

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)
Incorporated in Malaysia

Interim Financial Report
31 December 2023

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Fourth Quarter and Financial Year Ended 31 December 2023

	4th Quarter Ended		Financial Year Ended		
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	
	RM'000	RM'000	RM'000	RM'000	
Revenue	324,249	363,857	1,317,635	1,339,635	
Cost of sales	(167,994)	(213,496)	(748,281)	(778,799)	
Gross profit	156,255	150,361	569,354	560,836	
Other income	53,476	11,577	108,983	49,504	
Other operating expenses	(35,206)	(7,967)	(85,759)	(45,981)	
Administrative and distribution expenses	(20,121)	(21,793)	(62,111)	(61,341)	
Profit from operations	154,404	132,178	530,467	503,018	
Finance costs	(11,736)	(10,126)	(40,079)	(29,589)	
Share of results in equity accounted investments, net of tax	(3,895)	(4,599)	(13,600)	17,140	
Profit before tax	138,773	117,453	476,788	490,569	
Income tax expense	(431)	(1,614)	(25,148)	(14,842)	
Profit after tax for the period	138,342	115,839	451,640	475,727	
Other comprehensive income	(63,753)	(107,776)	60,651	39,747	
Total comprehensive income for the period	74,589	8,063	512,291	515,474	
Profit after tax attributable to:					
Owners of the Company	122,020	95,170	383,708	396,804	
Non-controlling interests	16,322	20,669	67,932	78,923	
	138,342	115,839	451,640	475,727	
Total comprehensive income attributable to:					
Owners of the Company	63,045	3,538	426,628	425,052	
Non-controlling interests	11,544	4,525	85,663	90,422	
	74,589	8,063	512,291	515,474	
EPS - Basic (sen)	B11	12.94	10.07	40.65	41.98

The notes set out on pages 7 to 33 form an integral part and should be read in conjunction with this interim financial report.

Unaudited Condensed Consolidated Statement of Financial Position
As at 31 December 2023

	Unaudited As At 31.12.2023 RM'000	Audited As At 31.12.2022 RM'000
ASSETS		
Non-Current Assets		
Service concession asset	1,940,046	1,940,823
Property, plant and equipment	531,945	481,679
Investment properties	168,746	165,203
Right of use assets	116,312	119,021
Investment in quoted shares	133,278	152,305
Inventories	40,166	43,443
Joint Ventures and Associates	166,674	174,561
Development Expenditures	203,048	74,574
Goodwill on consolidation	53,683	54,673
Other assets	669	353
Deferred tax asset	2,932	-
	3,357,499	3,206,635
Current Assets		
Inventories	131,737	147,882
Receivables and prepayments	487,754	437,252
Short-term investments	19,500	5,000
Bank balances and deposits	508,712	492,254
	1,147,703	1,082,388
TOTAL ASSETS	4,505,202	4,289,023
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	743,121	743,121
Treasury shares	(45,517)	(37,261)
Reserves	2,359,304	2,044,787
	3,056,908	2,750,647
Non-Controlling Interests	166,120	440,379
Total Equity	3,223,028	3,191,026
Non-Current Liabilities		
Long-term borrowings	466,919	396,749
Deferred tax liabilities	126,954	124,320
Put option liability	70,759	84,702
Lease and hire purchase liabilities	10,107	12,764
Payables	588	540
	675,327	619,075
Current Liabilities		
Payables and accruals	166,535	155,726
Short-term borrowings	434,537	316,204
Lease and hire purchase liabilities	5,775	6,992
	606,847	478,922
Total Liabilities	1,282,174	1,097,997
TOTAL EQUITY AND LIABILITIES	4,505,202	4,289,023
Net Assets Per Ordinary Share (RM)	3.24	2.91

The notes set out on pages 7 to 33 form an integral part and should be read in conjunction with this interim financial report.

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)

Unaudited Condensed Consolidated Statement of Changes in Equity
For the 12-month period ended 31 December 2022

	← Non-Distributable				→ Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2022	743,121	(36,869)	847	140,324	27,394	(88,556)	1,606,843	2,393,104	346,472	2,739,576
Total comprehensive income for the period	-	-	76,241	(47,993)	-	-	396,804	425,052	90,422	515,474
Total transactions with owners										
- Dividends to shareholders of the Company	-	-	-	-	-	-	(67,117)	(67,117)	-	(67,117)
- Purchase of treasury shares	-	(392)	-	-	-	-	-	(392)	-	(392)
Subscription of shares in subsidiary by non-controlling interests	-	(392)	-	-	-	-	(67,117)	(67,509)	-	(67,509)
	-	-	-	-	-	-	-	-	3,485	3,485
Balance at 31.12.2022	743,121	(37,261)	77,088	92,331	27,394	(88,556)	1,936,530	2,750,647	440,379	3,191,026

The notes set out on pages 7 to 33 form an integral part and should be read in conjunction with this interim financial report.

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)

Unaudited Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the 12-month period ended 31 December 2023

	← Non-Distributable				→ Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2023	743,121	(37,261)	77,088	92,331	27,394	(88,556)	1,936,530	2,750,647	440,379	3,191,026
Total comprehensive income for the period	-	-	61,631	(18,711)	-	-	383,708	426,628	85,663	512,291
Total transactions with owners:										
- Dividends to shareholders of the Company	-	-	-	-	-	-	(74,105)	(74,105)	-	(74,105)
- Dividends by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(7,576)	(7,576)
- Purchase of treasury shares	-	(8,256)	-	-	-	-	-	(8,256)	-	(8,256)
	-	(8,256)	-	-	-	-	(74,105)	(82,361)	(7,576)	(89,937)
Effect on accretion of interest in a subsidiary	-	-	-	-	-	-	(38,006)	(38,006)	(390,523)	(428,529)
Disposal of subsidiary	-	-	-	-	-	-	-	-	(5,147)	(5,147)
Subscription of shares in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	43,324	43,324
Balance at 31.12.2023	743,121	(45,517)	138,719	73,620	27,394	(88,556)	2,208,127	3,056,908	166,120	3,223,028

The notes set out on pages 7 to 33 form an integral part and should be read in conjunction with this interim financial report.

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)

Unaudited Condensed Consolidated Statement of Cash Flows
For the 12-month period ended 31 December 2023

	Financial Year Ended	
	31.12.2023	31.12.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	476,788	490,569
Adjustments for non-cash flow - Non-cash items	197,417	130,488
- Non-operating items	10,301	21,622
Operating profit before working capital changes	684,506	642,679
Changes in working capital - Net change in assets	(98,515)	(75,381)
- Net change in liabilities	26,435	38,167
Cash from operations	612,426	605,465
Income tax paid	(25,577)	(12,974)
Retirement benefits paid	-	(48)
Net cash from operating activities	586,849	592,443
Cash flows for investing activities		
Cash outflow for Don Sahong Hydropower Project	(124,882)	(72,006)
Dividends received	1,471	1,626
Interest received	23,593	6,169
Investment in joint ventures and associates	(5,713)	(11,469)
Payments for purchase of:		
- property, plant and equipment	(120,523)	(78,085)
- right of use assets	(1,653)	(23,740)
- other intangible assets	-	(1,728)
- quoted shares	-	(62)
- short-term investment	(14,500)	(5,000)
Proceeds from disposal of:		
- property, plant and equipment	2,179	188
Net cash outflow from disposal of a subsidiary	(1,986)	-
Subscription of additional shares in a subsidiary	(428,529)	-
Net cash for investing activities	(670,543)	(184,107)

The notes set out on pages 7 to 33 form an integral part and should be read in conjunction with this interim financial report.

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)

Unaudited Condensed Consolidated Statement of Cash Flows (Cont'd)
For the 12-month period ended 31 December 2023

	Financial Year Ended	
	31.12.2023	31.12.2022
	RM'000	RM'000
Cash flows for financing activities		
Dividends paid to:		
- shareholders of the Company	(74,105)	(67,117)
- subsidiary's non-controlling interests	(7,576)	-
Finance costs paid	(40,079)	(29,589)
Net drawdown/(repayment) of:		
- Revolving credits, trade financing and loans	(10,631)	5,537
- Lease and hire purchase liabilities	(4,028)	(5,492)
- Term loans	183,009	(92,260)
Proceeds from issuance of shares by subsidiaries to non-controlling interests	43,324	3,485
Purchase of treasury shares	(8,256)	(392)
Placement of deposits pledged with licensed banks or with original maturity period of more than 3 months	(5,716)	(6,747)
Net cash from/(for) financing activities	75,942	(192,575)
Effect of foreign exchange translation	18,369	13,027
Net increase in cash and cash equivalents	10,617	228,788
Cash and cash equivalents at beginning of the period	482,773	253,985
Cash and cash equivalents at end of the period	493,390	482,773
Cash and cash equivalents included in the statement of cash flows comprise the following amounts:		
Bank balances and deposits	508,712	492,254
Bank overdrafts	(125)	-
	508,587	492,254
Less:		
- Bank deposits pledged with licensed banks and with original maturity period of more than 3 months	(15,197)	(9,481)
	493,390	482,773

The notes set out on pages 7 to 33 form an integral part and should be read in conjunction with this interim financial report.

Notes to the interim financial report

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Issuers Communication No. 1/2017 - Guidance on Disclosures in Notes to Quarterly Report issued by Bursa Malaysia.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

- (a) The accounting policies and methods of computation adopted by the Group in preparing this interim financial report are consistent with those in the financial statements for the financial year ended 31 December 2022, except for the following new accounting standards and interpretations (including the consequential amendments) which were adopted at the beginning of the financial year ended 31 December 2023. These pronouncements are either not relevant or do not have any material impact on the Group’s financial statements for the current financial year.

MFRSs and/or IC Interpretations (including the Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 - Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

[The remaining of this page was intentionally left blank]

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation (Cont'd)

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the financial year ended 31 December 2023:

MFRSs and/or IC Interpretations (including the Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The above pronouncements are either not relevant or not expected to have any material impact to the Group's financial statements.

A2. Qualification of financial statements

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

A3. Seasonal or cyclical factors

The Group's principal business operations were not significantly affected by seasonal or cyclical factors other than its Renewable Energy Division where hydropower generation is subject to seasonal fluctuation of the water level. Normally, the water level will peak between June and November during the wet season. More detailed commentary is set out in Notes B3 and B4 to these financial statements.

A4. Unusual item

There was no item affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size or incidence in these financial statements other than as disclosed in Note A10.

A5. Nature and amount of changes in estimates

There was no change in estimates of amounts reported in prior periods that have a material effect in the period under review.

A6. Debt and equity securities

	Number of Ordinary Shares		← Amount →	
	Share Capital (Issued and Fully Paid) '000	Treasury Shares '000	Share Capital (Issued and Fully Paid) RM'000	Treasury Shares RM'000
At 1 January 2023	988,352	(43,046)	743,121	(37,261)
Shares repurchased in current period	-	(2,547)	-	(8,256)
At 31 December 2023	<u>988,352</u>	<u>(45,593)</u>	<u>743,121</u>	<u>(45,517)</u>

Of the total 988,352,102 issued ordinary shares as at 31 December 2023, 45,592,600 ordinary shares were held as treasury shares by the Company. Accordingly, the number of outstanding ordinary shares in issue as at 31 December 2023 was 942,759,502.

Other than as disclosed above, there was no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in these financial statements.

A7. Segment information

Financial Year Ended 31 December 2023	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External revenue	606,163	202,893	402,341	106,238	-	1,317,635
Inter-segment revenue	-	-	-	157,294	(157,294)	-
Consolidated revenue	<u>606,163</u>	<u>202,893</u>	<u>402,341</u>	<u>263,532</u>	<u>(157,294)</u>	<u>1,317,635</u>
Results						
Profit from operations	<u>464,602</u>	<u>20,803</u>	<u>14,344</u>	<u>189,741</u>	<u>(159,023)</u>	<u>530,467</u>
Finance costs						(40,079)
Share of loss in equity accounted investments						(13,600)
Profit before tax						<u>476,788</u>
Income tax expense						(25,148)
Profit after tax						<u>451,640</u>
Total assets						
At 31 December 2023	<u>2,936,194</u>	<u>365,940</u>	<u>503,932</u>	<u>882,775</u>	<u>(183,639)</u>	<u>4,505,202</u>

A7. Segment information (Cont'd)

Financial Year Ended 31 December 2022	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External revenue	596,925	206,324	398,964	137,422	-	1,339,635
Inter-segment revenue	-	-	-	12,065	(12,065)	-
Consolidated revenue	596,925	206,324	398,964	149,487	(12,065)	1,339,635
Results						
Profit from operations	438,821	18,107	39,924	19,843	(13,677)	503,018
Finance costs						(29,589)
Share of profit in equity accounted investments						17,140
Profit before tax						490,569
Income tax expense						(14,842)
Profit after tax						475,727
Total assets						
At 31 December 2022	2,700,607	337,685	496,788	922,690	(168,747)	4,289,023

A8. Dividend paid

Details of dividend declared and paid during the current quarter and financial year ended 31 December 2023 are disclosed in Note B9 to these financial statements.

A9. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment during the period reported up to 21 February 2024, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

[The remaining of this page was intentionally left blank]

A10. Significant event during the reporting period

- (a) Tax dispute between 65%-owned subsidiary, Idaman Harmoni Sdn. Bhd. (“IHSB”) and the Inland Revenue Board of Malaysia (“IRBM”) in relation to notices of additional tax assessment and penalties amounting to RM22,795,912 (before late payment penalty) served by IRBM to IHSB on 5 October 2016 for Year of Assessment (“YA”) 2009 and 2010.

On 2 March 2023, the Court of Appeal (the apex court for this case) allowed the IRBM’s appeal against the High Court’s decision. This effectively reinstates the decision of the Special Commissioners of Income tax (“SCIT”) made on 1 September 2021 which affirmed the assessments.

IHSB paid to IRBM a total of RM17.1 million, comprising RM11.4 million in additional tax assessment and RM5.7 million in penalties, as full and final settlement of the above tax dispute. These amounts were charged to profit and loss in the current financial year ended 31 December 2023.

- (b) Fire Incident in Packaging Division

On 26 September 2023, a fire broke out in one of the factories of the Packaging Division which damaged/destroyed some property, plant and equipment (“PPE”) and inventory.

The damaged assets are fully insured. However, in accordance with MFRS 116 and MFRS 137, the Group recorded a RM26.9 million (net of partial insurance income) charge to profit and loss in the current quarter and financial year ended 31 December 2023 from asset write-off. Subsequent insurance compensation will be recognised as income to profit and loss when the insurance claims are finalised.

The incident did not have a material impact to the operational performance of the Packaging Division in the current quarter and financial year ended 31 December 2023.

- (c) Acquisition of additional 20% equity interest in Don Sahong Power Company Limited (“DSPC”)

On 22 December 2023, the Company increased its equity interest in Mega Ventures Limited (“MVL”) by 18.75% to 75% by acquiring an additional 1,969 ordinary shares in MVL from Lao Green Power Corp. Co., Ltd for USD7.5 million.

On 27 December 2023, MVL completed the acquisition of additional 3,380,000 ordinary shares or 20% equity interest in DSPC from EDL-Generation Public Company (“EDL-Gen”) for USD85.0 million.

Following the above acquisitions, the Company’s effective equity interest in DSPC was increased from 80% to 95%.

Other than as disclosed above, there was no other significant event during the reporting period.

A11. Significant event subsequent to the end of the reporting period

There was no significant event subsequent to the end of the period reported up to 21 February 2024, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

A12. Changes in composition of the Group

Change in the composition of the Group during the current quarter and financial year ended 31 December 2023 is disclosed as follows:

1. On 20 March 2023, the Company incorporated an indirect 99%-owned subsidiary, namely Mega First Solar (Maldives) Consortium Pvt Ltd (“MFSMC”) with an authorised capital of Maldivian Rufiyaa 100,000. The principal activity of MFSMC is to install solar photovoltaic system under design, build, finance, own, operate and transfer (“DBFOOT”) basis;
2. On 30 May 2023, Mega First Power Industries Sdn Bhd (“MFPI”), a wholly-owned subsidiary of the Company has disposed of its entire 51% equity interest in Serudong Power Sdn Bhd (“SPSB”) for RM1.173 million;
3. On 22 August 2023, the Company incorporated a 100%-owned subsidiary, namely Lifestyle Wellness Sdn Bhd (“LW”) with an issued and paid-up capital of RM100. The principal activity of LW is that of investment holding;
4. On 7 September 2023, the Company incorporated an indirect wholly-owned subsidiary, namely MF Solar Tronoh Sdn Bhd (“MFST”) with an issued and paid-up capital of RM10,000. The principal activity of MFST is to design, build, finance, own, operate and maintain (“DBFOOM”) solar photovoltaic power plant; and
5. On 1 November 2023, the Company incorporated a 100%-owned subsidiary, namely Mega First Green Farms Limited (“MFGF”) with an issued and paid-up capital of USD1,000. The principal activity of MFGF is that of investment holding.

A13. Changes in contingent liabilities and assets

(a) Contingent liability

The Group has no contingent liability as at 21 February 2024, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

(b) Contingent asset

The Group has no contingent asset as at 21 February 2024, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

A14. Capital commitments

As at 31 December 2023, the Group has the following capital commitments:

	RM'000
Property, plant and equipment	
Approved and contracted for	265,796

A15. Significant related party transactions

There was no significant related party transaction during the current quarter and financial year ended 31 December 2023 other than the following transactions made by the Company:

	4th Quarter Ended		Financial Year Ended	
	31 December		31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>A Major Shareholder of the Company</u>				
Term loan repaid	-	31,847	95,785	110,025
Interest expense	7,483	6,205	25,012	17,710
			31.12.2023	31.12.2022
			RM'000	RM'000
Corporate guarantees given to lenders and supplier of joint ventures and associates			285,360	312,437

A16. Derivative financial instruments

	31.12.2023	31.12.2022
	RM'000	RM'000
<u>Derivative liability</u>		
Put option liability over shares of a subsidiary held by non-controlling interest	70,759	84,702

The Company entered into a Put Option Agreement with the minority shareholders of Stenta Group whereby the minority shareholders have the right to require the Company to buy their equity interest in the subsidiary in accordance to the terms of the Put Option Agreement.

The obligation by the Company to purchase Stenta Group's equity interest held by the minority shareholders is initially recognised as put option liability with a corresponding charge direct to equity (classified as "Other Reserve"). Subsequent to the initial recognition, the put option will be remeasured at fair value and any changes in fair value is recognised in profit or loss.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance review - Current quarter ended 31 December 2023 ("4Q2023") versus ("vs") the corresponding quarter ended 31 December 2022 ("4Q2022")

	4Q2023	4Q2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	324,249	363,857	(39,608)	-10.9%
Other income/(expenses), net	18,270	(6,533)	24,803	N.M.
Earning before interest, tax, depreciation and amortisation ("EBITDA")	182,992	155,571	27,421	17.6%
Operating profit	154,404	132,178	22,226	16.8%
Profit before tax	138,773	117,453	21,320	18.2%
Profit after tax	138,342	115,839	22,503	19.4%
Profit after tax attributable to owners of the Company	122,020	95,170	26,850	28.2%
Revenue				
Renewable Energy	168,608	161,597	7,011	4.3%
Resources	46,410	50,098	(3,688)	-7.4%
Packaging	100,361	98,869	1,492	1.5%
Sub-total	315,379	310,564	4,815	1.6%
Investment Holding & Others	8,870	53,293	(44,423)	-83.4%
Total revenue	324,249	363,857	(39,608)	-10.9%
Profit before tax				
Renewable Energy	120,664	114,279	6,385	5.6%
Resources	6,218	3,400	2,818	82.9%
Packaging	8,075	6,617	1,458	22.0%
Sub-total	134,957	124,296	10,661	8.6%
Investment Holding & Others	3,816	(6,843)	10,659	N.M.
Total profit before tax	138,773	117,453	21,320	18.2%
Included in PBT of Investment and Others				
Division consist of:				
1 Share of loss in equity accounted investments	(3,895)	(4,599)	704	-15.3%
2 Assets written off, net of partial insurance claims recognised in 2023	(26,936)	-	(26,936)	na
3 Inventories write-offs or writedown	(3,305)	-	(3,305)	na
4 Fair value gain on put option liability	17,005	6,998	10,007	143.0%
5 Gain/(Loss) on foreign exchange	16,883	(7,006)	23,889	N.M.
6 Writeback of income tax penalties	9,232	-	9,232	na

B1. Performance review - 4Q2023 vs 4Q2022 (Cont'd)

Adjusted Group revenue (excluding revenue of disposed SPSB from comparative figure) grew 1.8% to RM324.2 million. Renewable Division rose 4.3% to RM168.6 million and Packaging Division expanded 1.5% to RM100.4 million. Resources Division recorded a 7.4% decline to RM46.4 million.

Group's profit before tax ("PBT") grew 18.2% to RM138.8 million (4Q2022: RM117.5 million). All core divisions posted improvements in pre-tax profits. Renewable Division rose 5.6% to RM120.7 million, Packaging Division increased by 22.0% to RM8.1 million, while pre-tax profit of Resources Division expanded 82.9% to RM6.2 million.

Investment Holding & Others Division swung from a RM6.8 million loss to a profit of RM3.8 million. Higher forex gain, higher fair value gain on put option liability, fair value gain on investment property, and income tax penalty provision write-back more than offset fire-related asset write-off [as explained in Note A10(b)] and higher inventory write-off/impairment. The share of loss from joint venture and associates narrowed from RM4.6 million to RM3.9 million due mainly to lower share of losses from Edenor. The oleochemical industry continued to be plagued by intense price competition and soft consumer demand.

Renewable Energy Division

Revenue grew 4.3% to RM168.6 million mainly on higher hydro energy revenue and a 62.5% increase in solar energy sales to RM2.5 million. Hydro energy sales were bolstered by 2.7% currency gain and a 1% tariff adjustment, while Energy Availability Factor ("EAF") stayed flat at 97.4%. Total installed solar capacity was 27.0 MWp, compared to 17.9 MWp a year ago.

Pre-tax profit advanced 5.6% to RM120.7 million (4Q2022: RM114.3 million) on higher revenue and lower net interest expense.

[The remaining of this page was intentionally left blank]

B1. Performance review - 4Q2023 vs 4Q2022 (Cont'd)

Resources Division

Revenue declined 7.4% from RM50.1 million to RM46.4 million mainly on lower sales volume of lime products amidst a soft market. Sales of non-lime products (including calcium carbonate powder, quarry by-products and cement bricks) declined marginally by 2.8% to RM4.3 million (4Q2022: RM4.4 million).

Pre-tax profit however surged 82.9% to RM6.2 million (4Q2022: RM3.4 million) on a favourable change in the sales mix and improved production efficiency.

Packaging Division

Despite the challenging operating environment and the fire incident, revenue increased 1.5% to RM100.4 million (4Q2022: RM98.9 million), bolstered by a broadening customer base.

Pre-tax profit grew 22.0% to RM8.1 million (4Q2022: RM6.6 million), mainly due to a favourable change in the sales mix, lower production cost and lower operating expenses.

[The remaining of this page was intentionally left blank]

B2. Performance review - Year-to-date 31 December 2023 ("2023") versus ("vs") corresponding Year-to-date 31 December 2022 ("2022") (Cont'd)

	2023 RM'000	2022 RM'000	Changes	
			RM'000	%
Revenue	1,317,635	1,339,635	(22,000)	-1.6%
Other income/(expenses), net	23,224	(6,620)	29,844	N.M.
Earning before interest, tax, depreciation and amortisation ("EBITDA")	638,950	618,473	20,476	3.3%
Operating profit	530,467	503,018	27,449	5.5%
Profit before tax	476,788	490,569	(13,782)	-2.8%
Profit after tax	451,640	475,727	(24,087)	-5.1%
Profit after tax attributable to owners of the Company	383,708	396,804	(13,096)	-3.3%
Revenue				
Renewable Energy	606,163	596,925	9,238	1.5%
Resources	202,893	206,324	(3,431)	-1.7%
Packaging	402,341	398,964	3,377	0.8%
Sub-total	1,211,397	1,202,213	9,184	0.8%
Investment Holding & Others	106,238	137,422	(31,184)	-22.7%
Total revenue	1,317,635	1,339,635	(22,000)	-1.6%
Profit before tax				
Renewable Energy	437,557	419,698	17,859	4.3%
Resources	23,297	17,385	5,912	34.0%
Packaging	33,600	33,546	54	0.2%
Sub-total	494,454	470,629	23,825	5.1%
Investment Holding & Others	(17,666)	19,940	(37,607)	-188.6%
Total profit before tax	476,788	490,569	(13,782)	-2.8%
Included in PBT of Investment and Others				
Division consist of:				
1 Share of (loss)/profit in equity accounted investments	(13,600)	17,140	(30,740)	N.M.
2 Assets written off, net of partial insurance claims recognised in 2023	(26,936)	-	(26,936)	na
3 Inventories write-offs or writedown	(6,581)	-	(6,581)	na
4 Fair value gain on put option liability	13,943	4,955	8,988	181.4%
5 Gain on foreign exchange	32,048	11,305	20,743	183.5%
6 Income tax penalties	(5,697)	-	(5,697)	na
7 Plant and equipment written off	-	(4,500)	4,500	na

B2. Performance review – 2023 vs 2022 (Cont'd)

Excluding sales contribution of disposed SPSB from both years, Group revenue increased 1.5% from RM1.23 billion in 2022 to RM1.25 billion. Renewable Energy Division expanded 1.5% to RM606.2 million and Packaging Division improved marginally by 0.8% to RM402.3 million. The Resources Division posted a 1.7% decrease in revenue to RM202.9 million

Pre-tax profit of the Group's three core divisions collectively grew 5.1% from RM470.6 million in 2022 to RM494.5 million. Renewable Energy Division rose 4.3% to RM437.6 million. Resources Division expanded 34.0% to RM23.3 million, while Packaging Division came in marginally better at RM33.6 million.

Group's pre-tax profit on the whole however declined 2.8% to RM476.8 million (2022: RM490.6 million), negatively impacted by share of losses in joint venture/associates, one-off charges from fire-related [see Note A10(b)] asset write-offs and income tax penalty [Note A10(a)], and higher inventory write-down/write-off, partially offset by higher forex gain and fair value gains on both investment property and put option liability.

Joint Venture Edenor recorded a share of loss of RM13.1 million in the current year, compared to a share of profit of RM15.7 million in 2022. During the year, Edenor suffered significant capacity loss from plant repair, maintenance and upgrading works and experienced intense price competition in a weak consumer market.

[The remaining of this page was intentionally left blank]

B2. Performance review – 2023 vs 2022 (Cont'd)

Renewable Energy Division

Revenue in 2023 came in 1.5% higher at RM606.2 million (2022: RM596.9 million). Hydro energy sales registered a 1.2% increase to RM597.5 million, while solar energy sales grew 36.1% to RM8.7 million.

Don Sahong recorded an average EAF of 91.4% in 2023, higher than the long term simulated average of 89.0%, but 3.2 percentage-point lower than 2022. The EAF in 2022 was abnormally high due to the absence of turbine maintenance and an unusually high water level during the dry season in that year. Despite a 3.4% year-on-year decline in hydro energy sales volume, revenue was bolstered by a 3.6% currency gain and a 1% tariff adjustment.

A total of 9.1 MWp generation capacity were added to the Group's solar portfolio in the current year, bringing the cumulative installed capacity to 27.0 MWp at the end of 2023 (31 December 2022: 17.9 MWp)

The Division posted a 4.3% year-on-year improvement in pre-tax profit to RM437.6 million (2022: RM419.7 million) on higher revenue and lower net interest expense.

Resources Division

Annual turnover came in slightly lower by 1.7% to RM202.9 million (2022: RM206.3 million) due mainly to lower sales volume of lime products. Demand for lime products during the year generally weakened because of slower mining activities and softer industrial demand. Revenue contribution from non-lime products increased 5.0% to RM18.7 million (2022: RM17.8 million).

Pre-tax profit however rose 34.0% to RM23.3 million in the current year (2022: RM17.4 million) because of export currency gain, higher production efficiency and a favourable change in the sales mix.

Packaging Division

Despite the challenging operating environment and the fire incident, revenue rose marginally by 0.8% to RM402.3 million (2022: RM399.0 million). Pre-tax profit improved slightly by 0.2% to RM33.6 million (2022: RM33.5 million) on stable revenue and close monitoring of operating and production costs.

B2. Performance review – 2023 vs 2022 (Cont'd)

(a) Assets and Liabilities as at 31 December 2023

Changes in key assets and liabilities since 31 December 2022 are explained below:

Asset/Liability Items	As At 31.12.2023 RM'000	As At 31.12.2022 RM'000	Changes RM'000	Explanation
Service concession asset	1,940,046	1,940,823	(777)	The marginal decrease was due to RM88.6 million amortisation charge, largely offset by translation gain of RM87.8 million.
Property, plant and equipment ("PPE")	531,945	481,679	50,266	The increase was due to RM120.5 million CAPEX comprised mainly the following: (a) RM62.0 million by Packaging Division for plant expansion; (b) RM33.3 million for plantation development; and (c) RM18.8 million for solar development. Partially offset by RM38.4 million depreciation charge and RM28.3 million write-offs mainly from the fire incident [further described in Note A10 (b) for details].
Investment properties	168,746	165,203	3,543	The increase was due to gain on change in fair value of investment properties.
Right-Of-Use ("ROU") assets	116,312	119,021	(2,709)	The decrease was largely due to RM4.6 million depreciation charge for the year, partly offset by RM1.8 million new acquisition.
Development expenditures	203,048	74,574	128,474	The increase was attributable to progressive development of Don Sahong 5 th turbine expansion project.
Joint ventures and associates	166,674	174,561	(7,887)	The decrease was due to RM13.6 million share of loss for the year, offset by RM5.7 million new investment.

B2. Performance review – 2023 vs 2022 (Cont'd)

(a) Assets and Liabilities as at 31 December 2023 (Cont'd)

Changes in key assets and liabilities since 31 December 2022 are explained below (Cont'd):

Asset/Liability Items	As At 31.12.2023 RM'000	As At 31.12.2022 RM'000	Changes RM'000	Explanation
Investment in quoted shares	133,278	152,305	(19,027)	The decrease was due to fair value loss of quoted securities.
Inventories (non-current)	40,166	43,443	(3,277)	The decrease was due to write-off of non-qualifying expenses previously capitalised.
Inventories (current)	131,737	147,882	(16,145)	The decrease was mainly due to lower stock level recorded in Packaging Division.
Receivables and prepayments	487,754	437,252	50,502	The increase was mainly due to advanced payments for new capital projects and investments, and a 7% increase in USD receivable from Électricité du Laos ("EDL"), partly offset by deconsolidation effect of SPSB.
Deferred tax liabilities	126,954	124,320	2,634	The increase was mainly due to translation loss.
Payables and accruals (current)	166,535	155,726	10,809	The increase was mainly due to amount owing to EPCC contractor for Don Sahong 5 th turbine expansion project, partially offset by deconsolidation effect of SPSB.

B2. Performance review – 2023 vs 2022 (Cont'd)

(a) Group borrowings and debt securities

The Table below sets out the salient information on the Group's bank borrowings:

	Long-term		Short-term		Total	
	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)
As at 31 December 2023						
Secured						
Trade financing and loans	-	-	-	45,729	-	45,729
Term loans	-	115,019	-	25,933	-	140,952
Revolving credit	-	-	-	90,000	-	90,000
Bank overdrafts	-	-	-	125	-	125
		<u>115,019</u>		<u>161,787</u>		<u>276,806</u>
Unsecured Loan						
Term loan (USD) [^]	76,667	351,900	58,333	267,750	135,000	619,650
Revolving credit	-	-	-	5,000	-	5,000
		<u>351,900</u>		<u>272,750</u>		<u>624,650</u>
Total Borrowings		<u>466,919</u>		<u>434,537</u>		<u>901,456</u>
As at 31 December 2022						
Secured						
Trade financing and loans	-	-	-	53,287	-	53,287
Term loans	-	89,449	-	28,754	-	118,203
Revolving credit	-	-	-	93,073	-	93,073
		<u>89,449</u>		<u>175,114</u>		<u>264,563</u>
Unsecured Loan						
Term loan (USD) [*]	70,000	307,300	31,000	136,090	101,000	443,390
Revolving credit	-	-	-	5,000	-	5,000
		<u>307,300</u>		<u>141,090</u>		<u>448,390</u>
Total Borrowings		<u>396,749</u>		<u>316,204</u>		<u>712,953</u>

[^] - translated at exchange rate of 4.5900 as at 31 December 2023

^{*} - translated at exchange rate of 4.3900 as at 31 December 2022

At 31 December 2023, total borrowings (excluding hire purchase liabilities) amounted to RM901.5 million, an increase of RM188.5 million from RM713.0 million at the end of 2022. The increase was mainly due to RM252.4 million new loan raised to fund the acquisition of additional equity interest in DSPC [as detailed in Note A10(c)] and a RM16.0 million translation loss on USD-denominated loan, partially offset by net repayment of other loans.

Interest rates on the Group's borrowings are floating in nature. The Group has no debt securities as at 31 December 2023.

B2. Performance review – 2023 vs 2022 (Cont'd)

(b) Cash flow analysis for the financial year ended 31 December 2023

In 2023, the Group generated RM586.8 million after-tax cash from its operating activities and RM25.1 million income from its investments. Together with RM43.3 million equity proceeds raised from minority shareholders, the total funds made available to the Group during the year amounted to RM655.2 million.

Of the RM655.2 million total funds made available to the Group, RM657.6 million was deployed in the following manner:

- (a) RM443.4 million for investing activities, comprising:
- i. RM124.9 million for development of Don Sahong's 5th turbine;
 - ii. RM122.2 million for Capex (PPE and ROU assets, as explained in Note B2);
 - iii. RM176.1 million (net of RM252.4 million debt) for acquisition of additional 20% equity interest in DSPC; and
 - iv. RM20.2 million for strategic investments.
- (b) RM214.2 million for distribution to stakeholders, comprising:
- i. RM81.7 million dividends paid to shareholders of the Company and non-controlling interest of a subsidiary;
 - ii. RM40.1 million finance cost paid to lenders;
 - iii. RM84.1 million net loan repayment to lenders; and
 - iv. RM8.3 million share-buyback of the Company's shares.

After factoring translation effects, the Group's bank balances and deposits rose RM16.4 million from RM492.3 million at the beginning of the year to RM508.7 million at 31 December 2023. Net gearing of the Group rose from 6.9% to 12.2%.

[The remaining of this page was intentionally left blank]

B3. Variation of Current Quarter ("4Q2023") versus ("vs") Preceding Quarter ("3Q2023")

	4Q2023	3Q2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	324,249	320,380	3,869	1.2%
Other income, net	18,270	1,923	16,347	850.1%
Earning before interest, tax, depreciation and amortisation ("EBITDA")	182,992	172,131	10,861	6.3%
Operating profit	154,404	145,822	8,582	5.9%
Profit before tax	138,773	131,532	7,241	5.5%
Profit after tax	138,342	127,104	11,238	8.8%
Profit after tax attributable to owners of the Company	122,020	102,531	19,489	19.0%
Revenue				
Renewable Energy	168,608	164,229	4,379	2.7%
Resources	46,410	48,310	(1,900)	-3.9%
Packaging	100,361	98,084	2,277	2.3%
Sub-total	315,379	310,623	4,756	1.5%
Investment Holding & Others	8,870	9,757	(887)	-9.1%
Total revenue	324,249	320,380	3,869	1.2%
Profit before tax				
Renewable Energy	120,664	122,796	(2,132)	-1.7%
Resources	6,218	5,508	710	12.9%
Packaging	8,075	10,110	(2,035)	-20.1%
Sub-total	134,957	138,414	(3,457)	-2.5%
Investment Holding & Others	3,816	(6,882)	10,698	-155.4%
Total profit before tax	138,773	131,532	7,241	5.5%
Included in PBT of Investment and Others Division consist of:				
1 Share of loss in equity accounted investments	(3,895)	(3,959)	64	-1.6%
2 Assets written off, net of partial insurance claims recognised in 2023	(26,936)	-	(26,936)	na
3 Inventories write-offs or writedown	(3,305)	-	(3,305)	na
4 Fair value gain/(loss) on put option liability	17,005	(1,020)	18,025	N.M.
5 Gain on foreign exchange	16,883	863	16,020	1856.3%
6 Writeback of income tax penalties	9,232	-	9,232	na

B3. Variation of 4Q2023 vs 3Q2023 (Cont'd)

Group turnover improved marginally by 1.2% from RM320.4 million to RM324.2 million due primarily to higher sales contribution from the Renewable Energy Division (+2.7% to RM168.6 million) and the Packaging Division (+2.3% to RM100.4 million), partially reduced by a 3.9% decrease in revenue of the Resources Division to RM46.4 million.

Group PBT grew 5.5% from RM131.5 million to RM138.8 million, bolstered by higher earnings contribution from Investment Holding and Others Division (RM3.8 million profit versus RM6.9 million loss in the preceding quarter), which more than offset a 2.5% decline in profit contribution from the Group's three core divisions (RM135.0 million versus RM138.4 million in the preceding quarter). Renewable Energy Division recorded a 1.7% sequential decline in PBT to RM120.7 million while the Packaging Division reported a 20.1% quarter-on-quarter decline to RM8.1 million. These were partially offset by a 12.9% increase in PBT of Resources Division to RM6.2 million.

PBT of Investment Holding and Others Division was boosted by fair value gain on remeasurement of put option liability, higher forex gain and write back on income tax penalties, partly offset by fire-related asset write offs and inventory write-off/writedown. The share of loss in joint venture/associates in current quarter narrowed marginally by 1.6% to RM3.9 million mainly on lower share of losses in Edenor.

Renewable Energy Division

Revenue increased 2.7% to RM168.6 million (3Q2023: RM164.2 million) mainly on 1.5% currency gain, a 1% hydro tariff adjustment and a 13.2% increase in solar revenue to RM2.5 million on higher solar capacity installation.

Don Sahong hydropower plant registered an average EAF of 97.4% in the current quarter, a tad lower than 97.6% in the preceding quarter on the onset of the dry season in December.

Pre-tax profit however contracted 1.7% quarter-to-quarter to RM120.7 million (3Q2023: RM122.8 million) primarily on higher expected credit loss ("ECL") charges.

[The remaining of this page was intentionally left blank]

B3. Variation of 4Q2023 vs 3Q2023 (Cont'd)

Resources Division

Revenue declined 3.9% quarter-on-quarter to RM46.4 million (3Q2023: RM48.3 million) due mainly to lower sales volume of lime products amid a softer regional demand.

Pre-tax profit however improved 12.9% to RM6.2 million (3Q2023: RM5.5 million) mainly on a favourable change in the sales mix and improved production efficiency.

Packaging Division

Revenue improved 2.3% to RM100.4 million (3Q2023: RM98.1 million) on a broader customer base despite operational disruptions caused by the fire incident at end September.

Pre-tax profit however declined 20.1% to RM8.1 million (3Q2023: RM10.1 million) due mainly to operational disruptions caused by the fire incident.

[The remaining of this page was intentionally left blank]

B4. Prospects

Despite a challenging operating environment, the Group recorded pre-tax profit improvements in all its core divisions in 2023. Collectively, the Renewable Energy, Packaging and Resources Divisions posted a 5.1% increase in PBT to RM494.5 million in 2023, generating a Group after-tax positive cash flow of RM586.8 million from its operating activities.

The operating environment is anticipated to pose persistent challenges throughout 2024. The outlook for demand recovery remains uncertain, adding an element of unpredictability to the economic landscape. Despite subdued inflation in some areas, it persists at stubbornly high levels in others, further complicating economic dynamics.

The ongoing conflicts in Ukraine and Gaza are escalating the risk of supply chain disruptions, intensifying the challenges faced by businesses globally. These geopolitical tensions highlight the need for organisations to stay vigilant and agile in adapting to potential disruptions.

Meanwhile, consumer demand in China continues to exhibit weakness, contributing to the overall complexity of the economic environment. Navigating through these uncertainties requires a proactive approach, with businesses remaining resilient and adaptable to mitigate potential risks. In this intricate scenario, strategic planning, risk management, and flexibility will be crucial for organisations to thrive despite the prevailing challenges.

Overall, the Board expects pre-tax profit of the Group's core divisions to continue to grow year-on-year in 2024. Notably, the Renewable Energy Division will benefit from the expected commercial operation of Don Sahong's 5th turbine expansion from July 2024 and progressive installation of its solar capacity. Additionally, net profit attributable to shareholders of the Company will get a further lift from the increase in effective equity interest in DSPC from 80% to 95% from 1 January 2024.

The Group's joint venture and associates recorded a share of loss of RM13.6 million in 2023, primarily because of a RM13.1 million share of loss from Edenor. While the operating environment of the oleochemical industry will likely remain challenging in 2024 from overcapacity and intense price competition, we are optimistic the management team will be able to turnaround the business in 2024 as production reliability stabilises following massive plant improvements and upgrades in 2023.

Renewable Energy Division

Hydropower – Don Sahong

Don Sahong posted a record high PBT of RM437.6 million in 2023 (+4.3% year-on-year) despite a 3.4% decline in the average EAF to 91.4% due mainly to currency gains, a 1% hydro energy tariff adjustment and lower net interest expense.

We expect pre-tax profit to grow significantly in 2024. Management's optimism is premised on:

B4. Prospects (Cont'd)

Renewable Energy Division (Cont'd)

Hydropower – Don Sahong (Cont'd)

- 1) Expected further currency gain, assuming the RM:USD exchange rate is sustained at today's level of about RM4.77/USD compared to an average of RM4.56/USD in 2023.
- 2) Additional generation capacity from the expected commercialisation of the 5th turbine in July 2024. The 65 MW 5th turbine will increase Don Sahong's generation capacity to 325 MW from 260 MW currently. We expect the 5th turbine to record an average EAF of about 40% on an annualised basis.
- 3) A 1% energy tariff adjustment.

Partially offset by higher net interest expense from additional bank borrowings to help fund the acquisition of the remaining 20% equity interest in DSPC. Following the acquisition, the Group's outstanding borrowing for DSPC (at that point in time) increased from US\$80 million to US\$135 million as at 31 December 2023.

Solar – Commercial & Industrial ("C&I") Projects

Solar energy sales revenue grew 36.1% to RM8.7 million in 2023 with 9.1 MWp added during the year to reach a cumulative energised capacity of 27.0 MWp. We expect earnings to continue to grow in 2024 on progressive installation of secured solar capacities.

At the date of this report, the Group has secured an additional 65.5 MWp solar projects, as summarised below:-

- a) 7.6 MWp C&I solar projects, which are expected to be progressively commissioned and energised in 2024;
- b) 11.4 MWp solar farm project with Fenaka Corporation Limited, a state utility company in the Republic of Maldives. This project is expected to be completed in 2024; and
- c) 46.5 MWp solar farm project in Malaysia under the Corporate Green Power Programme ("CGPP") of the Energy Commission. We expect the project to achieve commercial operation in 2025.

Upon completion of the above, these projects will bring the Group's total solar portfolio to 92.5 MWp, from 27.0 MWp as at 31 December 2023.

The National Energy Transition Roadmap ("NETR") launched in August 2023 and related plans announced by the Ministry of Natural Resources, Environment and Climate Change ("NRECC") will further drive the development of Malaysia's RE industry. We believe the implementation of these initiatives will open more RE investment opportunities to the Group.

B4. Prospects (Cont'd)

Resources Division

Despite a marginal 1.7% decline in revenue to RM202.9 million, the Resources Division delivered its best pre-tax profit of RM23.3 million in 2023, representing a 34.0% year-on-year growth.

Looking ahead, the operating environment in 2024 is expected to remain challenging, primarily due to subdued mining activities in the region and weaker domestic industrial demand. To address this, management is actively working on expanding the regional customer base. Despite these headwinds, the company expects total lime product sales volume to show improvement compared to 2023.

The introduction of a 6% Sales and Service Tax on transport services starting from March 1, 2024, along with potential diesel subsidy removal, is expected to raise logistic and production costs. Additionally, if the conflict in the Middle East persists, it could lead to an increase in freight costs in the region. Management remains vigilant, closely monitoring the situation, and is prepared to make adjustments to pricing and distribution channels accordingly.

Overall, management expresses optimism that the division will deliver similar or improved earnings in 2024.

Packaging Division

The Packaging Division posted record revenue and pre-tax profit of RM402.3 million (+0.8%) and RM33.6 million (+0.2%), respectively in 2023. This accomplishment is noteworthy considering the heightened competitive landscape and subdued consumer demand experienced during the year.

Looking ahead to 2024, the operating environment is expected to remain challenging, mirroring the conditions faced in the previous year. However, the management remains optimistic about sustaining earnings growth. This optimism is grounded in the ongoing initiatives to broaden the customer base and increase customer penetration.

Progress is being made in the restoration of the facility damaged by the fire, with expectations for full operational capability by April 2024. Additionally, the construction of two new factory buildings in Melaka (Hexachase) and Bangi (Stenta) is on track for completion in the 2nd quarter of 2024. These developments underscore the company's commitment to expansion and resilience in the face of challenges.

B5. Profit forecast

The Group did not issue any profit forecast or profit guarantee.

B6. Income tax expense

	4th Quarter Ended		Financial Year Ended	
	31 December		31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Tax expense for current period	431	1,614	13,750	14,842
Tax expense for previous years:				
- additional assessment (Note A10)	-	-	11,398	-
	<u>431</u>	<u>1,614</u>	<u>25,148</u>	<u>14,842</u>

Excluding additional tax assessment explained in Note A10(a), the Group's effective tax rate for the current quarter and financial year ended 31 December 2023 was significantly lower than the Malaysia's statutory tax rate of 24% mainly because the profit derived from energy sales in the Lao People's Democratic Republic ("Lao PDR") is exempted from income tax during the period until the end of the 5th anniversary of Don Sahong Plant's commercial operation date ("COD").

[The remaining of this page was intentionally left blank]

B7. Status of corporate proposal

There was no corporate proposal announced but not completed at 21 February 2024, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B8. Material litigations

The Group has no material litigation as at 21 February 2024, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B9. Dividends

During the current quarter and financial year ended 31 December 2023, the Company declared and/or paid the following dividends:

- (a) A final single-tier dividend of 3.85 sen per ordinary share for the financial year ended 31 December 2022 was declared on 27 February 2023 and paid to entitled shareholders on 25 April 2023;
- (b) An interim single-tier dividend of 4.0 sen per ordinary share for the financial year ended 31 December 2023 was declared on 24 August 2023 and paid to entitled shareholders on 13 October 2023.
- (c) The Board is declaring a second and final dividend of 4.25 sen per ordinary share for the financial year ended 31 December 2023. The dividend has not been included as a liability in these financial statements. The entitlement and payment dates will be announced later.
- (d) Total dividend declared for the current financial year was 8.25 sen (2022: 7.45 sen) per ordinary share.

[The remaining of this page was intentionally left blank]

B10. Detailed disclosure for consolidated statement of profit or loss and other comprehensive income

	4th Quarter Ended 31 December		Financial Year Ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
After crediting:				
Dividend income	431	621	1,471	1,626
Fair value gain on:				
- investment properties	3,543	-	3,543	-
- put option liability	17,005	6,998	13,943	4,955
Gain on disposal of:				
- a subsidiary	-	-	1,020	-
- property, plant and equipment	74	26	151	172
Gain on foreign exchange:				
- realised	13,794	2,270	28,247	3,406
- unrealised	3,089	-	3,801	7,899
Interest income	6,680	3,510	23,593	6,169
Write-back of:				
- impairment loss on receivables	395	14	865	763
After charging:				
Amortisation of:				
- service concession asset	(22,827)	(22,224)	(88,638)	(85,525)
- other intangible asset	(127)	(165)	(508)	(478)
Depreciation of:				
- property, plant and equipment	(12,447)	(14,218)	(38,418)	(37,350)
- right-of-use assets	133	1,882	(4,639)	(4,050)
Finance costs	(11,736)	(10,126)	(40,079)	(29,589)
Impairment losses on:				
- property, plant and equipment	(555)	-	(555)	-
- receivables, net	(11,974)	(9,160)	(32,293)	(28,704)
Inventories written down	(4,971)	(808)	(5,001)	(829)
Inventories written off	(1)	(194)	(3,277)	(194)
Loss on foreign exchange:				
- unrealised	-	(9,276)	-	-
Plant and equipment written off	(385)	-	(388)	(4,500)
Assets written off, net of partial insurance claims recognised	(26,936)	-	(26,936)	-
Fair value loss on:				
Tax penalties writeback/(expense)	9,232	-	(5,697)	-
After other comprehensive income/(expenses)				
Foreign currency translation difference for foreign operations				
- changes in current period	(71,506)	(117,861)	79,362	87,740
Fair value changes of equity investments	7,753	10,085	(18,711)	(47,993)

Except for those disclosed above, there were no gain or loss on disposal of quoted or unquoted investments.

B11. Earnings per share

	4th Quarter Ended 31 December		Financial Year Ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to owners of the Company	122,020	95,170	383,708	396,804
Weighted average number of ordinary shares ('000):				
Issued ordinary shares outstanding at beginning of the period	988,352	988,352	988,352	988,352
Effect of treasury shares held	(45,593)	(43,046)	(44,353)	(43,025)
	942,759	945,306	943,999	945,327
Basic earnings per share (sen)	12.94	10.07	40.65	41.98

The basic earnings per share is calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and financial year ended 31 December 2023, excluding treasury shares held by the Company.

The diluted earnings per share is equal to the basic earnings per share as there are no outstanding potentially dilutive equity instruments issued by the Company as at 31 December 2023.

B12. Authorised for issue

These interim financial statements were authorised for issue by the Board of Directors on 28 February 2024.

[The remaining of this page was intentionally left blank]