

## CAHYA MATA SARAWAK BERHAD

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

### Interim Financial Report

#### Summary of Key Financial Information for the financial period ended 30 June 2024

	Note	3 months ended			Changes (%)	6 months ended			Changes (%)	
		30.06.2024	30.06.2023			30.06.2024	30.06.2023			
		RM'000	RM'000			RM'000	RM'000			
Revenue	A8	277,985	290,523		(4%)	555,356	566,190		(2%)	
Cost of sales		(195,878)	(231,748)			(397,087)	(444,021)			
<b>Gross profit</b>		82,107	58,775		40%	158,269	122,169		30%	
Other income		7,790	21,836			30,473	38,129			
Administrative expenses		(31,544)	(31,898)			(61,402)	(58,664)			
Selling and marketing expenses		(7,994)	(6,913)			(16,172)	(14,141)			
Other expenses		(8,973)	(23,746)			(26,081)	(47,370)			
<b>Operating profit</b>		41,386	18,054		129%	85,087	40,123		112%	
Finance costs		(7,695)	(2,524)			(15,408)	(5,916)			
Share of results of associates		15,278	15,089			32,305	29,101			
Share of results of joint ventures		1,326	4,708			5,566	11,282			
<b>Profit before taxation</b>		50,295	35,327		42%	107,550	74,590		44%	
Income tax expense	B5	(19,050)	(8,622)			(36,776)	(20,549)			
<b>Profit for the period</b>		31,245	26,705		17%	70,774	54,041		31%	
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):										
Share of other comprehensive income of associates		1,944	(1,088)			1,944	(1,693)			
Exchange differences on translation		3,485	(27,824)			25,256	(32,032)			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):										
Net gain/(loss) on equity instrument designated as fair value through other comprehensive income		2,067	(1,550)			10,853	517			
<b>Other comprehensive income for the period</b>		7,496	(30,462)			38,053	(33,208)			
<b>Total comprehensive income for the period</b>		38,741	(3,757)		(1131%)	108,827	20,833		422%	
Profit attributable to:										
Owners of the Company		33,365	26,345		27%	71,610	68,903		4%	
Non-controlling interests		(2,120)	360			(836)	(14,862)			
		31,245	26,705			70,774	54,041			
Total comprehensive income attributable to:										
Owners of the Company		41,362	4,095			107,801	46,829			
Non-controlling interests		(2,621)	(7,852)			1,026	(25,996)			
		38,741	(3,757)			108,827	20,833			
		sen	sen			sen	sen			
<b>Earnings per share attributable to owners of the Company:</b>										
Basic	B13	3.11	2.45			6.67	6.41			
Diluted		3.11	2.45			6.67	6.41			

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

**Cahaya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of financial position as at 30 June 2024**

	Note	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,451,646	1,461,830
Land held for property development		306,715	306,170
Investment properties		5,024	5,087
Intangible assets		13,526	12,527
Goodwill		68,485	68,485
Investments in associates		714,836	715,625
Investments in joint ventures		335,384	343,304
Deferred tax assets		15,410	17,081
Trade and other receivables		3,622	363
Investment securities		127,152	113,727
		<u>3,041,800</u>	<u>3,044,199</u>
<b>Current assets</b>			
Property development costs		6,478	4,849
Inventories		454,740	436,755
Trade and other receivables		274,937	272,313
Other current assets		29,839	32,266
Investment securities		153,833	150,923
Derivative financial asset		96,649	96,649
Tax recoverable		17,561	19,943
Cash and bank balances		499,857	617,712
		<u>1,533,894</u>	<u>1,631,410</u>
<b>TOTAL ASSETS</b>		<b><u>4,575,694</u></b>	<b><u>4,675,609</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		867,902	867,902
Treasury shares		(352)	(352)
Other reserves		39,575	1,267
Retained earnings		2,482,171	2,432,045
		<u>3,389,296</u>	<u>3,300,862</u>
<b>Non-controlling interests</b>		<u>247,846</u>	<u>246,853</u>
<b>Total equity</b>		<b><u>3,637,142</u></b>	<b><u>3,547,715</u></b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		76,136	75,183
Loans and borrowings	B7	144,621	206,982
Lease liabilities		25,700	33,497
Trade and other payables		4,591	4,791
		<u>251,048</u>	<u>320,453</u>
<b>Current liabilities</b>			
Income tax payable		23,898	24,823
Loans and borrowings	B7	129,517	113,023
Lease liabilities		21,835	26,396
Trade and other payables		512,138	643,078
Other current liabilities		116	121
		<u>687,504</u>	<u>807,441</u>
<b>Total liabilities</b>		<b><u>938,552</u></b>	<b><u>1,127,894</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>4,575,694</u></b>	<b><u>4,675,609</u></b>
<b>Net assets per share attributable to ordinary owners of the Company (RM)</b>		<b><u>3.16</u></b>	<b><u>3.07</u></b>

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

**Cahaya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of changes in equity for the period ended 30 June 2024**

	----- Attributable to Owners of the Company -----							
	Total equity	< ----- Non-distributable ----- >					Distributable	Non-controlling interests
		Total	Share capital	Treasury shares	Other reserves	Retained earnings		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2024</b>	3,547,715	3,300,862	867,902	(352)	1,267	2,432,045	246,853	
Profit net of tax	70,774	71,610	-	-	-	71,610	(836)	
Other comprehensive income, net of tax	38,053	36,191	-	-	36,191	-	1,862	
Total comprehensive income	108,827	107,801	-	-	36,191	71,610	1,026	
<b>Transactions with owners:-</b>								
Grant of equity-settled share options to employees	2,117	2,117	-	-	2,117	-	-	
Dividends on ordinary shares	(21,484)	(21,484)	-	-	-	(21,484)	-	
Dividends paid to non-controlling interests	(33)	-	-	-	-	-	(33)	
Total transactions with owners	(19,400)	(19,367)	-	-	2,117	(21,484)	(33)	
<b>At 30 June 2024</b>	3,637,142	3,389,296	867,902	(352)	39,575	2,482,171	247,846	

**Cahaya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of changes in equity for the period ended 30 June 2023**

	----- Attributable to Owners of the Company -----						Non-controlling interests	
	Total equity	< ----- Non-distributable ----- >				Distributable		Retained earnings
		Total	Share capital	Treasury shares	Other reserves			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>At 1 January 2023</b>	3,477,233	3,226,696	867,902	(352)	(29,506)	2,388,652	250,537	
Profit net of tax	54,041	68,903	-	-	-	68,903	(14,862)	
Other comprehensive income, net of tax	(33,208)	(22,074)	-	-	(22,074)	-	(11,134)	
Total comprehensive income	20,833	46,829	-	-	(22,074)	68,903	(25,996)	
<b>Transactions with owners:-</b>								
Additional investment in a subsidiary	-	(40,717)	-	-	-	(40,717)	40,717	
Grant of equity-settled share options to employees	1,857	1,857	-	-	1,857	-	-	
Dividends on ordinary shares	(32,225)	(32,225)	-	-	-	(32,225)	-	
Dividends paid to non-controlling interests	(3,840)	-	-	-	-	-	(3,840)	
Total transactions with owners	(34,208)	(71,085)	-	-	1,857	(72,942)	36,877	
Share of associates' reserves	-	-	-	-	(152)	152	-	
<b>At 30 June 2023</b>	3,463,858	3,202,440	867,902	(352)	(49,875)	2,384,765	261,418	

**Cahaya Mata Sarawak Berhad**

(Company No: 21076-T)

**Condensed consolidated statement of cash flows for the period ended 30 June 2024**

	<b>6 months ended 30.06.2024 RM'000</b>	<b>6 months ended 30.06.2023 RM'000</b>
<b>Profit before taxation from continuing operations</b>	107,550	74,590
Adjustments for non-cash items:		
Non-cash items	12,619	(13,127)
<b>Operating cash flows before changes in working capital</b>	<u>120,169</u>	<u>61,463</u>
Changes in working capital		
Increase in current assets	(34,308)	(142,474)
Increase in non-current assets	(545)	(240)
Decrease in current liabilities	(128,582)	(162,764)
Decrease in non-current liabilities	-	(275)
<b>Cash flows used in operations</b>	<u>(43,266)</u>	<u>(244,290)</u>
Interest received	7,915	6,330
Interest paid	(13,767)	(20,882)
Income tax paid, net of refund	(32,418)	(40,579)
<b>Net cash flows used in operating activities</b>	<u>(81,536)</u>	<u>(299,421)</u>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(9,510)	(21,064)
Acquisition of intangible assets	(1,050)	(1,522)
Additional investments in investment securities	(2,419)	(1,070)
Dividends received from investments	6,036	3,101
Dividends received from joint ventures	13,486	37,326
Dividends received from associates	35,038	8,209
Proceeds from disposal of property, plant and equipment	217	305
<b>Net cash from investing activities</b>	<u>41,798</u>	<u>25,285</u>
<b>Financing activities</b>		
Deposit pledged to a licensed bank	-	(40)
Drawdown of borrowings	-	147,241
Repayments of borrowings	(52,471)	(176,946)
Repayment of lease liabilities	(12,629)	(6,765)
Proceeds from lease receivables	692	807
Dividends paid to shareholders of the Company	(21,483)	(32,225)
Dividends paid to non-controlling interests	(33)	(3,840)
<b>Net cash used in financing activities</b>	<u>(85,924)</u>	<u>(71,768)</u>
<b>Net increase in cash and cash equivalents</b>	(125,662)	(345,904)
<b>Effect of foreign exchange changes in cash and cash equivalents</b>	7,809	(14,542)
<b>Cash and cash equivalents as at 1 January</b>	605,663	963,421
<b>Cash and cash equivalents as at 30 June</b>	<u><u>487,810</u></u>	<u><u>602,975</u></u>
Cash and cash equivalents as at 30 June comprised the following:		
Cash and short term deposits	499,857	604,951
Less: Deposits pledged to licensed banks	(426)	(1,976)
Less: Deposits with maturity of more than three months	(11,621)	-
	<u><u>487,810</u></u>	<u><u>602,975</u></u>

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

**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

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

**A1. Basis of preparation**

These condensed consolidated interim financial statements, for the period ended 30 June 2024 are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

**A2. Changes in accounting policies**

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

On 1 January 2024, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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

**A3. Seasonal or cyclical factors**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the period ended 30 June 2024.

**A5. Changes in estimates**

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

**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

**A6. Debt and equity securities**

During the current quarter ended 30 June 2024, there was no repurchase and resell of treasury shares. As at 30 June 2024, the Company held 200,000 treasury shares in its books.

**A7. Dividends paid**

The first and final tax exempt (single-tier) dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2023 amounting to RM21,483,520 was paid on 28 June 2024.

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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

**A8. Segmental information**

	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Cement	149,981	157,486	299,159	316,788
Road maintenance	27,665	25,417	54,802	47,250
Property development	9,185	17,187	22,938	28,042
Oiltools	76,978	71,623	155,124	138,580
Strategic investments	12,439	18,502	23,574	40,086
Support services	19,748	20,345	37,405	35,156
Total revenue including inter-segment sales	295,996	310,560	593,002	605,902
Elimination of inter-segment sales	(18,011)	(20,037)	(37,646)	(39,712)
Total revenue from continuing operations	277,985	290,523	555,356	566,190

	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
<b>Segment Results</b>				
Operating profit/(loss):				
Cement	43,870	21,961	70,667	59,508
Road maintenance	2,293	3,174	7,609	3,063
Property development	(1,948)	3,095	4,246	4,033
Phosphates	(21,214)	(29,832)	(40,446)	(55,531)
Oiltools	13,284	11,628	28,128	16,242
Strategic investments	942	11,581	7,613	16,076
Support services	(1,132)	845	(2,373)	1,238
	36,095	22,452	75,444	44,629
Corporate expenses	(2,404)	(6,920)	(5,765)	(10,422)
Share of results of associates	15,279	15,088	32,306	29,101
Share of results of joint ventures	1,325	4,707	5,565	11,282
Profit before tax	50,295	35,327	107,550	74,590
Income tax expenses	(19,050)	(8,622)	(36,776)	(20,549)
Profit for the period	31,245	26,705	70,774	54,041



**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

**A9. Changes in composition of the Group**

There have been no changes in the composition of the Group for the quarter ended 30 June 2024.

**A10. Fair value of instruments**

**(a) Determination of fair value**

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

	30 June 2024		31 December 2023	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
<b>Financial liabilities:</b>				
Interest-bearing loans and borrowings				
- Term loans	254,733	254,733	287,055	287,055
	<u>254,733</u>	<u>254,733</u>	<u>287,055</u>	<u>287,055</u>

**(b) Fair value hierarchy**

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

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

**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

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

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30 June 2024</b>				
<b>Financial assets</b>				
Investment securities				
- Equity instrument	86,823	-	-	86,823
- Income debt securities	-	153,833	-	153,833
- Redeemable preference shares	-	-	40,329	40,329
Derivative financial assets	-	-	96,649	96,649
	<u>86,823</u>	<u>153,833</u>	<u>136,978</u>	<u>377,634</u>
<b>31 December 2023</b>				
<b>Financial assets</b>				
Investment securities				
- Equity instrument	75,969	-	-	75,969
- Income debt securities	-	150,923	-	150,923
- Redeemable preference shares	-	-	37,758	37,758
Derivative financial assets	-	-	96,649	96,649
	<u>75,969</u>	<u>150,923</u>	<u>134,407</u>	<u>361,299</u>

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

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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

**A11. Capital & other commitments**

The amount of commitments not provided for in the financial statements as at 30 June 2024 and 31 December 2023 was as follows:

Capital commitments

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
Approved and contracted for:		
- Property, plant and equipment	27,058	23,235
- Intangible assets	13,385	14,333
- Investments in redeemable preference shares in joint ventures	5,326	5,326
	<u>45,769</u>	<u>42,894</u>
Approved but not contracted for:		
- Property, plant and equipment	273,459	286,338
- Intangible assets	4,434	4,536
	<u>277,893</u>	<u>290,874</u>
	<u>323,662</u>	<u>333,768</u>

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

There were no material changes in the contingent liabilities or contingent assets since the last annual reporting date.

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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

**A13. Related party transactions**

The following table provides information on the transactions which have been entered into with related parties during the period ended 30 June 2024 and 30 June 2023 as well as the balances with the related parties as at 30 June 2024 and 30 June 2023:

		Interest/ rental income from/ sales to related parties RM '000	Purchases from/ payment for services to related parties RM '000	Amounts owed by related parties RM '000	Amounts owed to related parties RM '000
<b>Associates:</b>					
- Kenanga Investment Bank Bhd	2024	-	-	-	-
	2023	1,110	-	-	-
- SACOFA Sdn Bhd	2024	150	118	616	450
	2023	3,877	92	2,074	299
<b>Joint Ventures:</b>					
- SEDC Resources Group	2024	1,868	12,471	370	15,370
	2023	1,693	3,735	3,505	13,406
- PPES Works Group	2024	53,565	-	61,019	-
	2023	50,829	-	53,250	-
<b>Key management personnel of the Group:</b>					
- Directors' interests	2024	-	2,090	-	87
	2023	-	1,790	-	386

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

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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

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

**B1. Review of performance**

**Year-to-date, 2024 (“PE2024”) vs Year-to-date, 2023 (“PE2023”)**

The Group reported a revenue of RM555.36 million for the six months ended 30 June 2024 ("PE2024"), a decrease of 2% in comparison to the preceding year ("PE2023") revenue of RM566.19 million.

The Group's profit before tax ("PBT") from operations was higher at RM107.55 million in comparison to PE2023's PBT of RM74.59 million. The higher PBT was contributed by Cement and Oiltools Division due to improvement in the gross profit margin. In addition, profit contributions from associates increased by 11% to RM32.31 million from PE2023's contribution of RM29.10 million.

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

- (a) **Cement Division** - reported a higher PBT of RM70.67 million in PE2024 despite a lower revenue of RM299.16 million, 19% higher PBT of RM59.51 million and 6% lower over PE2023's revenue of RM316.79 million. The lower revenue was consistent with the drop in sales volume mainly attributable to slow construction activities resulting from prolonged rainy season in PE2024. The improved profitability of the division was mainly due to improved gross profit margin attributable by the lower imported clinker prices and improved efficiencies.
- (b) **Road Maintenance Division** - reported a higher revenue of RM54.80 million and PBT of RM7.61 million, 16% higher over PE2023's revenue of RM47.25 million and 148% higher over PBT of RM3.06 million. Higher PBT was in line with higher revenue from road maintenance, third party and instructed works coupled with increased gross profit margin recorded in PE2024.
- (c) **Property Development Division** - reported a higher revenue of RM22.94 million and PBT of RM4.25 million in PE2024, 18% lower over PE2023's revenue of RM28.04 million and 5% higher PBT of RM4.03 million. Higher profitability was mainly due to gross profit recognised on a deemed land sale transaction.
- (d) **Phosphates Division** - Loss before tax of RM40.45 million was recorded for PE2024, lower than PE2023 loss of RM55.53 million. This was mainly attributable from lower operating costs incurred in PE2024.
- (e) **Oiltools Division** - reported a higher revenue of RM155.12 million and PBT of RM28.13 million in PE2024, 12% higher over PE2023's revenue of RM138.58 million and 73% higher PBT of RM16.24 million. The increase in revenue and profitability was driven by strong performance in Nigeria and Indonesia coupled with improvement in gross profit margin.
- (f) **Strategic Investments Division** - reported a lower PBT of RM7.61 million in PE2024 as compared to PBT of RM16.08 million in PE2023 primarily due to higher gain recognised from fair value changes in investments and foreign exchange.
- (g) **Share of results of associates** - Profit contributions from associates was higher in PE2024 as compared to PE2023 due to better performance of associates.

**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

**Quarter 2, 2024 (“2Q2024”) vs Quarter 2, 2023 (“2Q2023”)**

	2 <sup>nd</sup> Qtr 2024 RM'000	2nd Qtr 2023 RM'000	Changes %
<b>Continuing operations</b>			
Revenue	277,985	290,523	(4%)
Gross profit	82,107	58,775	40%
Share of results of associates	15,278	15,089	1%
Share of results of joint ventures	1,326	4,708	(72%)
Profit before tax	50,295	35,327	42%
PATNCI	33,365	26,245	27%

Revenue for 2Q2024 decreased by 4% compared to 2Q2023 mainly due to lower sales from the Cement and Property development Division of RM15.51 million.

The improvement in PBT & PATNCI despite lower revenue was mainly attributable by the improved gross profit from the Cement and Oiltools Division due to lower clinker cost and product mix with higher margins respectively.

**B2. Material changes in profit before tax for the quarter (Quarter 2, 2024 vs Quarter 1, 2024)**

	2 <sup>nd</sup> Qtr 2024 RM'000	1 <sup>st</sup> Qtr 2024 RM'000	Changes %
<b>Continuing operations</b>			
Revenue	277,985	277,371	0%
Gross profit	82,107	76,162	8%
Share of results of associates	15,278	17,027	(10%)
Share of results of joint ventures	1,326	4,240	(69%)
Profit before tax	50,295	57,255	(12%)
PATNCI	33,365	38,245	(13%)

The Group's revenue reported in 2Q2024 and 1Q2024 has been consistent across the divisions. Higher gross profit was mainly attributable by better performance from Cement and Oiltools due to improved gross profit margin.

There was a decline in the Group's PBT by 12% to RM50.30 million in 2Q2024 from RM57.26 million in 1Q2024. This was mainly due to decrease in share of results of associates and joint ventures amounted to RM4.66 million.

**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

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

The Group is cautiously optimistic of the prospects for 2024, aside from the following challenges barring any other unforeseen circumstances:

- RM:USD exchange rate movements; and
- The outcome of the ongoing arbitration for Cahya Mata Phosphates Industries Sdn Bhd.

Cement demand is expected to pick up in second half of the year driven by infrastructure projects. While wider economic volatility may persist in the light of inflationary pressures and supply chain disruptions due to global geopolitical uncertainties. The Group will continue with its pursuit of operational, logistics and distribution efficiencies.

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

**B4. Profit forecast or profit guarantee**

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

**B5. Income tax expense**

	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	14,763	7,363	28,315	17,604
- Foreign tax	4,287	1,259	8,461	2,945
Total income tax expense	<u>19,050</u>	<u>8,622</u>	<u>36,776</u>	<u>20,549</u>

The effective tax rate for the period ended 30 June 2024 and 30 June 2023 was higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be offset against taxable profits made by other subsidiaries.

**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

**B6. Corporate proposals**

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

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

The utilisation of the proceeds as at 30 June 2024 is set out below:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance/ (Deviation) (RM'000)	Intended Timeframe for Utilisation from date of listing of the Corporate Proposal
Future acquisition/ investments	119,707	28,636	91,071	Within 36 months
Capital expenditure	96,085	55,663	40,422	Within 24 months
Working capital	239,415	168,319	71,096	Within 24 months
Estimated Expenses	23,622	19,768	3,854	Upon completion of Corporate Proposal

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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

**B7. Loans and borrowings**

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
<b>Current</b>		
<b>Secured:</b>		
Revolving credits	9,405	22,950
Term loan	110,576	81,000
<b>Unsecured:</b>		
Revolving credits	10,000	10,000
	<u>129,981</u>	<u>113,950</u>
Structuring and management fee	(464)	(927)
	<u>129,517</u>	<u>113,023</u>
<b>Non-current</b>		
<b>Secured:</b>		
Term loan	146,008	208,369
Structuring and management fee	(1,387)	(1,387)
	<u>144,621</u>	<u>206,982</u>
<b>Total</b>	<u>274,138</u>	<u>320,005</u>

Loans and borrowings that are not denominated in Ringgit Malaysia amounted to RM219,009,000 (31 December 2023: RM259,669,000).

**B8. Off balance sheet financial instruments**

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

**B9. Derivatives**

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

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

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

**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

**B11. Changes in material litigation**

There were no changes in material litigation since the last annual statement of financial position date of 31 December 2023, save for the commencement of the hearing dates of Cahya Mata Phosphates Industries Sdn Bhd and Syarikat SESCO Berhad ("SESCO") arbitration proceedings which has been changed from 26 - 29 August 2024 to 13 - 16 May 2025 and 19 - 23 May 2025.

**B12. Dividend payable**

No interim dividend has been declared for the financial period ended 30 June 2024 (30 June 2023: Nil).

**B13. Earnings per share**

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

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

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

	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profit net of tax attributable to owners of the Company (RM'000)	33,365	26,345	71,610	68,903
Weighted average number of ordinary shares in issue ('000)	1,074,176	1,074,176	1,074,176	1,074,176
Effect of dilution from:				
Employees' Share Option Scheme (ESOS) ('000)	-	-	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution ('000)	<u>1,074,176</u>	<u>1,074,176</u>	<u>1,074,176</u>	<u>1,074,176</u>
Earnings per share (sen):				
- Basic	3.11	2.45	6.67	6.41
- Diluted	<u>3.11</u>	<u>2.45</u>	<u>6.67</u>	<u>6.41</u>

**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2024**

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

The auditors’ report on the financial statements for the year ended 31 December 2023 was not subject to any qualification.

**B15. Additional disclosure on profit for the period**

	Quarter ended 30.06.2024 RM’000	Financial period ended 30.06.2024 RM’000
Profit for the period is arrived at after charging/(crediting):		
Amortisation of intangible assets	26	51
Depreciation of property, plant and equipment	19,951	40,704
Depreciation of investment properties	20	63
Inventories written-down	3,762	16,979
Impairment loss on trade and other receivables	45	203
Gain on foreign exchange - unrealised	4,804	(11,502)
Interest expense	8,825	18,907
Interest income	(3,780)	(7,915)
Net fair value changes in investment securities	(130)	(3,063)