exchange adjustments	(1,366)	933	-	747	314
At 31 December 2024	155,178	20,599	3,919	5,685	185,381

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	Building RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2023	304	1,088	1,962	3,354
Addition	-	7,761	-	7,761
Depreciation charge for the year	(9)	(1,029)	(429)	(1,467)
At 31 December 2023 and 1 January 2024	295	7,820	1,533	9,648
Addition	-	-	2,184	2,184
Depreciation charge for the year	(9)	(1,145)	(640)	(1,794)
At 31 December 2024	286	6,675	3,077	10,038

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 amounts of fully depreciated property, plant and equipment that are still in use at the reporting date were RM463,158,000 (2023: RM457,705,000) and RM5,639,000 (2023: RM6,174,000) for the Group and the Company, respectively.

(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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Additions for the financial year	44,391	77,453	5,984	7,834
Less: Leasing arrangements	(11,696)	(39,737)	(2,184)	(7,761)
Total cash payments during the financial year	32,695	37,716	3,800	73

(d) Assets charged

Property, plant and equipment with a carrying amount of RM814,871,000 (2023: RM837,361,000) are subject to a fixed charge to secure the bank loan of a subsidiary as disclosed in Note 30(c).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. Property, plant and equipment (cont'd.)

(e) 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 RM814,870,000, 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 will be resolved amicably. The Group will then focus on reinstatement of electricity supply so that commissioning can resume from 1 October 2025.

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

Key assumptions	2024	2023
Number of projection years	21 years	21 years
Post-tax discount rate	11.0%	11.0%
Average price range of raw materials		
– rock phosphate	USD 147/MT	USD 145/MT
– metallurgical coke	USD 320/MT	USD 320/MT
Sales of Yellow Phosphorus		
- Annual sales volume – Year 1	3,332 MT	-
- Annual sales volume – Year 2	34,238 MT	32,760 MT
- Annual sales volume – Year 3 - 21	35,181 MT	33,600 MT
- Average selling price	USD 4,246/MT	USD 4,100/MT
Sales of Food Grade Acid		
- Annual sales volume – Year 1	3,740 MT	-
- Annual sales volume – Year 2	43,706 MT	45,445 MT
- Annual sales volume – Year 3 - 21	44,883 MT	50,420 MT
- Average selling price	USD 1,126/MT	USD 1,072/MT

No impairment loss was required for property, plant and equipment as at 31 December 2024 as the recoverable amount of the CGU exceeded its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. Property, plant and equipment (cont'd.)

(e) Impairment assessment (cont'd.)

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 RM44,256,000.
If the average price range of rock phosphate increased by approximately 1% and all other variables held constant.	There would be an impairment of RM16,133,000.
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 RM54,978,000.
Discount rate increased by approximately 1% and all other variables held constant.	There would be an impairment of RM55,364,000.

(f) Transfer from land held for property development

Following the change in their use, a parcel of leasehold land with a carrying amount of RM4,894,000 (2023: nil) are reclassified from land under land held for property development [see Note 14(a)] and are measured at its carrying amount before the reclassification.

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
Cost:			
At 1 January 2023	165,633	29,336	194,969
Additions	4,894	281	5,175
Transferred from property development costs (Note 14(b)(i))	63,566	42,460	106,026
At 31 December 2023 and 1 January 2024	234,093	72,077	306,170
Additions	-	2,431	2,431
Costs charged to profit or loss	(5,922)	(1,504)	(7,426)
Transferred to property, plant and equipment (Note 13)	(4,894)	-	(4,894)
Transferred from property development costs (Note 14(b)(i))	374	2,578	2,952
Transferred from inventories	18	-	18
At 31 December 2024	223,669	75,582	299,251

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. Land held for property development and property development costs (cont'd.)

(a) Land held for property development (cont'd.)

Certain long-term leasehold land of the Group with a carrying amount of RM22,102,000 (2023: RM22,092,000) are pledged to secure revolving credit facilities granted to the subsidiaries. The revolving credit facilities are unutilised as at financial year end.

The Group has entered into temporary lease arrangements on certain pieces of leasehold land. Rental income recognised during the year amounted to RM276,000 (2023: RM342,000).

(b) Property development costs

Group	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Cumulative property development costs:			
At 1 January 2023	75,797	389,265	465,062
Costs incurred during the year	38	6,260	6,298
Project written off	-	(41)	(41)
Reversal of completed phases	(11,849)	(348,595)	(360,444)
Transferred to land held for property development (Note 14(b)(i))	(63,566)	(42,460)	(106,026)
At 31 December 2023 and 1 January 2024	420	4,429	4,849
Costs incurred during the year	-	5,271	5,271
Transferred to land held for property development (Note 14(b)(i))	(374)	(2,578)	(2,952)
At 31 December 2024	46	7,122	7,168

Cumulative costs recognised in profit or loss:

At 1 January 2023	(11,846)	(345,752)	(357,598)
Recognised during the year	(3)	(2,843)	(2,846)
Reversal of completed phases	11,849	348,595	360,444
At 31 December 2023 and 1 January 2024	-	-	-
Recognised during the year	(10)	(3,133)	(3,143)
At 31 December 2024	(10)	(3,133)	(3,143)

Property development costs:

At 31 December 2023	420	4,429	4,849
At 31 December 2024	36	3,989	4,025

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

(i) Transfer to land held for property development

During the financial year, property development costs of the Group of RM2,952,000 (2023: RM106,026,000) which consists of leasehold land of RM374,000 (2023: RM63,566,000) and development expenditure of RM2,578,000 (2023: RM42,460,000) have been transferred to land held for property development as there is currently no active development activities been carried out.

15. Investment properties

Group	Leasehold land RM'000	Buildings RM'000	Total RM'000
Cost:			
At 1 January 2023/31 December 2023/ 1 January 2024	3,177	3,451	6,628
Transfer from inventories (Note 15(a))	-	40,895	40,895
At 31 December 2024	3,177	44,346	47,523
Accumulated depreciation:			
At 1 January 2023	462	950	1,412
Depreciation charge for the year (Note 8)	39	90	129
At 31 December 2023 and 1 January 2024	501	1,040	1,541
Depreciation charge for the year (Note 8)	39	89	128
At 31 December 2024	540	1,129	1,669
Net carrying amount:			
At 31 December 2023	2,676	2,411	5,087
At 31 December 2024	2,637	43,217	45,854

(a) Transfer from inventories

The Group has reviewed its strategic direction of one of its properties held for sale as at financial year end. The property was previously classified as held for sale in the normal course of business. Following the review, the decision has been made to hold the property to earn rental, with potential expansion plans to enhance its long-term value. Consequently, a property with carrying value of RM40,895,000 has been transferred from inventories to investment property as at 31 December 2024 in accordance with MFRS 140.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Investment properties (cont'd.)

(b) Operating lease arrangements

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

	Group	
	2024	2023
	RM'000	RM'000
Rental income	(205)	(224)
Direct operating expenses:		
- income generating investment properties	94	223
- non-income generating investment properties	243	258

(c) Fair value measurements

The fair values for the investment properties are estimated at RM71,704,000 (2023: RM28,885,000) and are categorised under Level 3 of the fair value hierarchy.

The Level 3 fair value of investment properties, determined for disclosures purposes, is generally ascertained by the management valuation by an external independent property valuer, who has appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. For certain investment properties, the Group occasionally reviews and reassesses their fair value based on informal comparison method by reference to similar/comparable properties in markets that are not active, adjusted for differences in key attributes such as property size and areas.

For the determination of the fair value of a hypermarket mall, the investment method is mostly used whereby net rental is capitalised at the appropriate market yield and anticipated occupancy rates achieved. For land, the fair value is determined using the comparison method, whereby adjustments for differences in various factors affecting the value are made.

(d) Highest and best use

The land classified as investment property is currently held under titles for residential, commercial and/or mixed development purpose. As the use of certain land is currently undetermined, it is therefore impractical to estimate its highest and best use.

A major part of the buildings comprise hypermarket malls situated at a prime area, which is the highest and best use of the land on which they were built. Other buildings comprising office lots and commercial retail units are similarly regarded as having been put at their highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. Intangible assets

Group	Computer software RM'000	Others RM'000	Total RM'000
Cost:			
At 1 January 2023	15,537	2,690	18,227
Additions	7,136	36	7,172
Written off (Note 8)	-	(78)	(78)
At 31 December 2023 and 1 January 2024	22,673	2,648	25,321
Additions	2,583	-	2,583
At 31 December 2024	25,256	2,648	27,904
Accumulated amortisation:			
At 1 January 2023	10,502	824	11,326
Amortisation charge for the year (Note 8)	43	57	100
At 31 December 2023 and 1 January 2024	10,545	881	11,426
Amortisation charge for the year (Note 8)	58	57	115
At 31 December 2024	10,603	938	11,541
Accumulated impairment losses:			
At 1 January 2023	-	-	-
Impairment during the year (Note 8)	-	1,368	1,368
At 1 January 2024	-	1,368	1,368
Impairment during the year (Notes (a)/8)	14,048	-	14,048
At 31 December 2024	14,048	1,368	15,416
Net carrying amount:			
At 31 December 2023	12,128	399	12,527
At 31 December 2024	605	342	947
Company			
Cost:			
At 1 January 2023	-	396	396
Additions	-	36	36
At 31 December 2023 and 1 January 2024	-	432	432
Additions	324	-	324
At 31 December 2024	324	432	756

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. Intangible assets (cont'd.)

Company (cont'd.)	Computer software RM'000	Others RM'000	Total RM'000
Accumulated amortisation:			
At 1 January 2023	-	39	39
Amortisation charge for the year (Note 8)	-	50	50
At 31 December 2023 and 1 January 2024	-	89	89
Amortisation charge for the year (Note 8)	9	50	59
At 31 December 2024	9	139	148
Net carrying amount:			
At 31 December 2023	-	343	343
At 31 December 2024	315	293	608

During the financial year, the Group recognised a full impairment loss of RM14,048,000 related to one of its computer software. This impairment was triggered by the incomplete development of the Enterprise Resource Planning system by the external developer, Vienna Advantage GmBH ("VA"), resulting in the project being non-viable and unlikely to generate expected future economic benefits. The arbitration case with VA is disclosed in Note 38(d). The impairment loss has been recognised under other expenses as disclosed in Note 8.

17. Goodwill

	Group 2024 RM'000	2023 RM'000
Cost:		
At 1 January/ 31 December	68,485	68,485
Accumulated impairment losses:		
At 1 January	-	-
Impairment loss (Notes (a)/8)	(6,776)	-
At 31 December	(6,776)	-
Net carrying amount:		
At 31 December	61,709	68,485

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

	Group 2024 RM'000	2023 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
	61,709	68,485

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. Goodwill (cont'd.)

- (a) During the financial year, the Group has fully impaired the carrying amount of goodwill, which arose from the acquisition of recycling plastic business, amounting to RM6,776,000 due to the uncertainty on the generation of positive future cash inflows. The impairment loss has been recognised under other expenses as disclosed in Note 8.
- (b) The recoverable amounts of the manufacturing of cement and clinker CGU are determined 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:

	2024	2023
Gross margin	27%	21%
Discount rate	11%	13%

(i) 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.

(ii) Discount rates

The discount rates used are post-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 manufacturing of cement and clinker CGUs to exceed their recoverable amounts.

18. Investments in subsidiaries

	Company	
	2024	2023
	RM'000	RM'000
Cost of investment		
Unquoted shares, at cost	1,207,350	1,207,350
Redeemable preference shares, at cost	52,690	52,690
	<u>1,260,040</u>	<u>1,260,040</u>
Accumulated impairment losses:		
At 1 January	(62,797)	(54,546)
Impairment during the year (Note 8)	-	(8,251)
At 31 December	<u>(62,797)</u>	<u>(62,797)</u>
	<u>1,197,243</u>	<u>1,197,243</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of business/ country of incorporation	Principal activities	Group’s effective interest	
			2024 %	2023 %
Direct subsidiaries of the Company				
Cahya Mata Alam Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Recycling plastic into thermasite materials and dealing in goods and articles related to the recycling industry	70.0	70.0
Cahya Mata Capital Sdn. Bhd.	Malaysia	Investment holding	100.0	100.0
Cahya Mata Cement Properties Sdn. Bhd.	Malaysia	Investment and property holding	100.0	100.0
Cahya Mata Development Sdn. Bhd.	Malaysia	Property holding, property development and project management	100.0	100.0
Cahya Mata Education Sdn. Bhd.	Malaysia	Investment holding	100.0	100.0
Cahya Mata Intelligent Technologies Sdn. Bhd.	Malaysia	Provision of software and IT support related services	100.0	100.0
Cahya Mata IP Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Inactive	100.0	100.0
Cahya Mata Oiltools Sdn. Bhd.	Malaysia	Investment holding	75.0	75.0
Cahya Mata Professionals Sdn. Bhd.	Malaysia	Provision of management services and rental of investment properties	100.0	100.0
Cahya Mata Roads Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Investment holding, construction and provision of technical, machinery and motor vehicle rental services	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

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

Name of subsidiaries	Place of business/ country of incorporation	Principal activities	Group's effective interest	
			2024 %	2023 %
Direct subsidiaries of the Company (cont'd.)				
Cahya Mata Sabah Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Inactive	100.0	100.0
Cahya Mata Trading International Pte. Ltd	Singapore	Wholesale trade of a variety of goods without dominant product	100.0	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	100.0	100.0
Taibah Properties Sdn. Bhd.	Malaysia	Property development and construction works	100.0	100.0
Subsidiaries of Cahya Mata Alam Sdn. Bhd.				
Thermasite Technology Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Research and development activities in new composite materials, innovate and introduce new products and services	70.0	70.0
Thermasite IP Pty. Ltd.	Australia	Inactive	70.0	70.0

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

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

Name of subsidiaries	Place of business/ country of incorporation	Principal activities	Group's effective interest	
			2024 %	2023 %
Subsidiaries of Cahya Mata Cement Properties Sdn. Bhd.				
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
Subsidiaries of Cahya Mata Development Sdn. Bhd.				
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. ⁽ⁱ⁾	Malaysia	Inactive	100.0	100.0
Subsidiary of CMS Land Sdn. Bhd.				
Isthmus Raintree Malaysia Management Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Inactive	51.0	51.0
Subsidiaries of Cahya Mata Roads Sdn. Bhd.				
CMS Roads Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Road assessment, maintenance and management	100.0	100.0
CMS Pavement Tech Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Road rehabilitation and maintenance	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

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

Name of subsidiaries	Place of business/ country of incorporation	Principal activities	Group’s effective interest	
			2024 %	2023 %
Subsidiaries of Samalaju Industries Sdn. Bhd.				
Cahya Mata Phosphates Industries Sdn. Bhd.	Malaysia	Construction and operation of an integrated phosphate complex for the feed and fertiliser phosphate products	80.2	80.2
Samalaju Properties Sdn. Bhd.	Malaysia	Provision and management of temporary accommodation, property and township development	51.0	51.0
Subsidiary of Samalaju Properties Sdn. Bhd.				
Samalaju Hotel Management Sdn. Bhd.	Malaysia	Hotel owner and operator	51.0	51.0
Subsidiaries of Cahya Mata Oiltools Sdn. Bhd.				
Oiltools International Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Management services, asset ownership, property owner, rental of property and equipment	75.0	75.0
Cahya Mata Oiltools Services Sdn. Bhd.	Malaysia	Provision of oilfield equipment, supplies and services	39.0	39.0
Cahya Mata Oiltools (Bermuda) Limited ⁽ⁱ⁾	Bermuda	Investment holding	75.0	75.0

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

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

Name of subsidiaries	Place of business/ country of incorporation	Principal activities	Group’s effective interest	
			2024 %	2023 %
Subsidiaries of Cahya Mata Oiltools (Bermuda) Limited				
Scomi Oiltools (RUS) LLC ⁽ⁱ⁾	Russia	Provision of oilfield equipment, supplies and services	75.0	75.0
Cahya Mata Oiltools (Cayman) Ltd. (formerly known as Scomi Oiltools (Cayman) Ltd.) ⁽ⁱ⁾	Cayman Island	Provision of oilfield equipment, supplies and services	75.0	75.0
Cahya Mata Oiltools Oman LLC (formerly known as Scomi Oiltools Oman LLC) ⁽ⁱ⁾	Oman	Supply of goods and specialised services principally to the oil and gas industry	38.3	38.3
WASCO Oil Services Company Nigeria Limited ⁽ⁱ⁾	Nigeria	Provision of oilfield equipment, supplies and services	45.0	45.0
KMC Oiltools India Pvt. Ltd. ⁽ⁱ⁾	India	Provision of oilfield equipment, supplies and services	75.0	75.0
PT Cahya Mata Oiltools (formerly known as PT Scomi Oiltools) ⁽ⁱ⁾	Indonesia	Provision of oilfield equipment, supplies and services	71.3	71.3
Cahya Mata Oiltools (Africa) Limited (formerly known as Scomi Oiltools (Africa) Limited) ⁽ⁱ⁾	Congo	Investment holding and provision of oilfield equipment, supplies and services	75.0	75.0
Cahya Mata Oiltools (Singapore) Pte. Ltd. (formerly known as Scomi Oiltools (S) Pte. Ltd.) ⁽ⁱ⁾	Singapore	Investment holding	75.0	75.0

⁽ⁱ⁾ Audited by firms other than Ernst & Young PLT.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

(a) Additional investments in subsidiaries

(i) Cahya Mata Oiltools Sdn. Bhd.

In the previous financial year, 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 non-controlling 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 non-controlling shareholders had resulted in increase in non-controlling interest of RM4,544,000 which was recognised directly in equity.

(ii) Cahya Mata Capital Sdn. Bhd.

In the previous financial year, 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 non-controlling interest of RM13,453,000 and profit attributable to the owner of the Company of RM1,605,000 which was recognised directly in equity.

(iii) Cahya Mata Phosphates Industries Sdn. Bhd.

In the previous financial 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 was recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

(a) Impairment loss on investment in a 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.

In the previous financial year, the Company recognised impairment losses on investment in a subsidiary, Cahya Mata Alam Sdn. Bhd. of RM8,251,000 as disclosed in Note 8. The recoverable amount is based on FVLCD, determined from their net assets.

(c) Non-controlling interests in subsidiaries

Set out below are the summarised financial information for the subsidiaries which have non-controlling interests that are material to the Group. The financial information below is based on amounts before intragroup eliminations.

	Cahya Mata Phosphates Industries Sdn. Bhd. RM'000	CMS Land Sdn. Bhd. RM'000	Cahya Mata Oiltools Sdn. Bhd. Group RM'000
Summarised Statements of Financial Position			
At 31 December 2024			
Non-current assets	833,425	99,726	53,069
Current assets	177,794	71,331	212,112
Total assets	1,011,219	171,057	265,181
Current liabilities	647,659	4,992	122,938
Non-current liabilities	95,368	5,565	5,494
Total liabilities	743,027	10,557	128,432
Net assets	268,192	160,500	136,749
Equity attributable to owners of the Company	215,063	76,902	84,694
Non-controlling interests	53,129	83,598	52,055

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

(c) Non-controlling interests in subsidiaries (cont'd.)

Set out below are the summarised financial information for the subsidiaries which have non-controlling interests that are material to the Group. The financial information below is based on amounts before intragroup eliminations. (cont'd.)

	Cahya Mata Phosphates Industries Sdn. Bhd. RM'000	CMS Land Sdn. Bhd. RM'000	Cahya Mata Oiltools Sdn. Bhd. Group RM'000
Summarised Statements of Profit or Loss and Other Comprehensive Income			
Year ended 31 December 2024			
Revenue	-	25,425	277,364
(Loss)/profit for the year	(90,526)	19,433	16,579
Other comprehensive loss	(9,791)	-	(13,579)
Total comprehensive (loss)/income	(100,317)	19,433	3,000
Total comprehensive (loss)/income attributable to owners of the Company	(80,444)	9,911	3,774
Total comprehensive (loss)/income attributable to non-controlling interests	(19,873)	9,522	(774)
Summarised Statements of Cash Flow			
Year ended 31 December 2024			
Net cash (used in)/from operating activities	(33,131)	20	70,390
Net cash used in investing activities	(629)	-	(20,253)
Net cash from/(used in) financing activities	38,065	-	(5,971)
Net increase in cash and cash equivalents	4,305	20	44,166
Cash and cash equivalents at beginning of the year	51,976	25	44,720
Effect of foreign exchange changes	(3,356)	-	(13,277)
Cash and cash equivalents at end of the year	52,925	45	75,609

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

(c) Non-controlling interests in subsidiaries (cont'd.)

Set out below are the summarised financial information for the subsidiaries which have non-controlling interests that are material to the Group. The financial information below is based on amounts before intragroup eliminations. (cont'd.)

	Cahya Mata Phosphates Industries Sdn. Bhd. RM'000	CMS Land Sdn. Bhd. RM'000	Cahya Mata Oiltools Sdn. Bhd. Group RM'000
Summarised Statements of Financial Position			
At 31 December 2023			
Non-current assets	849,886	105,259	62,196
Current assets	189,264	47,432	193,503
Total assets	<u>1,039,150</u>	<u>152,691</u>	<u>255,699</u>
Current liabilities	463,660	6,708	114,679
Non-current liabilities	206,981	4,917	7,271
Total liabilities	<u>670,641</u>	<u>11,625</u>	<u>121,950</u>
Net assets	<u>368,509</u>	<u>141,066</u>	<u>133,749</u>
Equity attributable to owners of the Company	295,507	66,990	80,880
Non-controlling interests	<u>73,002</u>	<u>74,076</u>	<u>52,869</u>

Summarised Statements of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2023

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	(98,856)	1,458	21,833
Total comprehensive (loss)/income attributable to non-controlling interests	<u>(30,734)</u>	<u>1,400</u>	<u>2,817</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. Investments in subsidiaries (cont'd.)

(c) Non-controlling interests in subsidiaries (cont'd.)

Set out below are the summarised financial information for the subsidiaries which have non-controlling interests that are material to the Group. The financial information below is based on amounts before intragroup eliminations. (cont'd.)

	Cahya Mata Phosphates Industries Sdn. Bhd. RM'000	CMS Land Sdn. Bhd. RM'000	Cahya Mata Oiltools Sdn. Bhd. Group RM'000
Summarised Statements of Cash Flow			
Year ended 31 December 2023			
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 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
Dividends paid to NCI	-	3,430	-

19. Investments in associates

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Quoted shares in Malaysia, at cost	183,679	183,679	-	-
Unquoted shares, at cost	313,108	188,790	311,106	186,790
	496,787	372,469	311,106	186,790
Share of post-acquisition reserves	376,576	343,156	-	-
	873,363	715,625	311,106	186,790
Fair value of quoted shares Level 1	127,245	125,193	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. Investments in associates (cont'd.)

Details of the associates are as follows:

Name of associates	Place of business/ country of incorporation	Principal activities	Group’s effective interest	
			2024 %	2023 %
Held by the Company:				
SACOFA Sdn. Bhd.	Malaysia	Telecommunication infrastructure providers	47.4	50.0
Held through subsidiaries:				
Kenanga Investment Bank Berhad (“KIBB”) ⁽ⁱ⁾	Malaysia	Investment holding, stockbroking and financial services business	18.8	18.9
Scomi Oiltools Gulf W.L.L	Kuwait	Producing and supplying oil drilling materials, and operating and servicing oil and gas facilities	25.0	25.0

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

(a) Exercise of warrants and dilution in equity interest of an associate

In the previous financial year, the Group and the Company held 18,444,697 warrants in Sacofa Sdn. Bhd. ("SACOFA") as disclosed in the Note 28. During the year, all the warrant holders exercised the warrants at RM1.50 each.

On 19 December 2024, the Group and the Company paid a consideration of RM27,667,000 and converted the warrants to ordinary shares in SACOFA. Following the exercise of SACOFA warrants, the derivative financial asset was reclassified to cost of investments in associates and the Group's and the Company's equity interest in SACOFA has decreased from 50.0% to 47.4%.

The dilution in equity interest in SACOFA resulted in deemed disposals with a gain of RM4,287,000 recognised as part of the share of results of associates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. Investments in associates (cont'd.)

(b) Reconciliation of net assets to carrying amount and share of results

The summarised information, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in associates are as follows:

	Kenanga Investment Bank Berhad Group RM'000	SACOFA Sdn. Bhd. Group RM'000	Scomi Oiltools Gulf W.L.L RM'000	Total RM'000
Reconciliation of net assets to carrying amount				
At 31 December 2024				
Effective interests in associates	18.76%	47.44%	25.00%	
Group's share of net assets	209,707	546,190	1,107	757,004
Goodwill	14,661	101,698	-	116,359
Group's carrying amount	<u>224,368</u>	<u>647,888</u>	<u>1,107</u>	<u>873,363</u>
At 31 December 2023				
Effective interests in associates	18.94%	50.00%	25.00%	
Group's share of net assets	199,113	500,912	939	700,964
Goodwill	14,661	-	-	14,661
Group's carrying amount	<u>213,774</u>	<u>500,912</u>	<u>939</u>	<u>715,625</u>
Group's share of results				
Year ended 31 December 2024				
Group's share of profit or loss	20,132	47,917	168	68,217
Group's share of other comprehensive income	39	204	-	243
Group's share of total comprehensive income	<u>20,171</u>	<u>48,121</u>	<u>168</u>	<u>68,460</u>
Year ended 31 December 2023				
Group's share of profit or loss	13,758	48,336	(1,061)	61,033
Group's share of other comprehensive income	4,268	(129)	-	4,139
Group's share of total comprehensive income	<u>18,026</u>	<u>48,207</u>	<u>(1,061)</u>	<u>65,172</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. Investments in associates (cont'd.)

(c) Summarised financial information for material associates

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

	Kenanga Investment Bank Berhad Group RM'000	SACOFA Sdn. Bhd. Group RM'000
At 31 December 2024		
Total assets	7,656,913	1,485,646
Total liabilities	(6,539,071)	(338,172)
Net assets	1,117,842	1,147,474
Non-controlling interests	-	3,853
	<u>1,117,842</u>	<u>1,151,327</u>
Revenue	1,003,797	268,434
Profit for the year	95,755	87,083
Other comprehensive (loss)/income	(98)	643
Total comprehensive income	95,657	87,726
Dividends received by the Group during the year	9,578	25,461
At 31 December 2023		
Total assets	6,582,888	1,423,695
Total liabilities	(5,511,913)	(425,808)
Net assets	1,070,975	997,887
Non-controlling interests	-	3,937
	<u>1,070,975</u>	<u>1,001,824</u>
Revenue	821,056	303,469
Profit for the year	72,751	101,259
Other comprehensive income/(loss)	23,806	(386)
Total comprehensive income	96,557	100,873
Dividends received by the Group during the year	8,209	-

20. Investments in joint ventures

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	316,233	316,233	68,540	68,540
Redeemable preference shares, at cost	2,731	2,731	-	-
	<u>318,964</u>	<u>318,964</u>	<u>68,540</u>	<u>68,540</u>
Share of post-acquisition reserves	32,240	24,340	-	-
	<u>351,204</u>	<u>343,304</u>	<u>68,540</u>	<u>68,540</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Investments in joint ventures (cont'd.)

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	Place of business/ country of incorporation	Principal activities	Group’s effective interest	
			2024 %	2023 %
Held by the Company:				
SEDC Resources Sdn. Bhd.	Malaysia	Investment and property holding	49.0	49.0
Held through subsidiaries:				
COPE-KPF Opportunities 1 Sdn. Bhd. ⁽ⁱ⁾	Malaysia	Investment holding	26.7	26.7
Help Ibraco CMS Sdn. Bhd. (“HICSB”)	Malaysia	Education services	15.8	15.8
PPES Works (Sarawak) Sdn. Bhd.	Malaysia	Civil engineering, building works contractor, provision of road maintenance services and landscaping works	49.0	49.0

⁽ⁱ⁾ Ownership interests in COPE-KPF Opportunities 1 Sdn. Bhd. are held through redeemable preference shares via respective shareholders' agreements.

(a) Capital redemption of investment in joint ventures

In the previous 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 THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Investments in joint ventures (cont'd.)

(b) 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
At 31 December 2024		
Non-current assets	8,615	115,045
Cash and cash equivalents	68,410	68,284
Other current assets	116,188	366,083
Non-current liabilities	(328)	(7,537)
Current liabilities	(147,058)	(181,459)
Net assets	<u>45,827</u>	<u>360,416</u>
Year ended 31 December 2024		
Revenue	274,643	308,258
Depreciation and amortisation	705	14,555
Interest income	2,559	6,140
Interest expense	11	133
Income tax (credit)/expense	(556)	12,805
(Loss)/profit for the year	(3,624)	42,462
(Loss)/profit attributable to the owners of the company	(2,645)	35,842
(Loss)/profit attributable to non-controlling interests	<u>(979)</u>	<u>6,620</u>
At 31 December 2023		
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)
Net assets	<u>54,615</u>	<u>341,621</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Investments in joint ventures (cont'd.)

(b) 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. (cont'd.)

	PPES Works (Sarawak) Sdn. Bhd. Group RM'000	SEDC Resources Sdn. Bhd. Group RM'000
Year ended 31 December 2023		
Revenue	396,238	331,346
Depreciation and amortisation	913	15,177
Interest income	3,016	4,627
Interest expense	25	137
Income tax expense	3,972	15,907
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

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	Joint ventures that are not individually material RM'000	Total RM'000
Reconciliation of net assets to carrying amount				
At 31 December 2024				
Net assets	45,827	360,416	17,924	424,167
Non-controlling interests	(8,484)	(57,516)	-	(66,000)
	37,343	302,900	17,924	358,167
Effective interest in joint ventures	49.00%	49.00%		
Group's share of net assets	18,298	148,421	4,780	171,499
Company's share of net assets of subsidiaries of SEDCR through its direct interests	-	32,881	-	32,881
Goodwill	17,976	128,848	-	146,824
Group's carrying amount	36,274	310,150	4,780	351,204

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. Investments in joint ventures (cont'd.)

(b) 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. (cont'd.)

	PPES Works (Sarawak) Sdn. Bhd. Group RM'000	SEDC Resources Sdn. Bhd. Group RM'000	Joint ventures that are not individually material RM'000	Total RM'000
Reconciliation of net assets to carrying amount (cont'd.)				
At 31 December 2023				
Net assets	54,615	341,621	14,347	410,583
Non-controlling interests	(10,225)	(55,467)	-	(65,692)
	44,390	286,154	14,347	344,891
Effective interest in joint ventures	49.00%	49.00%		
Group's share of net assets	21,751	140,215	3,827	165,793
Company's share of net assets of subsidiaries of SEDCR through its direct interests	-	30,687	-	30,687
Goodwill	17,976	128,848	-	146,824
Group's carrying amount	39,727	299,750	3,827	343,304
Year ended 31 December 2024				
Group's share of total comprehensive (loss)/income	(1,296)	21,717	965	21,386
Dividends received by the Group during the year	2,157	11,317	12	13,486
Year ended 31 December 2023				
Group's share of total comprehensive income	2,780	21,406	1,250	25,436
Dividends/ distribution of profit received by the Group during the year	17,640	19,410	396	37,446

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. Deferred tax

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	(58,102)	(74,539)	(14,734)	(14,734)
Recognised in profit or loss (Note 11)	14,537	16,169	8,984	-
Exchange adjustment	(486)	268	-	-
At 31 December	(44,051)	(58,102)	(5,750)	(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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets	23,512	17,081	-	-
Deferred tax liabilities	(67,563)	(75,183)	(5,750)	(14,734)
	(44,051)	(58,102)	(5,750)	(14,734)

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

Group	Unutilised tax losses, investment tax allowances and unabsorbed capital allowances RM'000	Property development costs RM'000	Other temporary differences* RM'000	Total RM'000
Deferred tax assets:				
At 1 January 2023	2,374	4,014	17,460	23,848
Recognised in profit or loss	(537)	(742)	12,015	10,736
Exchange adjustment	-	-	268	268
At 31 December 2023/ at 1 January 2024	1,837	3,272	29,743	34,852
Recognised in profit or loss	(1,654)	2	4,014	2,362
Exchange adjustment	-	-	(486)	(486)
At 31 December 2024	183	3,274	33,271	36,728

* Other temporary differences mainly relating to provisions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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: (cont'd.)

Group (cont'd.)	Property, plant and equipment RM'000	Property development costs RM'000	Other temporary differences* RM'000	Total RM'000
Deferred tax liabilities:				
At 1 January 2023	(78,398)	(4,820)	(15,169)	(98,387)
Recognised in profit or loss	6,322	(907)	18	5,433
At 31 December 2023/ at 1 January 2024	(72,076)	(5,727)	(15,151)	(92,954)
Recognised in profit or loss	4,119	(536)	8,592	12,175
At 31 December 2024	(67,957)	(6,263)	(6,559)	(80,779)

* Other temporary differences mainly relating to derivative financial assets and investments.

Company	Unabsorbed capital allowances RM'000	Other temporary differences RM'000	Total RM'000
Deferred tax assets:			
At 1 January 2023/ 31 December 2023/ 1 January 2024	-	304	304
Recognised in profit or loss	55	99	154
At 31 December 2024	55	403	458

	Property, plant and equipment RM'000	Derivative financial assets and investments RM'000	Total RM'000
Deferred tax liabilities:			
At 1 January 2023/ 31 December 2023/ 1 January 2024	(341)	(14,697)	(15,038)
Recognised in profit or loss	257	8,573	8,830
At 31 December 2024	(84)	(6,124)	(6,208)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. Deferred tax (cont'd.)

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

	Group	
	2024	2023
	RM'000	RM'000
Unutilised tax losses	125,246	112,248
Unabsorbed capital allowances	24,285	21,852
Unutilised investment tax allowance	55,504	55,504
Other deductible temporary differences	2,993	4,520
	<u>208,028</u>	<u>194,124</u>
Deferred tax asset @ 24%, if recognised	<u>49,927</u>	<u>46,590</u>

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:

	Group	
	2024	2023
	RM'000	RM'000
Unutilised tax losses to be carried forward until:		
- Year of assessment 2028	53,708	53,708
- Year of assessment 2029	7,655	7,655
- Year of assessment 2030	3,700	3,700
- Year of assessment 2031	7,846	7,846
- Year of assessment 2032	5,396	5,396
- Year of assessment 2033	35,012	33,943
- Year of assessment 2034	11,929	-
	<u>125,246</u>	<u>112,248</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22. Inventories

	Group	
	2024	2023
	RM'000	RM'000
Cost		
Raw materials	56,147	38,360
Spare parts	95,517	112,608
Consumables	13,207	13,876
Work-in-progress	309	123
Finished goods	42,010	41,431
Properties held for sale	62,084	104,240
	269,274	310,638
Net realisable value		
Raw materials	61,763	68,216
Work-in-progress	20,374	22,807
Finished goods	28,590	35,094
	110,727	126,117
	380,001	436,755

The Group has entered into operating lease agreements on certain completed properties in inventories. Rental income recognised during the year was RM4,041,000 (2023: RM4,120,000). Notwithstanding that these properties are under lease arrangements, they are available for sale with the lease arrangements in the normal course of business.

During the year, the Group has transferred a property held for sale with carrying value of RM40,895,000 from inventories to investment property as disclosed in Note 15(a).

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM463,541,000 (2023: RM517,593,000) and amount written down was RM13,843,000 (2023: RM 56,212,000) as disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 FVOCI RM'000
Financial assets				
At 31 December 2024				
Investment securities	126,352	-	46,765	79,587
Trade and other receivables	278,378	278,378	-	-
Cash and bank balances	647,456	647,456	-	-
	<u>1,052,186</u>	<u>925,834</u>	<u>46,765</u>	<u>79,587</u>

At 31 December 2023

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	-	-
	<u>1,248,275</u>	<u>886,976</u>	<u>285,330</u>	<u>75,969</u>

Financial liabilities

At 31 December 2024

Loans and borrowings	212,794	212,794
Lease liabilities	45,535	45,535
Trade and other payables	543,341	543,341
	<u>801,670</u>	<u>801,670</u>

At 31 December 2023

Loans and borrowings	320,005	320,005
Lease liabilities	59,893	59,893
Trade and other payables	621,794	621,794
	<u>1,001,692</u>	<u>1,001,692</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 FVOCI RM'000
Financial assets				
At 31 December 2024				
Investment securities	79,587	-	-	79,587
Trade and other receivables	512,881	512,881	-	-
Cash and bank balances	395,438	395,438	-	-
	<u>987,906</u>	<u>908,319</u>	<u>-</u>	<u>79,587</u>

At 31 December 2023

Investment securities	226,892	-	150,923	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	-	-
	<u>1,099,155</u>	<u>775,614</u>	<u>247,572</u>	<u>75,969</u>

	Carrying amount RM'000	Amortised cost RM'000
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Financial liabilities

At 31 December 2024

Lease liabilities	9,438	9,438
Trade and other payables	668,802	668,802
	<u>678,240</u>	<u>678,240</u>

At 31 December 2023

Lease liabilities	9,233	9,233
Trade and other payables	636,304	636,304
	<u>645,537</u>	<u>645,537</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current				
Trade				
Third parties	248,775	242,057	-	-
Less: Loss allowance	(16,155)	(17,128)	-	-
	<u>232,620</u>	<u>224,929</u>	<u>-</u>	<u>-</u>
Non-trade				
Other receivables	28,573	23,138	6,361	5,251
Other deposits and advance payment	20,469	17,905	601	772
Amounts due from joint ventures	1,149	2,469	285	206
Amount due from an associate	4,408	2,534	4,400	2,494
Amounts due from subsidiaries under				
- Central cash management accounts	-	-	127,425	171,480
- Current accounts	-	-	373,758	275,802
Interest receivable	927	298	927	298
Lease receivables	2,248	1,180	-	-
	<u>57,774</u>	<u>47,524</u>	<u>513,757</u>	<u>456,303</u>
Less: Loss allowance				
- Subsidiary companies	-	-	(32,648)	(1,569)
- Third parties	(4,470)	(140)	(4,330)	-
Other receivables, net	<u>53,304</u>	<u>47,384</u>	<u>476,779</u>	<u>454,734</u>
	<u>285,924</u>	<u>272,313</u>	<u>476,779</u>	<u>454,734</u>
Non-current				
Trade				
Third parties	3,658	-	-	-
Less: Loss allowance	(398)	-	-	-
	<u>3,260</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. Trade and other receivables (cont'd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-current (cont'd.)				
Non-trade				
Loan to a subsidiary	-	-	5,913	5,986
Amounts due from subsidiaries under				
- Central cash management accounts	-	-	86,826	81,447
- Current accounts	-	-	44,036	44,036
Advance payment	51,752	51,752	-	-
Lease receivables	1,139	363	-	-
	<u>52,891</u>	<u>52,115</u>	<u>136,775</u>	<u>131,469</u>
Less: Loss allowance				
- Subsidiary companies	-	-	(100,673)	(93,774)
- Advance payment	(51,752)	(51,752)	-	-
Other receivables, net	<u>1,139</u>	<u>363</u>	<u>36,102</u>	<u>37,695</u>
	<u>4,399</u>	<u>363</u>	<u>36,102</u>	<u>37,695</u>
Total trade and other receivables (current and non-current)	<u>290,323</u>	<u>272,676</u>	<u>512,881</u>	<u>492,429</u>

(a) Trade receivables

- (i) The Group's average credit period ranges from 30 to 90 days (2023: 30 to 90 days).

No interest is charged on outstanding trade receivables, except for Cement Division which charges late payments interest of 1% (2023: 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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

- (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 2023	5,294	9,184	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
At 31 December 2023	7,355	9,773	17,128
Impairment loss (Note 8)	1,212	746	1,958
Reversal of impairment loss (Note 6)	(1,323)	(402)	(1,725)
Write off	(535)	(110)	(645)
Exchange adjustments	(163)	-	(163)
At 31 December 2024	6,546	10,007	16,553

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

	2024 RM'000	2023 RM'000
Amounts due from associates	919	3,086
Amounts due from joint ventures	70,579	77,249

- (iv) Included in trade receivables are retention sums of RM4,776,000 (2023: RM1,762,000) relating to construction work-in-progress. Retention sums are unsecured, interest free and are expected to be collected in full.
- (v) During the financial year, the Group has reclassified the net trade receivables from land buyers of RM3,260,000 from current to non-current as the expected repayment is not within the next twelve months.

(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 of 5.23% to 5.26% (2023: 4.28% to 5.31%) per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. Trade and other receivables (cont'd.)

(b) Non-trade receivables (cont'd.)

(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 6.36% to 8.00% (2023: 6.00% 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.

(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:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current				
At 1 January	140	143	-	-
Impairment loss (Note 8)	4,330	-	4,330	-
Reversal of impairment loss (Note 6)	-	(3)	-	-
At 31 December	<u>4,470</u>	<u>140</u>	<u>4,330</u>	<u>-</u>
Non-current (Note (a))				
At 1 January/31 December	<u>51,752</u>	<u>51,752</u>	<u>-</u>	<u>-</u>

- (a) 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 (2023: RM51,752,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 1 to 3 (2023: 2 to 4) years.

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

	Group	
	2024	2023
	RM'000	RM'000
Receivable within 1 year	2,515	1,327
Receivable between 1 to 5 years	1,291	447
	<u>3,806</u>	<u>1,774</u>
Less: unearned interest income	(419)	(231)
	<u>3,387</u>	<u>1,543</u>

The lease receivables are presented as follows:

Current	2,248	1,180
Non-current	1,139	363
	<u>3,387</u>	<u>1,543</u>

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

	Group	
	2024	2023
	RM'000	RM'000
At 1 January	1,543	2,995
Additions	4,588	314
Accretion of interests (Note 5)	249	151
Receipt of lease:		
- principal	(2,744)	(1,766)
- interests	(249)	(151)
At 31 December	<u>3,387</u>	<u>1,543</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. Other current assets

	Group	
	2024	2023
	RM'000	RM'000
Prepaid operating expenses	7,269	12,597
Contract assets from construction contracts (Note 26)	13,797	11,413
Contract assets from property development (Note 26)	9,453	8,256
	<u>30,519</u>	<u>32,266</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26. Contract assets/(contract liabilities)

Contract assets

Group	Property development		Construction contracts		Total	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	8,256	12,035	11,413	16,190	19,669	28,225
Revenue recognised during the year	42,461	37,440	140,960	117,641	183,421	155,081
Progress billings during the year	(41,143)	(41,340)	(138,576)	(122,418)	(179,719)	(163,758)
Reclassification	(121)	121	-	-	(121)	121
At 31 December (Note 25)	9,453	8,256	13,797	11,413	23,250	19,669

Contract assets primarily relate to the Group's rights to consideration for work completed on property development and construction contracts but not yet billed to customers at the reporting date. Typically, the amount will be billed in the manner as established in the contracts with customers. The contract assets are reclassified as trade receivables when the rights to contract consideration become unconditional. No expected credit losses have been recognised in respect of these contracts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26. Contract assets/(contract liabilities) (contd.)

Contract liabilities

Group	Property development		Construction contracts		Total	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	(121)	-	-	(3,393)	(121)	(3,393)
Revenue recognised during the year	-	-	-	3,393	-	3,393
Reclassification	121	(121)	-	-	121	(121)
At 31 December (Note 33)	-	(121)	-	-	-	(121)

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 based on the expected timing of completion of works.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26. Contract assets/(contract liabilities) (cont'd.)

Group	
2024	2023
RM'000	RM'000

Retention sums on construction contracts included in:

Trade receivable (Note 24(a)(iv))	4,776	1,762
Trade payables (Note 32)	(1,180)	(1,240)

Revenue recognised from amount in contract liabilities

Set out below is the amount of revenue recognised from:

Group	
2024	2023
RM'000	RM'000

Amounts included in contract liabilities at the beginning of the year	121	3,393
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The opening balance of trade receivables arising from revenue from contract with customers is RM95,503,000 (2023: RM108,709,000).

27. Investment securities

Group	2024		2023	
	Carrying amount	Market value	Carrying amount	Market value
	RM'000	RM'000	RM'000	RM'000
Current				
Fair value through profit or loss				
Income debt securities (unquoted)	-	-	150,923	150,923

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

27. Investment securities (cont'd)

Group (cont'd.)	2024		2023	
	Carrying amount RM'000	Market value RM'000	Carrying amount RM'000	Market value RM'000
Non-current				
Fair value through profit or loss				
Redeemable preference shares (unquoted)	46,765	46,765	37,758	37,758
Fair value through other comprehensive income				
Equity instrument (quoted)	79,587	79,587	75,969	75,969
Total non-current investment securities	126,352	126,352	113,727	113,727
Total current and non-current investment securities	126,352	126,352	264,650	264,650
Company				
Current				
Fair value through profit or loss				
Income debt securities (unquoted)	-	-	150,923	150,923
Non-current				
Fair value through other comprehensive income				
Equity instrument (quoted)	79,587	79,587	75,969	75,969
Total current and non-current investment securities	79,587	79,587	226,892	226,892

In the previous financial year, the equity instrument shares of the Group and of the Company of RM75,969,000 had been pledged to a financial institution for revolving credit facility of RM50,000,000 granted to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. Derivative financial asset

	Group/Company	
	2024	2023
	RM'000	RM'000
At 1 January	96,649	96,649
Exercise of warrant	(96,649)	-
At 31 December	-	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. 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. During the financial year, the Group and the Company have exercised the warrants as disclosed in Note 19(a).

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

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

29. Cash and bank balances

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash in hand and at banks	423,628	474,136	195,228	151,445
Short-term deposits with licensed banks	223,828	143,576	200,210	131,740
Total cash and bank balances	647,456	617,712	395,438	283,185

- (a) The Group's and the Company's deposits with licensed banks has an interest rate ranging from 1.80% to 7.25% (2023: 1.60% to 7.25%) and 3.60% to 3.80% (2023: 3.75% to 4.00%) per annum, respectively, and maturity period of one day to twenty-four months for the Group (2023: one day to twenty-four months) and 84 days to 150 days for the Company (2023: 2 days to 59 days).
- (b) Included in cash and bank balances of the Group and of the Company is overnight placement with a licensed bank of RM219,122,000 (2023: RM126,204,000) and RM195,033,000 (2023: RM123,303,000). The overnight deposits earned interest of 1.50% to 9.93% (2023: 3.05% to 7.90%) and 3.15% (2023: 3.15%) per annum for the Group and the Company respectively.
- (c) Short-term deposits of the Group and of the Company amounting to RM2,837,000 (2023: RM426,000) and RM210,000 (2023: RM210,000), respectively, have been pledged as security for banking facilities granted to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. Cash and bank balances (cont'd.)

- (d) Included in cash and bank balances of the Group is cash held under Housing Development Accounts of RM22,928,000 (2023: RM20,075,000). Housing Development Accounts held pursuant to the Sarawak's Housing Development (Control and Licensing) Ordinance, 2013 and Housing Development (Control and Licensing) Regulations, 2014 and therefore, restricted before the completion of housing development project and fulfilment of all relevant obligations to the purchasers such that the cash can only be withdrawn from such Housing Development Accounts for the purpose of completing the particular projects in the manner as defined under the Ordinance.
- (e) A sum of RM43,734,000 (2023: RM41,171,000) is placed in the designated financing payment reserve accounts with a licensed bank as part of the requirements for a term loan facility granted to a subsidiary as disclosed in Note 30 for the purpose of interest and principal payments.

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	647,456	617,712	395,438	283,185
Less: Deposits pledged to licensed banks	(2,837)	(426)	(210)	(210)
Less: Deposits with maturity of more than three months	(20,991)	(11,621)	-	-
Cash and cash equivalents	<u>623,628</u>	<u>605,665</u>	<u>395,228</u>	<u>282,975</u>

30. Loans and borrowings

	Group	
	2024	2023
	RM'000	RM'000
Current		
Secured:		
Revolving credits (Note 30(a))	-	22,950
Term loan (Note 30(b))	108,353	81,000
	<u>108,353</u>	<u>103,950</u>
Unsecured:		
Revolving credits	10,000	10,000
Term loan transaction costs	(927)	(927)
Total current loans and borrowings	<u>117,426</u>	<u>113,023</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. Loans and borrowings (cont'd.)

	Group	
	2024	2023
	RM'000	RM'000
Non-current		
Secured:		
Term loan (Note 30(b))	95,829	208,369
Term loan transaction costs	(461)	(1,387)
Total non-current loans and borrowings	95,368	206,982
Total loans and borrowings	212,794	320,005

The effective interest rate and maturity profile of the loans and borrowings are as follows:

	Effective annual interest rate	Carrying amount	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years
2024						
Secured:						
Term loan	6.24% - 9.15%	204,182	108,353	90,969	4,860	-
Unsecured:						
Revolving credit	4.95% - 5.05%	10,000	10,000	-	-	-
		214,182	118,353	90,969	4,860	-
2023						
Secured:						
Revolving credit	5.80% - 7.00%	22,950	22,950	-	-	-
Term loan	6.00% - 8.89%	289,369	81,000	110,700	92,809	4,860
		312,319	103,950	110,700	92,809	4,860
Unsecured:						
Revolving credit	4.43% - 5.08%	10,000	10,000	-	-	-
		322,319	113,950	110,700	92,809	4,860

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. Loans and borrowings (cont'd.)

- (a) The revolving credits of subsidiary are secured by legal charges over a leasehold land (Note 13) of a subsidiary.
- (b) 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)) and a floating charge on certain bank balances of subsidiary (Note 29(e)). The term loan is to be repayable over instalments from April 2022 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).

31. Lease liabilities

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current				
Lease liabilities	12,359	26,396	1,724	1,351
Non-current				
Lease liabilities	33,176	33,497	7,714	7,882
Total lease liabilities	45,535	59,893	9,438	9,233

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At 1 January	59,893	50,142	9,233	2,539
Additions	16,284	40,049	2,184	7,761
Modification of lease contracts	-	(825)	-	-
Termination of lease contracts	(1,352)	(1,544)	-	-
Unwinding of interests (Note 7)	3,353	4,236	439	312
Payment of leases:				
- principal	(29,335)	(28,263)	(1,979)	(1,067)
- interests	(3,353)	(4,236)	(439)	(312)
Exchange adjustment	45	334	-	-
At 31 December	45,535	59,893	9,438	9,233

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. Lease liabilities (cont'd.)

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of right-of-use assets (Note 13(a))	30,330	30,466	1,794	1,467
Interest expense on lease liabilities (Note 7)	3,353	4,236	439	312
Expenses relating to short-term leases (Note 8)	6,365	4,441	-	-
Expenses relating to leases of low-value assets (Note 8)	495	492	10	10

The Group and the Company had total cash outflows for leases amounted to RM39,548,000 (2023: RM37,432,000) and RM2,428,000 (2023: RM1,389,000), respectively in 2024. As at 31 December 2024, the Group and the Company had non-cash additions to right-of-use assets and lease liabilities of RM11,696,000 (2023: RM28,778,000) and RM2,184,000 (2023: RM7,761,000) respectively.

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

The following table sets out the maturity analysis of the total undiscounted lease payments to be received for operating lease after the reporting date:

	Group	
	2024	2023
	RM'000	RM'000
Within 1 year	4,085	3,872
Between 1 and 2 years	3,996	3,506
Between 2 and 3 years	3,605	3,506
Between 3 and 4 years	3,506	3,506
Between 4 and 5 years	3,506	3,506
More than 5 years	4,967	8,473
	<u>23,665</u>	<u>26,369</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current				
Trade				
Trade payables	77,598	84,755	-	-
Deposits payable	2,855	2,028	-	-
Accruals	62,145	57,657	-	-
Retention sums on construction contracts (Note 26)	1,180	1,240	-	-
Amounts due to joint ventures	3,082	4,665	-	-
	<u>146,860</u>	<u>150,345</u>	<u>-</u>	<u>-</u>
Non-trade				
Sundry payables	45,966	55,104	4,833	5,015
Accruals	52,240	42,570	4,290	2,010
Provisions	17,084	17,984	-	-
Amounts due to joint ventures under central cash management accounts	269,264	342,698	269,264	342,698
Amounts due to subsidiaries under				
- Central cash management accounts	-	-	389,755	285,875
- Current accounts	-	-	375	691
Amounts due to joint ventures	271	274	-	-
Amount due to corporate shareholders of subsidiaries	7,040	6,854	-	-
Amount due to associates	-	1	-	-
Amount due to related parties	3	16	-	-
Deposits payable	632	614	17	15
Service tax payables	7,331	8,091	-	-
Retention monies	18,363	18,527	268	-
	<u>418,194</u>	<u>492,733</u>	<u>668,802</u>	<u>636,304</u>
	<u>565,054</u>	<u>643,078</u>	<u>668,802</u>	<u>636,304</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. Trade and other payables (contd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade payables				
Deposit payable	-	1,001	-	-
Other payables				
Sundry payables	1,955	2,932	-	-
Amount due to corporate shareholder of subsidiary	747	858	-	-
	<u>2,702</u>	<u>3,790</u>	<u>-</u>	<u>-</u>
	<u>2,702</u>	<u>4,791</u>	<u>-</u>	<u>-</u>
Total trade and other payables (current and non-current)	<u>567,756</u>	<u>647,869</u>	<u>668,802</u>	<u>636,304</u>

(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 (2023: 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 (2023: six months).

(ii) Provisions

Included in the provisions are the following:

- (a) Provision for litigation suit against Cahya Mata Oiltools Services Sdn. Bhd., a subsidiary of the Group, filed by a vendor of a former related company for a claim of RM6,232,000 (2023: RM6,232,000) relating to the supply of chemicals to the said former related company. The next trial date is fixed on 25 to 30 April 2025 and both parties need to file statement of witness by 27 March 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. Trade and other payables (cont'd.)

(b) Non-trade (cont'd.)

(ii) Provisions (cont'd.)

Included in the provisions are the following: (cont'd.)

- (b) Provision for litigation suit against Cahya Mata Oiltools Services Sdn. Bhd. filed by previous employees for a claim of RM826,000 (2023: RM979,000) 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 RM21,000 (2023: RM1,120,000) as disclosed in Note 6 due to withdrawal of claims by former employees.

- (c) Provision of litigation of RM8,951,000 (2023: RM10,323,000) in respect of claims filed by Congolese Tax Department against Cahya Mata Oiltools Africa Ltd (formerly known as Scomi Oiltools Africa Ltd), a subsidiary registered in Cayman Island for alleged outstanding tax amount of USD2,000,000 (2023: 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 rate of 3.15% (2023: 2.90% to 3.15%) 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 rate of 3.15% (2023: 2.90% to 3.15%) per annum.

(v) Amount due to corporate shareholders of subsidiaries

Included in the amount due to corporate shareholders of subsidiaries is a sum of RM6,245,000 (2023: RM5,802,000) bearing interest at a rate of 5.65% (2023: 5.00%) per annum and repayable on demand. The remaining amount is unsecured, non-interest bearing and repayable on demand.

(vi) Retention monies

Included in the retention monies is an amount payable to contractors for the construction of an Integrated Phosphate Complex Project (Phase 1) of RM18,095,000 (2023: RM18,527,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

33. Other current liabilities

	Group	
	2024	2023
	RM'000	RM'000
Contract liabilities from property development (Note 26)	-	121

34. Share capital

	Group/Company			
	Number of shares		Amount	
	2024	2023	2024	2023
	'000	'000	RM'000	RM'000
Issued and fully paid shares, at no par value:				
Ordinary shares				
At 1 January	1,074,376	1,074,376	867,902	867,902
Issued during financial year:				
- ESOS	473	-	767	-
At 31 December	1,074,849	1,074,376	868,669	867,902
Treasury shares				
At 1 January/31 December	(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 2024, the number of treasury shares were 200,000 (2023: 200,000) and the outstanding ordinary shares in issue after set-off of treasury shares was therefore 1,074,649,020 (2023: 1,074,176,020).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. Other reserves

Group	Capital reserve RM'000	Translation reserve RM'000	Merger deficit RM'000	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
At 1 January 2024	63	15,825	(12,000)	2,947	377	(26,338)	20,393	1,267

Other comprehensive income:

Share of other comprehensive income of associates	-	(408)	-	79	388	-	-	59
Exchange differences on foreign operations	-	(16,063)	-	-	-	-	-	(16,063)
Fair value changes of an equity instrument	-	-	-	-	3,618	-	-	3,618
Share-based payments under ESOS	-	(16,471)	-	79	4,006	-	-	(12,386)
Share of associates' reserves	-	-	-	-	-	-	3,029	3,029
At 31 December 2024	63	(646)	(12,000)	3,154	4,383	(26,338)	23,422	(7,962)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. Other reserves (cont'd.)

Group (cont'd.)	Capital reserve RM'000	Translation reserve RM'000	Merger deficit RM'000	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
At 1 January 2023	4,269	(4,303)	(12,000)	3,246	(9,632)	(26,338)	15,252	(29,506)

Other comprehensive income:

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
Net effect of additional investment in subsidiaries	-	16,103	-	-	10,084	-	-	26,187
Share-based payments under ESOS	(4,206)	4,025	-	(94)	(75)	-	-	(350)
Share of associates' reserves	-	-	-	-	-	-	5,141	5,141
At 31 December 2023	63	15,825	(12,000)	2,947	377	(26,338)	20,393	1,267

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 2022 and 31 December 2022	168,000	(7,752)	15,252	175,500
Other comprehensive income:				
Fair value changes of an equity instrument	-	6,718	-	6,718
Share-based payments under ESOS	-	-	5,141	5,141
At 1 January 2023 and 31 December 2023	168,000	(1,034)	20,393	187,359
Other comprehensive income:				
Fair value changes of an equity instrument	-	3,618	-	3,618
Share-based payments under ESOS	-	-	3,029	3,029
At 31 December 2024	168,000	2,584	23,422	194,006

(a) Capital reserve

Capital reserve of the Group comprises accretion from shares issued by subsidiaries, retained earnings capitalised for bonus issues by subsidiaries.

(b) Translation reserve

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

(c) Regulatory reserve

Relates to the Group's share of regulatory reserve of an associate which is 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 comprises the cumulative net change in fair value of an equity instrument designated at fair value through other comprehensive income until the assets are derecognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. Other reserves (cont'd.)

(e) 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.

(f) 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.

36. Employee benefits

Employees' share option scheme ("ESOS")

The Company implemented an ESOS which came into effect on 13 November 2020. The ESOS is governed by the bylaws which were approved by the shareholders on 12 November 2020.

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 Nomination and Remuneration Committee ("NRC"). 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 NRC 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 conditions, if any, shall be determined by the NRC whose decision shall be final and binding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Employee benefits (cont'd.)

Employees' share option scheme ("ESOS") (cont'd.)

The salient features of the ESOS are as follows: (cont'd.)

On 27 August 2024, upon approval from the Company Board of Directors, it has been resolved that the ESOS period is extended to another 4 years, expiring on 12 November 2028. As at 31 December 2024, 8,470,000 (2023: 9,412,000) options are vested and exercisable.

Options to subscribe for ordinary shares under the ESOS were granted on the following dates:

Grant date	Exercise price RM	Number of options '000	Lapsed date for exercise
12 November 2020 ("First Offer")	1.14	60,463	12 November 2028
30 August 2023 ("Second Offer")	1.03	16,465	12 November 2028

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 2024 '000	Number of options 2023 '000
Outstanding at 1 January	51,802	40,212
- Granted	-	16,465
- Exercised	(473)	-
- Lapsed	(3,423)	(4,875)
Outstanding at 31 December	47,906	51,802
Exercisable at 31 December	8,470	9,412
	RM	RM
WAEP	1.11	1.11

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 2024 was 7.00% (2023: 13.71%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. Employee benefits (cont'd.)

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 (%)	1.64	1.64
Expected volatility (%)	41.24	41.24
Risk-free interest rate (% p.a.)	3.44	3.44
Expected life of option (years)	4.21	4.21
Exercise price (RM)	1.14	1.03
Weighted average share price (RM)	1.30	1.30

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.

37. Capital and other commitments

Capital commitments as at the reporting date were as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
- Property, plant and equipment	19,116	23,235	-	1,896
- Intangible assets	-	14,333	-	-
- Investment in redeemable preference shares in joint ventures	5,326	5,326	-	-
	<u>24,442</u>	<u>42,894</u>	<u>-</u>	<u>1,896</u>
Approved but not contracted for:				
- Property, plant and equipment	505,430	286,338	6,030	217
- Intangible assets	675	4,536	675	-
	<u>506,105</u>	<u>290,874</u>	<u>6,705</u>	<u>217</u>
Share of capital commitment of joint ventures	7,922	8,205	-	-
Total capital commitments	<u>538,469</u>	<u>341,973</u>	<u>6,705</u>	<u>2,113</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. Contingencies

(a)	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Share of contingent liabilities of an associate	-	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 in 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 alleged interpretation of the PPA, it commenced arbitration proceedings against SESCO on 17 November 2022 under the terms of the PPA.

An interim injunction up to January 2023 was obtained through an emergency arbitrator to prevent unilateral action by any party. Upon the expiry of said injunction, a new request for further restrain was applied for but was denied. SESCO then threatened the termination of electricity supply to the Plant in April 2023.

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 preservation order. On 10 July 2023, SESCO terminated the electricity supply to the Plant.

The arbitration proceedings are still ongoing and hearing dates have been rescheduled to 13 to 16 May 2025 and 19 to 23 May 2025. 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, excluding interest and costs.

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 commissioning 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. Contingencies (cont'd.)

(b) (cont'd.)

The Group believes that Cahya Mata Phosphates Industries has arguable grounds on its claim to be heard during the upcoming arbitration and to eventually reinstate the electricity supply for its integrated phosphate complex so that commissioning can resume from 1 October 2025.

As at 31 December 2024, the carrying amount of the property, plant and equipment related to the integrated phosphate complex amounted to RM814,870,000. The Group is prepared for all eventualities arising from the arbitration process.

- (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.

On 13 May 2024, Samalaju Industries and Cahya Mata Phosphates Industries filed two applications:

- (i) to challenge the decision of the arbitrator that it has jurisdiction to determine this dispute. The High Court has subsequently rejected the jurisdictional challenge. Following the above, Samalaju Industries and Cahya Mata Phosphates Industries appealed to the High Court of Kuala Lumpur against the decision of the Tribunal. On 28 August 2024, the High Court dismissed the Originating Summons against the jurisdiction challenge ("OS application"); and
- (ii) to have constitutional questions arising in this dispute to be referred to the Federal Court. On 19 July 2024, the High Court dismissed the application to refer the question of law to the Federal Court ("Reference application").

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. Contingencies (cont'd.)

(c) (cont'd.)

Samalaju Industries and Cahya Mata Phosphates Industries appealed to the Court of Appeal against both decisions of the High Court for the OS application and Reference application. The case management is fixed on 7 May 2025 for the first appeal and the hearing of appeal is fixed on 30 April 2025 for the second appeal.

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) On 24 July 2019, Cahya Mata Intelligent Technologies Sdn. Bhd. ("Cahya Mata Intelligent Technologies"), a subsidiary of the Company entered into an agreement with Vienna Advantage GmbH ("VA") in respect of the supply and implementation of Enterprise Resource Planning ("ERP"), Customer Relationship Management ("CRM"), Business Intelligence ("BI") and secure Document Management System ("DMS") solutions based on an open-source platform with cloud computing capabilities by VA in various organisations and/or sectors within the Cahya Mata Sarawak Berhad Group of Companies, which included its wholly owned subsidiary, Cahya Mata Intelligent Technologies.

A legal dispute arose between the parties to which VA demanded Cahya Mata Intelligent Technologies on 2 May 2024 to pay USD548,000 in addition to the sum of RM4,299,000 which VA alleges are owed to them for work done. Cahya Mata Intelligent Technologies disputes the demand and is of the view that VA did not fulfil their contractual obligation in accordance with the terms of the agreement and Cahya Mata Intelligent Technologies has suffered losses and damages.

The parties exchanged correspondences which then led to a Notice of Default issued by VA to Cahya Mata Intelligent Technologies on 29 May 2024. Thereafter, a Notice of Termination of the aforesaid agreement was issued by VA on 5 August 2024. The agreement contained an internal remedy clause for the parties to exhaust in an attempt to resolve the aforesaid legal dispute to which the parties were unable to reach a settlement.

On 10 January 2025, Cahya Mata Intelligent Technologies filed a Notice of Arbitration to commence arbitration proceedings against VA at the Asian International Arbitration Centre ("AIAC"). VA has also served a Response to Notice of Arbitration and Counterclaim to Cahya Mata Intelligent Technologies on 7 February 2025. No dates have been fixed yet by the AIAC as of the date of these financial statements.

The Group believes that Cahya Mata Intelligent Technologies has arguable grounds on its claim to be heard in the arbitration proceedings on a date to be fixed by AIAC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. Contingencies (cont'd.)

- (e) On 29 May 2024, Taibah Properties Sdn. Bhd. ("Taibah"), a subsidiary of the Company, was served with a Writ of Summons by a group of individuals acting on behalf of themselves, their siblings and their families ("Plaintiffs"), claiming against the Superintendent of Land & Survey, Kuching Division and the State Government of Sarawak and Taibah, for native customary rights ("NCR") over an area of approximately 474.049 acres within parcels of land described as Lot 9613 together with Lots 12313 and 12307 (both previously of Parent Lot 8582), all of Block 9, Salak Land District.

On 29 July 2024, Taibah filed a Notice of Application to strike out the Plaintiff's Statement of Claim. After exchanging affidavits, and the decision on the strike-out application was delivered on 17 January 2025, with the High Court dismissing the application.

Concurrently, Taibah filed its defence to the Plaintiff's statement of claim on 2 August 2024. The matter is now scheduled for trial from 8 to 12 September 2025.

The Group believes that it has a good arguable case given that the land was alienated by the Sarawak State Government to Taibah on 9 April 1999 for Lot 9613, and on 8 October 2015 for Lots 12313 and 12307, respectively.

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(a) Subsidiaries				
Dividend income from subsidiaries	-	-	(34,073)	(207,603)
Interest income	-	-	(30,384)	(33,783)
Project management services	-	-	55	67
Interest expense	-	-	11,234	9,761
Group services fee expense	-	-	9,066	6,755
Receipts for share options granted	-	-	-	(5,274)
Management fee income	-	-	-	(28)
(b) Associates				
Dividend income	-	-	(25,461)	-
Interest income	-	(1,488)	-	-
Sale of goods	(79)	(4,708)	-	-
Rental income	-	(3)	-	-
Management fee income	(1,920)	(2,645)	(1,885)	(2,372)
Construction service income	(202)	(791)	-	-
Payment of services	246	146	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

39. Significant related party transactions (cont'd.)

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. (cont'd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(c) Joint ventures				
Dividend income	-	-	(11,317)	(19,410)
Sale of goods	(285)	(829)	-	-
Group services fee income	(4,955)	(5,226)	-	-
Management fee income	-	(906)	-	-
Fleet management income	(26)	(140)	-	-
Supervision fee/project management fee	(299)	(498)	-	-
Rental income	(1,777)	(2,387)	-	-
License fee income	(43)	(10)	-	-
Construction service income	(127,406)	(119,099)	-	-
Interest expense	7,924	7,408	7,924	7,408
Rental expense	205	180	-	-
Purchase of goods	31,497	18,655	-	-
Payment of services	-	28	-	-
(d) Related parties				
Payment of services to:				
- R. T. Cargo Sdn. Bhd. ⁽ⁱ⁾	2,244	1,300	-	-
- Satria Realty Sdn. Bhd. ⁽ⁱⁱ⁾	2,355	2,420	481	479
- Silver Lining Systems Sdn. Bhd. ⁽ⁱⁱⁱ⁾	28	776	-	-
Interest expense:				
- Malaysian Phosphate Ventures Sdn. Bhd. ^(iv)	443	276	-	-
(e) Key management personnel				
Directors' remuneration (Note 10)	13,904	9,293	13,571	8,948
Other key management personnel				
- Short-term employee benefits	10,718	12,213	3,925	6,121
- Defined contribution and social security plans	763	873	363	425
- Share-based payment	-	914	-	647
Total short-term employee benefits	11,481	14,000	4,288	7,193
Benefits-in-kind	184	230	96	147
	11,665	14,230	4,384	7,340
Total key management personnel	25,569	23,523	17,955	16,288

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

39. Significant related party transactions (cont'd.)

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, an additional 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 500,000 (2023: 500,000).

- (i) Umang Nangku Jabu is a director of the Company and R.T. Cargo Sdn. Bhd..
- (ii) Dato Sri Mahmud Abu Bekir Taib is a director of the Company and Majaharta Sdn. Bhd. which controls Satria Realty Sdn. Bhd..
- (iii) Dato Sri Mahmud Abu Bekir Taib is a director and shareholder of Silver Lining Systems Sdn. Bhd..
- (iv) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Group				
Financial assets				
At 31 December 2024				
Investment securities (Note 27):				
- Equity instrument	79,587	-	-	79,587
- Redeemable preference shares	-	-	46,765	46,765
	<u>79,587</u>	<u>-</u>	<u>46,765</u>	<u>126,352</u>

At 31 December 2023

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
	<u>75,969</u>	<u>150,923</u>	<u>134,407</u>	<u>361,299</u>

Company

Financial assets

At 31 December 2024

Investment securities (Note 27):				
- Equity instrument	79,587	-	-	79,587

At 31 December 2023

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
	<u>75,969</u>	<u>150,923</u>	<u>96,649</u>	<u>323,541</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

40. Fair value measurements (cont'd.)

(b) Financial instruments measured at fair value (cont'd.)

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

In the previous financial year, the fair value of the derivative financial asset was 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.

(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 THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

40. Fair value measurements (cont'd.)

(d) Financial guarantees

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 provided 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.

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, currency 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 amounts due from subsidiaries under central cash management accounts and current accounts.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

41. Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

(i) Trade receivables and contract assets (cont'd.)

- **Risk management objectives, policies and process for managing the risk**

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.

- **Exposure to credit risk, credit quality and collateral**

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their expected recoverable amount. 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 RM39,618,000 (2023: RM36,950,000) in respect of RM30,037,000 (2023: RM29,700,000) 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 THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 by geographical market were as follows:

	Group	
	2024	2023
	RM'000	RM'000
Malaysia	178,551	170,063
Outside Malaysia	73,882	71,994
Total	252,433	242,057

• 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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.)

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 and contract assets which are grouped together as they are of similar risk nature.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
At 31 December 2024			
Current (not past due)	167,853	(23)	167,830
1 to 30 days past due	37,268	(6)	37,262
31 to 60 days past due	24,121	(1)	24,120
61 to 90 days past due	10,048	(4)	10,044
More than 90 days past due	26,386	(6,512)	19,874
	265,676	(6,546)	259,130
Individually impaired	10,007	(10,007)	-
	275,683	(16,553)	259,130
At 31 December 2023			
Current (not past due)	118,717	(26)	118,691
1 to 30 days past due	41,952	(735)	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	41,295	(5,548)	35,747
	251,953	(7,355)	244,598
Individually impaired	9,773	(9,773)	-
	261,726	(17,128)	244,598

The movements in the allowance for impairment is disclosed in Note 24(a)(ii).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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, and advanced payment. 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. The movements in the allowance for impairment is disclosed in Note 24(b)(v).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

41. Financial risk management objectives and policies (cont'd.)

(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.

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.

Group	Carrying amount RM'000	Cash Flows			Total RM'000
		On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	
Financial liabilities:					
At 31 December 2024					
Loans and borrowings	212,794	131,364	99,821	-	231,185
Lease liabilities	45,535	17,017	30,015	22,466	69,498
Trade and other payables	543,341	549,603	2,915	-	552,518
	<u>801,670</u>	<u>697,984</u>	<u>132,751</u>	<u>22,466</u>	<u>853,201</u>
At 31 December 2023					
Loans and borrowings	320,005	127,744	222,966	-	350,710
Lease liabilities	59,893	32,670	35,604	16,865	85,139
Trade and other payables	621,794	628,097	5,013	-	633,110
	<u>1,001,692</u>	<u>788,511</u>	<u>263,583</u>	<u>16,865</u>	<u>1,068,959</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

41. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	Carrying amount RM'000	Cash flows			Total RM'000
		On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	
Company					
Financial liabilities:					
At 31 December 2024					
Lease liabilities	9,438	2,137	7,277	1,580	10,994
Trade and other payables	668,802	689,561	-	-	689,561
	<u>678,240</u>	<u>691,698</u>	<u>7,277</u>	<u>1,580</u>	<u>700,555</u>
At 31 December 2023					
Lease liabilities	9,233	1,763	5,455	3,810	11,028
Trade and other payables	636,304	655,317	-	-	655,317
	<u>645,537</u>	<u>657,080</u>	<u>5,455</u>	<u>3,810</u>	<u>666,345</u>

(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 is exposed to foreign exchange risk when it enters into transactions that are denominated in the respective companies functional currencies and/or when foreign currency monetary assets and liabilities are translated at reporting date. The Group's exposure to currency translation risk arising from its net investments in the overseas operating subsidiary companies is not hedged as currency positions in the respective local currency are considered to be long-term in nature.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

41. Financial risk management objectives and policies (cont'd.)

(c) Market risk (cont'd.)

(i) Currency risk (cont'd.)

- **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 2024 and 31 December 2023, the Group and the Company have not entered into any forward foreign currency contracts.

- **Currency risk sensitivity analysis**

A reasonable possible 5% (2023:5%) strengthening of the USD at the end of the reporting period would have increased the Group's profit and other comprehensive income, net of tax for the year by RM20,517,000 (2023: RM17,733,000) and RM21,279,000 (2023: RM25,758,000) respectively, with all other variables held constant at the reporting date.

A 5% 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.

(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 THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 (2023: 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Floating rate instruments				
Financial assets				
Amount due from subsidiaries under central cash management system	-	-	214,251	252,927
Short-term deposits	223,828	143,576	200,210	131,740
Loan to a subsidiary	-	-	5,913	5,986
	<u>223,828</u>	<u>143,576</u>	<u>420,374</u>	<u>390,653</u>
Financial liabilities				
Loan and borrowings	214,182	322,319	-	-
Amount due to corporate shareholders	6,245	5,802	-	-
Amount due to subsidiaries under central cash management system	-	-	389,755	285,875
Amount due to joint ventures under central cash management system	269,264	342,698	269,264	342,698
	<u>489,691</u>	<u>670,819</u>	<u>659,019</u>	<u>628,573</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 RM1,010,000 (2023: RM2,004,000) and RM907,000 (2023: RM904,000), 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 2024 and 2023.

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. In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current financial year.

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 2024 and 2023.

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings (Note 30)	214,182	322,319	-	-
Lease liabilities (Note 31)	45,535	59,893	9,438	9,233
Total borrowings	259,717	382,212	9,438	9,233
Total equity	3,636,632	3,547,715	1,898,032	1,899,880
Gearing ratio (times)	0.07	0.11	0.01	0.01

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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:

- (i) Cement - manufacturing of cement, clinker and concrete products;
- (ii) Road maintenance - road construction and maintenance;
- (iii) Property development - property holding, development, project management, lodges accommodation and hotel operations;
- (iv) Phosphate – manufacturing of food, feed and fertiliser phosphate products;
- (v) Oiltools – provision of oilfield equipment, supplies and services;
- (vi) Strategic investments - quarry operations, production and sale of premix, wires and general trading, education and various investments through the associates and joint ventures; and
- (vii) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

43. Segment information (cont'd.)

At 31 December 2024

Revenue:

External customers	619,350	142,533	72,172	-	277,364	62,538	22,297	-	1,196,254
Inter-segment of sales	27,420	-	967	-	-	3,545	47,074	(79,006)	-
Total revenue	646,770	142,533	73,139	-	277,364	66,083	69,371	(79,006)	1,196,254

Results:

Interest income	6,648	1,252	3,307	151	2,752	3,503	81	(11,217)	6,477
Depreciation and amortisation	53,450	3,303	3,361	2,282	17,825	1,080	3,572	(61)	84,812
Net fair value changes in investment securities	-	-	-	-	-	9,006	1,268	-	10,274
Other non-cash expenses	(54)	452	872	19,734	6,545	12,198	18,357	-	58,104

Segment profit/(loss) before tax:

Company and subsidiaries	149,440	34,941	21,576	(96,795)	30,357	14,538	(19,732)	(33,828)	100,497
Associates	-	-	-	-	168	68,049	-	-	68,217
Joint ventures	-	(1,296)	-	-	-	22,682	-	-	21,386
	149,440	33,645	21,576	(96,795)	30,525	105,269	(19,732)	(33,828)	190,100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

43. Segment information (cont'd.)

At 31 December 2024
(cont'd.)

Assets:

Investments in associates	-	-	-	-	1,107	872,256	-	-	-	873,363
Investments in joint ventures	-	36,274	-	-	-	314,930	-	-	-	351,204
Additions to non-current assets	18,977	5,399	4,272	629	10,910	371	8,847	-	C	49,405
Segment assets	1,007,136	158,266	628,418	971,520	260,324	158,998	1,018,575	345,515	D	4,548,752
Segment liabilities	97,146	35,116	162,551	52,265	113,909	442,654	718,401	(709,922)	E	912,120

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

43. Segment information (cont'd.)

At 31 December 2023

Revenue:

External customers	651,725	119,062	59,856	-	281,268	67,577	21,409	-	1,200,897
Inter-segment of sales	29,966	-	297	-	-	3,576	64,238	(98,077)	-
Total revenue	681,691	119,062	60,153	-	281,268	71,153	85,647	(98,077)	1,200,897

Results:

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	3,109	(61)	89,508
Net fair value changes in investment securities	-	-	-	-	-	7,941	2,864	-	10,805
Other non-cash expenses	5,019	-	-	52,188	2,423	1,368	236	-	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
	146,037	16,425	(2,218)	(156,697)	28,323	102,528	(27)	(6,130)	128,241

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

43. Segment information (cont'd.)

At 31 December 2023
(contd.)

Assets:

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	26,024	585	16,326	-	C	89,800
Segment assets	918,955	132,481	617,315	249,619	274,741	1,155,119	300,754	D	4,675,609
Segment liabilities	98,402	37,396	173,759	106,276	376,517	687,375	(412,233)	E	1,127,894

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	2024 RM'000	2023 RM'000
Impairment loss on intangible assets	8	14,048	1,368
Impairment loss on trade and other receivables	8	6,288	3,594
Impairment loss on goodwill	8	6,776	-
Inventories written down	8	13,843	56,212
Property, plant and equipment written off	8	980	60
Unrealised forex exchange loss	8	16,169	-
		<u>58,104</u>	<u>61,234</u>

C Additions to non-current assets consist of:

	2024 RM'000	2023 RM'000
Property, plant and equipment	44,391	77,453
Land held for property development	2,431	5,175
Intangible assets	2,583	7,172
	<u>49,405</u>	<u>89,800</u>

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:

	2024 RM'000	2023 RM'000
Investments in associates	873,363	715,625
Investments in joint ventures	351,204	343,304
Deferred tax assets	23,512	17,081
Current tax assets	12,058	19,943
Inter-segment assets	(914,622)	(795,199)
	<u>345,515</u>	<u>300,754</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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:

	2024 RM'000	2023 RM'000
Deferred tax liabilities	67,563	75,183
Income tax payable	18,472	24,823
Loans and borrowings	212,794	320,005
Lease liabilities	45,535	59,893
Inter-segment liabilities	(1,054,286)	(892,137)
	<u>(709,922)</u>	<u>(412,233)</u>

Geographical information

	Revenue from contracts with customers RM'000	Total non-current assets RM'000
2024		
Malaysia	909,127	3,145,093
Outside Malaysia	218,995	43,676
	<u>1,128,122</u>	<u>3,188,769</u>
2023		
Malaysia	905,902	2,990,469
Outside Malaysia	230,641	53,730
	<u>1,136,543</u>	<u>3,044,199</u>

44. Dividends

(a) Recognised during the financial year:

	Sen per share	Total amount RM'000
2024		
First and final tax exempt 2023 ordinary (single-tier)	2.00	<u>21,484</u>
2023		
First and final tax exempt 2022 ordinary (single-tier)	3.00	<u>32,225</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

44. Dividends (cont'd.)

(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 2025.

	Sen per share
First and final tax exempt 2024 ordinary (single-tier)	<u>3.00</u>

45. Authorisation of financial statements for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 April 2025.



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