Mega First Corporation Berhad

Registration No. 196601000210 (6682-V)
Incorporated in Malaysia

Interim Financial Report
31 December 2024

Mega First Corporation Berhad

Registration No. 196601000210 (6682-V)

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For The Fourth Quarter and Financial Year Ended 31 December 2024

		4th Quarter Ended		Financial Year Ended	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
		RM'000	RM'000	RM'000	RM'000
Revenue		724,445	324,249	1,741,879	1,317,635
Cost of sales		(530,002)	(167,994)	(1,085,098)	(748,281)
Gross profit		194,443	156,255	656,781	569,354
Other income		37,876	53,476	112,069	108,983
Other operating expenses		(11,067)	(35,206)	(50,388)	(85,759)
Administrative and distribution expenses		(24,758)	(20,121)	(80,718)	(62,111)
Profit from operations		196,494	154,404	637,744	530,467
Finance costs		(14,919)	(11,736)	(62,183)	(40,079)
Share of results in equity accounted investments, net of tax		(35,127)	(3,895)	(66,242)	(13,600)
Profit before tax		146,448	138,773	509,319	476,788
Income tax expense		118	(431)	(18,301)	(25,148)
Profit after tax for the period/year		146,566	138,342	491,018	451,640
Other comprehensive income		187,387	(62,763)	(114,011)	61,641
Total comprehensive income for the period/year		333,953	75,579	377,007	513,281
Profit after tax attributable to:					
- Owners of the Company		141,715	122,020	459,178	383,708
- Non-controlling interests		4,851	16,322	31,840	67,932
		146,566	138,342	491,018	451,640
Total comprehensive income attributable to:					
- Owners of the Company		326,164	64,139	347,714	427,722
- Non-controlling interests		7,789	11,440	29,293	85,559
		333,953	75,579	377,007	513,281
EPS - Basic (sen)	B11	15.04	12.94	48.71	40.65

The notes set out on pages 7 to 35 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 Financial Position
As at 31 December 2024

	Unaudited As At 31.12.2024 RM'000	Audited As At 31.12.2023 RM'000
ASSETS		
Non-Current Assets		
Service concession asset	2,175,656	1,940,046
Property, plant and equipment	775,791	531,945
Natural resources rights	337,515	-
Receivable and prepayment	246,445	-
Investment properties	261,679	168,746
Right of use assets	117,549	116,312
Joint ventures and associates	173,426	166,674
Investment in quoted shares	87,351	133,278
Development expenditures	884	203,048
Goodwill on consolidation	57,927	54,673
Inventories	40,166	40,166
Investment in unquoted shares	669	669
Deferred tax asset	-	2,932
	4,275,058	3,358,489
Current Assets		
Inventories	185,896	131,737
Biological assets, at fair value	301	-
Receivables and prepayments	391,780	490,098
Investment in unquoted shares	-	19,500
Bank balances and deposits	269,191	508,587
	847,168	1,149,922
TOTAL ASSETS	5,122,226	4,508,411
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	743,121	743,121
Treasury shares	(46,473)	(45,517)
Reserves	2,627,876	2,359,304
	3,324,524	3,056,908
Non-Controlling Interests	219,930	167,110
Total Equity	3,544,454	3,224,018
Non-Current Liabilities		
Long-term borrowings	530,924	466,128
Deferred tax liabilities	133,853	126,954
Put option liability	69,220	70,759
Lease and hire purchase liabilities	8,435	9,943
Payables	636	588
	743,068	674,372
Current Liabilities		
Payables and accruals	214,530	168,823
Short-term borrowings	616,387	435,203
Lease and hire purchase liabilities	3,787	5,995
	834,704	610,021
Total Liabilities	1,577,772	1,284,393
TOTAL EQUITY AND LIABILITIES	5,122,226	4,508,411
Net Assets Per Ordinary Share (RM)	3.53	3.24

The notes set out on pages 7 to 35 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 financial year 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 01.01.2023	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 year	-	-	62,725	(18,711)	-	-	383,708	427,722	85,559	513,281
Total transactions with owners:										
- Dividends to shareholders of the Company	-	-	-	-	-	-	(74,105)	(74,105)	-	(74,105)
- Purchase of treasury shares	-	(8,256)	-	-	-	-	-	(8,256)	-	(8,256)
	-	(8,256)	-	-	-	-	(74,105)	(82,361)	-	(82,361)
Distribution by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	(7,576)	(7,576)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(5,147)	(5,147)
Subscription of shares in subsidiary by non-controlling interests	-	-	-	-	-	-	-	-	43,324	43,324
Effect on accretion of interest in a subsidiary	-	-	-	-	-	-	(39,100)	(39,100)	(389,429)	(428,529)
Balance at 31.12.2023	743,121	(45,517)	139,813	73,620	27,394	(88,556)	2,207,033	3,056,908	167,110	3,224,018

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

Unaudited Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the financial year ended 31 December 2024

	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 01.01.2024	743,121	(45,517)	139,813	73,620	27,394	(88,556)	2,207,033	3,056,908	167,110	3,224,018
Total comprehensive income for the period	-	-	(68,303)	(43,161)	-	-	459,178	347,714	29,293	377,007
Total transactions with owners:										
- Dividend to shareholders of the Company	-	-	-	-	-	-	(82,485)	(82,485)	-	(82,485)
- Purchase of treasury shares	-	(956)	-	-	-		-	(956)	-	(956)
	-	(956)	-	-	-	-	(82,485)	(83,441)	-	(83,441)
Dividend by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(14,975)	(14,975)
Effect on accretion of interest in a subsidiary	-	-	-	-	-	-	3,003	3,003	(9,382)	(6,379)
Effect on dilution of interest in a subsidiary							340	340	(330)	10
Subscription of shares in subsidiary by non-controlling interests									162	162
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	48,052	48,052
Gain arising from disposal of equity investments recycled to retained profits	-	-	-	(1,657)	-	-	1,657	-	-	-
Balance at 31.12.2024	743,121	(46,473)	71,510	28,802	27,394	(88,556)	2,588,726	3,324,524	219,930	3,544,454

The notes set out on pages 7 to 35 form an integral part and should be read in conjunction with this interim financial report.

Mega First Corporation Berhad
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Unaudited Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 December 2024

		Financial Year Ended	
		31.12.2024	**31.12.2023**
		RM'000	**RM'000**
Cash flows from/(for) operating activities			
Profit before tax		509,319	476,788
Adjustments for non-cash flow	- Non-cash items	155,600	197,417
	- Non-operating items	43,408	10,301
Operating profit before working capital changes		708,327	684,506
Changes in working capital	- Net change in assets	(192,551)	(98,515)
	- Net change in liabilities	(23,700)	26,435
Cash from operations		492,076	612,426
Income tax paid		(18,606)	(25,577)
Net cash from operating activities		473,470	586,849
Cash flows (for)/from investing activities			
Net cash outflow on acquisition of subsidiaries		(5,417)	-
Development expenditures/Contract costs paid for:			
- Don Sahong Hydropower Project		(83,722)	(124,882)
- Solar Project in Maldives		(27,087)	-
Capital expenditures prepaid for solar project in Malaysia		(12,125)	-
Dividends received		2,091	1,471
Interest received		24,190	23,593
Insurance claims received		27,797	-
Investment in joint venture and associate		(73,000)	(5,713)
Net cash outflow from deconsolidation/disposal of subsidiaries		(48)	(1,986)
Payments for purchase of:			
- natural resources rights		(337,515)	-
- property, plant and equipment		(208,301)	(120,523)
- investment properties		(76,682)	-
- right of use assets		(1,763)	(1,653)
- quoted shares		(1,200)	-
- unquoted shares		-	(14,500)
Proceeds from disposal of:			
- property, plant and equipment		1,115	2,179
- quoted shares		3,966	-
Proceed from redemption of unquoted shares, net		4,500	-
Purchase of equity shares in subsidiary from non-controlling interest		(6,379)	(428,529)
Net cash for investing activities		(769,580)	(670,543)

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

Unaudited Condensed Consolidated Statement of Cash Flows (Cont'd)
For the financial year ended 31 December 2024

	Financial Year Ended	
	31.12.2024	**31.12.2023**
	RM'000	**RM'000**
Cash flows from/(for) financing activities		
Dividends paid to:		
- shareholders of the Company	(82,485)	(74,105)
- subsidiary's non-controlling interests	(14,975)	(7,576)
Finance costs paid	(61,920)	(40,079)
Net drawdown/(repayment) of:		
- Revolving credits, trade financing and loans	177,580	(10,631)
- Hire Purchase liabilities	(9,283)	(4,028)
- Term loans	53,391	183,009
Proceeds from issuance of shares by subsidiaries to non-controlling interests	172	43,324
Purchase of treasury shares	(956)	(8,256)
Withdrawal/(Placement) of deposits pledged with licensed banks or deposits with original maturity period of > 3 months	5,737	(36,172)
Net cash from financing activities	67,261	45,486
Effect of foreign exchange translation	(5,681)	18,369
Net decrease in cash and cash equivalents	(234,530)	(19,839)
Cash and cash equivalents at beginning of the year	462,934	482,773
Cash and cash equivalents at end of the year	228,404	462,934

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

Bank balances and deposits	269,191	508,587
Bank overdrafts	(871)	-
	268,320	508,587
Less:		
- Deposits with original maturity period of more than three months	(11,113)	(16,979)
- Bank deposits pledged with licensed banks	(28,803)	(28,674)
	228,404	462,934

The notes set out on pages 7 to 35 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 2023.

(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 2023, 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 2024. 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)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

(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 2024:

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 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
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability – Disclosures	1 January 2027

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 2023 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 Note B3 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 items disclosed in Notes B1, B2, B3 and B10.

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 2024	988,352	(45,593)	743,121	(45,517)
Shares repurchased in current period	-	(218)	-	(956)
At 31 December 2024	988,352	(45,811)	743,121	(46,473)

Of the total 988,352,102 issued ordinary shares as at 31 December 2024, 45,810,600 ordinary shares were held as treasury shares by the Company. Accordingly, the number of outstanding ordinary shares in issue as at 31 December 2024 was 942,541,502.

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

12-Month Period Ended 31 December 2024	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External revenue	1,032,250	223,621	399,167	86,841	-	1,741,879
Inter-segment revenue	-	-	-	47,158	(47,158)	-
Consolidated revenue	1,032,250	223,621	399,167	133,999	(47,158)	1,741,879
Results						
Profit from operations	543,236	48,279	38,658	56,985	(49,414)	637,744
Finance costs						(62,183)
Share of loss in equity accounted investments						(66,242)
Profit before tax						509,319
Income tax expense						(18,301)
Profit after tax						491,018
Total assets						
At 31 December 2024	3,178,278	384,463	628,587	1,147,088	(216,190)	5,122,226

12-Month Period 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	606,163	202,893	402,341	263,532	(157,294)	1,317,635
Results						
Profit from operations	464,602	20,803	14,344	189,741	(159,023)	530,467
Finance costs						(40,079)
Share of losses in equity accounted investments						(13,600)
Profit before tax						476,788
Income tax expense						(25,148)
Profit after tax						451,640
Total assets						
At 31 December 2023	2,936,080	368,284	503,807	882,775	(182,535)	4,508,411

A8. Dividend paid

Details of dividend declared and paid during the current quarter and financial year ended 31 December 2024 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 19 February 2025, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

A10. Significant event during the reporting period

(a) Acquisition of CSC Agriculture Holdings Sdn Bhd ("CSCAH")

A wholly-owned subsidiary of MFCB, Mega First Agrotech Sdn Bhd (formerly known as Lifestyle Wellness Sdn Bhd) had on 8 May 2024 entered into a Share Subscription Agreement with CSCAH and the existing shareholders of CSCAH to subscribe for 13,551,072 ordinary shares in CSCAH for a total consideration of RM25.0 million **("Shares Subscription")**.

CSCAH is an investment holding company, with subsidiaries principally engaged in fruits and vegetable farming and wholesaling. Currently, it operates and manages more than 1,100 acres of farmland in the states of Johor and Pahang with development areas exceeding 600 acres planted with various crops, including a modern greenhouse farming clean leafy vegetables.

The Shares Subscription was completed on 28 May 2024. Since then, CSCAH and its subsidiaries ("CSC") constitute part of MFCB Group where MFCB holds 40% effective equity interest in CSC.

(b) Execution of Supplemental Concession Agreement ("SCA") and Supplemental Power Purchase Agreement ("SPPA") for 5 turbines

Following the successful commissioning of the fifth turbine generator on July 4, 2024, the total generation capacity of the Don Sahong Hydropower Project ("DSHP") has increased to 325 MW, with an expected annual energy production of approximately 2,300 GWh. In December 2024, MFCB, through its indirectly partially owned subsidiary, Don Sahong Power Company Ltd ("DSPC"), entered into a SCA with the Government of the Lao People's Democratic Republic ("GOL") and a SPPA with Electricité Du Laos ("EDL"). These agreements covered all five turbines of the DSHP, including the original four turbine and generator units, which have been operational since January 7, 2020, with a combined capacity of 260 MW.

Pursuant to the SCA and SPPA, the new concession period will span 25 years, commencing from the Final Commercial Operation Date ("FCOD") of January 1, 2025, and concluding on December 31, 2049.

A10. Significant event during the reporting period (Cont’d)

(b) Execution of Supplemental Concession Agreement (“SCA”) and Supplemental Power Purchase Agreement (“SPPA”) for 5 turbines (Cont’d)

1. Key Changes to the SCA Terms:

(i) The concession period for the entire 325MW DSHP, has been extended by 4 years and 3 months. The new 25-year term begins on January 1, 2025 (previously October 1, 2020, for the four turbines) and will now end on December 31, 2049, compared to the previous expiration date of September 30, 2045;

(ii) DSPC has agreed to pay US$82.5 million upfront to the GOL to acquire the natural resources (water) rights for the DSHP site, covering the period from January 1, 2024, to December 31, 2049. This payment secures the rights for the annual generation of 2,140 GWh of energy, exempting DSPC from paying royalties on energy generation up to this threshold. For energy generation exceeding 2,140 GWh, royalty payments will continue to apply at the rates specified in the SCA. This upfront payment replaces the annual royalty obligations for the specified energy generation; and

(iii) Originally, DSPC was granted a 5-year tax exemption on taxable income until September 30, 2025, with a tax rate of 24% thereafter. Under the SCA, the tax exemption period has been extended by 3 months to December 31, 2025. Additionally, the tax rate will be reduced for the subsequent 4 years (from 2026 to 2029) before increasing to the standard rate of 24% in 2030 and thereafter.

2. Key Changes to the SPPA Terms:

(i) The SPPA term has been revised to align with the new concession period outlined in the SCA, as detailed in section (b)(1)(i) above. The SPPA will now commence on January 1, 2025, and conclude on December 31, 2049;

(ii) During the dry season (November to May), EDL is obligated to purchase and pay for all available energy on a take-or-pay basis throughout the SPPA term. During the wet season (June to October), EDL will purchase and pay for energy availability of up to 955 GWh annually on a take-or-pay basis. For energy availability exceeding 955 GWh, EDL will purchase and pay based on actual energy dispatch; and

(iii) The levelised tariff remains unchanged at the previous rate of 6.15 US cents per kWh. However, the starting tariff will reset to 6.00 US cents per kWh in 2025. The tariff will then increase progressively, reaching 6.20 US cents per kWh by 2029, and will remain at this rate until the end of the concession period on December 31, 2049.

The SCA and SPPA are expected to enhance the Group’s net assets and earnings in the future.

Other than the above, there was no 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 19 February 2025, 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

Changes in the composition of the Group during the financial year ended 31 December 2024 are as follows:

1. On 22 January 2024, Authentic Excellence Sdn Bhd ("AESB"), a wholly-owned subsidiary of MFCB acquired 10,000 ordinary shares representing 100% equity interest in Grand Ascent Sdn Bhd ("GASB") for RM1,500. Since then, GASB became an indirect wholly-owned subsidiary of MFCB. GASB was dormant prior to the aforesaid date and its intended business activity involves the development and operation of a medical centre;

2. Two of the Company's indirect wholly-owned dormant subsidiaries, namely Mega First Power Services Sdn Bhd ("MFPS") and Bayangan Sutera Sdn Bhd ("BSSB") have on 19 March 2024 commenced members' voluntary liquidation. Accordingly, the financial results of MFPS and BSSB have been deconsolidated from MFCB's group accounts with effect from the aforesaid date;

3. On 6 April 2024, Mega First Green Farms Limited, a 100%-owned subsidiary of MFCB incorporated a wholly-owned subsidiary named Mega First Green Harvest (Cambodia) Co., Ltd ("MFGH") with a registered share capital of Cambodia Riel ("KHR") 4,000,000. The principal activity of MFGH is to engage in the business of manufacturing and trading of fruits, grains and other food products.

4. On 25 April 2024, MFCB incorporated a wholly-owned subsidiary named Don Sahong Investments Limited ("DSHL") with an issued and paid-up capital of USD1,000. The principal activity of DSHL is investment holding;

5. Acquisition of CSC as detailed in Note A10; and

6. A wholly-owned subsidiary of MFCB, Bloxwich International Sdn Bhd ("BISB") has on 11 September 2024 completed an acquisition of 148,944 ordinary shares representing 80% equity interest in OPT Precision Sdn Bhd ("OPT") for RM2,080,003. Since then, OPT became an indirect subsidiary of MFCB. OPT was established in August 2002 and principally involved in the manufacture and trading of all kinds of forging, pressing, stamping and roll-forming metal, precision tooling, fabrication of metal products and related business. OPT operates two (2) production facilities in the state of Kedah and is accredited with ISO 9001 - Quality Management Systems certification.

A13. Changes in contingent liabilities and assets

(a) Contingent liability

The Group has no contingent liability as at 19 February 2025, 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 19 February 2025, 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 2024, the Group has the following capital commitments:

	RM'000
Property, plant and equipment	
Approved and contracted for	188,278

A15. Significant related party transactions

There was no significant related party transaction during the current quarter and the financial year ended 31 December 2024 other than the following transactions made by the Company:

	4th Quarter Ended 31 December		Financial Period Ended 31 December	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
A Major Shareholder of the Company				
Term loan repaid	-	-	47,234	95,785
Interest expense	5,634	7,483	24,935	25,012

	31.12.2024 RM'000	31.12.2023 RM'000
Corporate guarantees given to lenders and supplier of joint ventures and associates	418,891	285,360

A16. Derivative financial instruments

	31.12.2024 RM'000	31.12.2023 RM'000
Derivative liability		
Put option liability over shares of a subsidiary held by non-controlling interest	69,220	70,759

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.

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

B1. Performance review - Current quarter ended 31 December 2024 ("4Q2024") versus ("vs") the corresponding quarter ended 31 December 2023 ("4Q2023")

		4Q2024	4Q2023	Changes	
		RM'000	RM'000	RM'000	%
	Revenue	724,445	324,249	400,196	123.4%
	Other income	37,876	53,476	(15,600)	-29.2%
	Other expenses	(11,067)	(35,206)	24,139	-68.6%
	Earning before interest, tax, depreciation and amortisation ("EBITDA")	226,500	182,845	43,655	23.9%
	Operating profit	196,494	154,404	42,090	27.3%
	Profit before tax	146,448	138,773	7,675	5.5%
	Profit after tax	146,566	138,342	8,224	5.9%
	Profit after tax attributable to owners of the Company	141,715	122,020	19,695	16.1%
	Revenue				
	Renewable Energy	171,373	168,608	2,765	1.6%
	Resources	42,878	46,410	(3,532)	-7.6%
	Packaging	93,902	100,361	(6,459)	-6.4%
	Sub-total	308,153	315,379	(7,226)	-2.3%
	Construction Revenue	383,248	-	383,248	na
	Investment Holding & Others	33,044	8,870	24,174	272.5%
	Total revenue	724,445	324,249	400,196	123.4%
	Profit before tax				
	Renewable Energy	133,946	120,664	13,282	11.0%
	Resources	6,617	6,218	399	6.4%
	Packaging	4,043	8,075	(4,032)	-49.9%
	Sub-total	144,606	134,957	9,649	7.1%
	Construction Profit	36,639	-	36,639	na
	Investment Holding & Others	(34,797)	3,816	(38,613)	N.M.
	Total profit before tax	146,448	138,773	7,675	5.5%
	Significant income/(expense) items:				
1	Share of loss in equity accounted investments	(35,127)	(3,895)	(31,232)	801.8%
2	Insurance income reversal for / Write-offs of assets damaged by fire incident	(289)	(26,936)	26,647	-98.9%
3	Inventories writedown	-	(3,305)	3,305	-100.0%
4	Fair value gain on put option liability	4,187	17,005	(12,818)	-75.4%
5	Fair value (loss)/gain on investment properties	(7,994)	3,543	(11,537)	N.M.
6	Gain on foreign exchange	10,782	16,883	(6,101)	-36.1%
7	Writeback of income tax penalties	-	9,232	(9,232)	-100.0%

B1. Performance review - 4Q2024 vs 4Q2023 (Cont'd)

Group revenue for the current quarter increased significantly by 123.4% year-on-year, reaching RM724.4 million, compared to RM324.2 million in the same quarter last year. This surge was primarily driven by the recognition of RM383.2 million in construction revenue from service concession agreements with the GOL for the Don Sahong 5th turbine expansion and with the Maldivian government for the development of an 11.4 MWp solar farm. Additionally, there was a contribution of RM22.7 million from the recently acquired subsidiary, CSC. However, this growth was partially offset by a 2.3% decline in revenue from the Group's core divisions.

Revenue from the core divisions decreased by RM7.2 million to RM308.2 million, largely due to reduced sales contributions from the Packaging Division, which fell by 6.4% to RM93.9 million, and the Resources Division, which declined by 7.6% to RM42.9 million. Conversely, turnover from the Renewable Energy Division rose by 1.6%, reaching RM171.4 million.

The three core divisions collectively recorded a pre-tax profit increase of 7.1%, amounting to RM144.6 million (up from RM135.0 million in the previous year's corresponding quarter). This growth was supported by an 11.0% increase in the Renewable Energy Division's profit to RM133.9 million and a 6.4% improvement in the Resources Division's profit to RM6.6 million, which more than compensated for a 49.9% decrease in pre-tax profit from the Packaging Division, which stood at RM4.0 million.

Overall, Group pre-tax profit grew by 5.5%, rising from RM138.8 million to RM146.4 million. The current quarter saw the recognition of RM36.6 million in construction profit (compared to none in the previous year's corresponding quarter), although this was offset by higher losses recorded in Investment Holding & Others Division.

In this quarter, the Investment Holding and Others Division reported a loss of RM34.8 million, contrasting with a profit of RM3.8 million during the same period last year. The losses were primarily due to a share of loss amounting to RM35.1 million from associates and joint venture (up from a loss of RM3.9 million in the previous year's corresponding quarter) and an RM8.0 million fair value loss on investment properties (compared to a gain of RM3.5 million previously). These losses were partially mitigated by an RM10.8 million foreign exchange gain (down from RM16.9 million) and an RM4.2 million fair value gain on put option liability (down from RM17.0 million).

The larger share of losses in joint ventures and associates was primarily attributed to Edenor, which continued to experience significant capacity losses due to ongoing repairs and upgrades, compounded by market weaknesses, excess global capacity, volatile commodity prices, and impairment charges.

B1. Performance review - 4Q2024 vs 4Q2023 (Cont'd)

The Group's normalised pre-tax profit i.e. excluding contributions from associates and joint ventures, construction profits, and non-operating items increased by 19.2%, rising from RM125.0 million to RM149.0 million, reflecting robust performance in the Group's core businesses.

The Group also reported a 16.1% increase in profit after tax and non-controlling interests ("PATNCI"), rising from RM122.0 million to RM141.7 million. When normalised i.e. excluding contributions from associates and joint venture, construction profits, and non-operational items, PATNCI surged by 51.4%, increasing from RM97.3 million to RM147.4 million, underscoring strong growth in core earnings and positive impacts from acquiring an additional 15% effective equity interest in DSPC.

Renewable Energy Division

Revenue increased by 1.6% to RM171.4 million in the current quarter. Hydro energy sales volume rose by 9.9% to 614.7 GWh; however, this gain was largely offset by a 5.7% currency loss and a 1.9% decrease in the weighted average tariff. Solar revenue experienced a slight decline, reaching RM2.4 million.

The increase in hydro energy volume can be attributed to the commissioning of the fifth turbine on July 4, 2024. However, the average Energy Availability Factor (EAF) declined from 97.4% in 4Q2023 to 85.7%, as one of the turbines was shut down in December for a scheduled major overhaul.

Pre-tax profit rose by 11.0%, reaching RM133.9 million (compared to RM120.7 million in 4Q2023). This increase was primarily driven by higher revenue and a write-back of expected credit loss (ECL), although it was partially offset by increased amortisation charges and higher operation and maintenance expenses resulting from the commercial operation of the fifth turbine, as well as turbine overhaul costs.

The Division's PATNCI, excluding construction profit, rose by 36.8% to RM135.3 million, up from RM99.0 million in 4Q2023. This growth was largely driven by incremental profit resulting from the additional effective equity interest in DSPC and an increase in profit after tax.

B1. Performance review - 4Q2024 vs 4Q2023 (Cont'd)

Resources Division

Revenue experienced a decline of 7.6%, falling from RM46.4 million to RM42.9 million, primarily due to slight delays in two large export shipments originally scheduled for December, which were pushed back to early January 2025. If these shipments had been included, revenue would have shown double-digit growth, reflecting the continued strong demand for lime products in the region. The average selling prices of lime products remained stable. Sales of non-lime products also performed well, increasing by 2.3% to RM4.4 million, compared to RM4.3 million in 4Q2023.

However, pre-tax profit improved by 6.4%, rising to RM6.6 million from RM6.2 million in 4Q2023. This increase was attributed to productivity enhancements and cost improvements, despite the decline in sales revenue.

Packaging Division

In the current quarter, sales revenue was impacted by weak consumer demand amidst an overcapacity situation, which led to fierce competition. Consequently, the division reported a decline of 6.4% in revenue, dropping from RM100.4 million to RM93.9 million.

Pre-tax profit fell by 49.9% year-on-year, decreasing from RM8.1 million in 4Q2023 to RM4.0 million. This decline was primarily due to margin pressure resulting from intense price competition, along with lower utilisation of new production capacity and a decrease in sales volume.

B2. Performance review – Financial year ended 31 December 2024 ("2024") versus ("vs") corresponding financial year ended 31 December 2023 ("2023")

		2024	2023	Changes	
		RM'000	RM'000	RM'000	%
	Revenue	1,741,879	1,317,635	424,244	32.2%
	Other income	112,069	108,983	3,086	2.8%
	Other expenses	(50,388)	(85,759)	35,371	-41.2%
	Earning before interest, tax, depreciation and amortisation ("EBITDA")	755,042	638,930	116,112	18.2%
	Operating profit	637,744	530,467	107,277	20.2%
	Profit before tax	509,319	476,788	32,531	6.8%
	Profit after tax	491,018	451,640	39,378	8.7%
	Profit after tax attributable to owners of the Company	459,178	383,708	75,470	19.7%
	Revenue				
	Renewable Energy	649,002	606,163	42,839	7.1%
	Resources	223,621	202,893	20,728	10.2%
	Packaging	399,167	402,341	(3,174)	-0.8%
	Sub-total	1,271,790	1,211,397	60,393	5.0%
	Construction Revenue	383,248	-	383,248	na
	Investment Holding & Others	86,841	106,238	(19,397)	-18.3%
	Total revenue	1,741,879	1,317,635	424,244	32.2%
	Profit before tax				
	Renewable Energy	463,510	437,557	25,953	5.9%
	Resources	47,322	23,297	24,025	103.1%
	Packaging	29,282	33,600	(4,318)	-12.9%
	Sub-total	540,114	494,454	45,660	9.2%
	Construction Profit	36,639	-	36,639	na
	Investment Holding & Others	(67,434)	(17,666)	(49,768)	281.7%
	Total profit before tax	509,319	476,788	32,531	6.8%
	Significant income/(expense) items:				
1	Share of loss in equity accounted investments	(66,242)	(13,600)	(52,642)	387.1%
2	Insurance income recognised for /(Write-offs of) assets damaged by fire incident in 2023	31,826	(26,936)	58,762	N.M.
3	Fair value gain on put option liability	1,539	13,943	(12,404)	-89.0%
4	Fair value (loss)/gain on investment properties	(7,994)	3,543	(11,537)	N.M.
5	(Loss)/Gain on foreign exchange	(4,134)	32,048	(36,182)	N.M.
6	Income tax penalties	-	(5,697)	5,697	-100.0%

B2. Performance review – 2024 vs 2023 (Cont'd)

In 2024, the Group's revenue increased by 32.2% year-on-year, reaching RM1,741.9 million compared to RM1,317.6 million in 2023. This growth was primarily driven by the recognition of RM383.2 million in construction revenue from service concession agreements with the GOL for the Don Sahong 5th turbine expansion, as well as with the Maldivian government for the development of an 11.4 MWp solar farm. Additionally, revenue from core divisions rose by 5%, increasing from RM1,211.4 million to RM1,271.8 million, bolstered by a maiden revenue contribution of RM50.6 million from CSC. This growth was somewhat offset by the absence of revenue from the Tawau power plant, which contributed RM71.0 million in 2023 prior to its disposal.

The three core divisions collectively reported a pre-tax profit increase of 9.2%, rising to RM540.1 million from RM494.5 million the previous year. This growth was underpinned by a 5.9% increase in profit from the Renewable Energy Division, which reached RM463.5 million, and an impressive 103.1% surge in profit from the Resources Division, which amounted to RM47.3 million. This more than compensated for a 12.9% decline in pre-tax profit from the Packaging Division, which stood at RM29.3 million.

Overall, the Group's pre-tax profit grew by 6.8%, increasing from RM476.8 million to RM509.3 million. The current year included the recognition of RM36.6 million in construction profit (none recorded in 2023), although this was more than counterbalanced by higher losses in the Investment Holding & Others Division.

During the year, the Investment Holding and Others Division reported a loss of RM67.4 million, compared to a loss of RM17.7 million in 2023. These losses were primarily due to a significant share of loss amounting to RM66.2 million from associates and joint venture, up from a loss of RM13.6 million in the previous year. Additionally, the division experienced an RM8.0 million fair value loss on investment properties (compared to a gain of RM3.5 million previously) and a foreign exchange loss of RM4.1 million (down from a gain of RM32.0 million in 2023). These losses were partially mitigated by RM31.8 million in insurance income (as opposed to an asset write-off of RM26.9 million in 2023) and a smaller RM1.5 million fair value gain on put option liability (down from RM13.9 million).

The larger share of losses in joint ventures and associates was primarily attributed to Edenor, which continued to face significant capacity challenges due to ongoing repairs and upgrades, compounded by market weaknesses, excess global capacity, volatile commodity prices, and impairment charges.

The Group's normalised pre-tax profit i.e. excluding contributions from associates and joint ventures, construction profits, and non-operating items increased by 5.7%, rising from RM485.6 million to RM513.6 million, reflecting strong performance across the Group's core businesses.

Additionally, the Group reported a 19.7% increase in PATNCI, which rose from RM383.7 million to RM459.2 million. When normalised i.e. excluding contributions from associates and joint ventures, construction profits, and non-operating items, PATNCI surged by 25.3%, increasing from RM383.8 million to RM480.8 million. This highlights robust growth in core earnings and the positive impact of acquiring an additional 15% effective equity interest in DSPC.

B2. Performance review – 2024 vs 2023 (Cont'd)

Renewable Energy Division

In 2024, revenue increased by 7.1%, reaching RM649.0 million, compared to RM606.2 million in 2023. Hydro energy sales rose by 6.9%, climbing from RM597.5 million to RM638.8 million, while solar energy sales experienced a significant growth of 17.0%, reaching RM10.2 million.

The growth in hydro energy revenue was primarily driven by a 7.7% increase in hydro energy volume following the commissioning of the fifth turbine in July 2024. This growth was partially offset by a slight decline in the weighted average tariff rate. The average exchange rate for the Ringgit against the US Dollar was stable at around RM4.57/USD in both periods.

The average EAF decreased from 91.4% in 2023 to 87.1% in 2024, as expected. This decline was due to one of the turbines being shut down in December for a scheduled major overhaul, as well as the commissioning of the fifth turbine, which generally lowered the overall water head and subsequently reduced the overall EAF at Don Sahong.

In 2024, the Group added 4.3 MWp of generation capacity to its solar portfolio, bringing the cumulative installed capacity to 31.3 MWp by the end of the year, up from 27.0 MWp on December 31, 2023.

The Division reported a year-on-year improvement in pre-tax profit of 5.9%, rising to RM463.5 million from RM437.6 million in 2023. This increase in profit was driven by higher revenue and lower net finance charges, although it was partly offset by increased amortisation charges and higher operating and maintenance costs due to the commissioning of the fifth turbine and associated overhaul expenses.

PATNCI excluding construction profit, showed a substantial increase of 25.3%, reaching RM452.7 million, up from RM361.4 million in 2023. This growth was largely supported by incremental profit resulting from the additional effective equity interest in DSPC, along with higher post-tax earnings.

B2. Performance review – 2024 vs 2023 (Cont'd)

Resources Division

Annual turnover increased by 10.2%, reaching RM223.6 million, up from RM202.9 million in 2023. This growth was primarily driven by an 8.4% rise in sales volume of lime products, supported by strong local and regional demand. In contrast, revenue from non-lime products decreased by 3.9%, falling to RM18.0 million from RM18.7 million in 2023, due to the cessation of the brick product operations.

Pre-tax profit, on the other hand, more than doubled, surging to RM47.3 million in the current year, compared to RM23.3 million in 2023. This remarkable increase was attributed to higher revenue, improvements in production and cost efficiency, and a favorable change in the sales mix.

Packaging Division

Despite a challenging operating environment characterized by industry-wide overcapacity, intense competition, and weak consumer demand, annual turnover merely declined 0.8% to RM399.2 million (2023: RM402.3 million).

Pre-tax profit fell by 12.9% to RM29.3 million (2023: RM33.6 million), primarily attributed to overall margin pressure from price competition and a rising operating cost environment.

B2. Performance review - 2024 vs 2023 (Cont'd)

(a) Assets and Liabilities as at 31 December 2024

Changes in key assets and liabilities since 31 December 2023 are explained below:

Asset/Liability Items	**As At 31.12.2024** RM'000	**As At 31.12.2023** RM'000	**Changes** RM'000	**Explanation**
Service concession asset	2,175,656	1,940,046	235,610	The increase was due to 5th turbine addition, partly offset by RM88.9 million amortisation charge and RM54.8 million translation loss.
Property, plant and equipment ("PPE")	775,791	531,945	243,846	The increase was primarily due to: (a) RM208.3 million CAPEX, comprising mainly: i. RM115.0 million for the Packaging Division on construction of new factories, and restoration of manufacturing facilities damaged by fire; ii. RM45.7 million for acquisition of land designated for medical centre development; iii. RM24.9 million for agricultural development; iv. RM11.9 million for Renewable Energy Division; and v. RM7.6 million for Resources Division. (b) RM80.2 million from the effect of CSC consolidation. partly offset by annual depreciation charge of RM48.5 million.
Natural resources rights	337,515	-	337,515	Represents investment in natural resources (water) rights of Don Sahong.

B2. Performance review - 2024 vs 2023 (Cont'd)

(a) Assets and Liabilities as at 31 December 2024 (Cont'd)

Changes in key assets and liabilities since 31 December 2023 are explained below (Cont'd):

Asset/Liability Items	**As At 31.12.2024** RM'000	**As At 31.12.2023** RM'000	**Changes** RM'000	**Explanation**
Receivable and prepayment (non-current)	246,445	-	246,445	Comprises mainly interest-bearing term loan (non-current portion) receivable from EDL.
Development expenditures	884	203,048	(202,164)	The decrease mainly due to the commissioning of the 5th turbine.
Investment properties	261,679	168,746	92,933	The increase was due to land acquisition and the effects of CSC's consolidation (+RM24.2 million), partly offset by recognition of RM8.0 million fair value loss.
Right-Of-Use ("ROU") assets	117,549	116,312	1,237	No significant movement during the period.
Joint ventures and associates	173,426	166,674	6,752	The increase due to investment in new associate, Apex and additional investment in joint venture, offset by Group's share of loss of RM66.2 million in the current year.
Investment in quoted shares	87,351	133,278	(45,927)	The decrease was mainly due to fair value loss of marketable securities.

B2. Performance review - 2024 vs 2023 (Cont'd)

(a) Assets and Liabilities as at 31 December 2024 (Cont'd)

Changes in key assets and liabilities since 31 December 2023 are explained below (Cont'd):

Asset/Liability Items	**As At 31.12.2024** RM'000	**As At 31.12.2023** RM'000	**Changes** RM'000	**Explanation**
Inventories (current)	185,896	131,737	54,159	The increase was largely due to higher inventory in the Packaging Division and Resources Division, as well as increase in spare parts and consumables of Don Sahong.
Receivables, prepayments, contract costs (current)	391,780	490,098	(98,318)	The decrease was mainly due to lower receivable from EDL, partly offset by development costs of solar projects.
Deferred tax liabilities	133,853	126,954	6,899	The increase was mainly because of CSC consolidation.
Payables and accruals (current)	214,530	168,823	45,707	The increase was mainly because of accrual for remaining costs of the 5^{th} turbine and CSC consolidation.

B2. Performance review – 2024 vs 2023 (Cont'd)

(b) Group borrowings and debt securities

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

	Long-term Foreign Currency ('000)	Long-term RM ('000)	Short-term Foreign Currency ('000)	Short-term RM ('000)	Total Foreign Currency ('000)	Total RM ('000)
As at 31 December 2024						
Secured						
Trade financing and loans	-	-	-	50,926	-	50,926
Term loans	-	294,406	-	36,136	-	330,542
Term loan (USD) ^	18,333	82,051	18,333	82,051	36,666	164,102
Revolving credit	-	-	-	156,883	-	156,883
		376,457		326,867		703,324
Unsecured Loan						
Term loan	-	20,202	-	-	-	20,202
Term loan (USD) ^	30,000	134,265	40,000	179,020	70,000	313,285
Revolving credit	-	-	-	110,500	-	110,500
		154,467		289,520		443,987
Total Borrowings		530,924		616,387		1,147,311
As at 31 December 2023						
Secured						
Trade financing and loans	-	-	-	38,710	-	38,710
Term loans	-	114,228	-	26,724	-	140,952
Term loan (USD) *	36,667	168,300	18,333	84,150	55,000	252,450
Revolving credit	-	-	-	97,019	-	97,019
		282,528		246,603		529,131
Unsecured Loan						
Term loan (USD) *	40,000	183,600	40,000	183,600	80,000	367,200
Revolving credit	-	-	-	5,000	-	5,000
		183,600		188,600		372,200
Total Borrowings		466,128		435,203		901,331

^ - *translated at exchange rate of 4.48 as at 31 December 2024*

* - *translated at exchange rate of 4.59 as at 31 December 2023*

At 31 December 2024, total borrowings (excluding hire purchase liabilities) amounted to RM1,147.3 million, an increase of RM246.0 million from RM901.3 million at 31 December 2023. The increase was mainly due to:

(i) Net loans drawdown of RM231.0 million to part finance the purchase of PPE, investment properties and ROU assets, as stated in Note B2(a); and

(ii) RM26.8 million term loans assumed when acquiring CSC.

Partially reduced by RM12.6 million translation gain on USD-denominated loans.

The Group's borrowings as at 31 December 2024 are predominantly floating in nature and none of the borrowings denominated in foreign currencies are hedged to RM. The Group has not issued any debt securities at end of the reporting period.

B2. Performance review – 2024 vs 2023 (Cont'd)

(c) Cash flow analysis for the financial year ended 31 December 2024

During the financial year ended 31 December 2024, the Group generated RM473.5 million in after-tax cash from operating activities, received RM27.8 million in insurance claims and RM33.6 million in net investment receipts. Together with RM231.0 million in net drawdown of loans, a total of RM765.9 million in funds were made available to the Group during current year.

During the year, a total of RM999.6 million was deployed for the following purposes:

(i) RM830.9 million for investing activities, comprising mainly:
1. RM472.4 million for Renewable Energy Division;
2. RM115.0 million for Packaging Division;
3. RM128.7 million for acquisition of land and property;
4. RM73.0 million for associates and joint venture;
5. RM30.1 million for Food Security Division;
6. RM6.6 million for Resources Division; and
7. RM5.1 million for Other Division

(ii) RM97.5 million for dividends paid;

(iii) RM71.2 million in finance costs paid to lenders and for hire purchase liabilities;

The cash shortfall of RM233.7 million from the above was funded via internal funds, which together with RM5.7 million in translation loss, resulted in the decrease of the Group's cash reserve from RM508.6 million on 31 December 2023 to RM269.2 million as of 31 December 2024. Accordingly, the Group's net debts increased from RM392.7 million to RM878.1 million and this represents an increase in net gearing ratio from 12.2% to 24.8%.

B3. Variation of Current Quarter ("4Q2024") versus ("vs") Preceding Quarter ("3Q2024")

		4Q2024 RM'000	3Q2024 RM'000	Changes RM'000	Changes %
	Revenue	724,445	372,005	352,440	94.7%
	Other income	37,876	22,950	14,926	65.0%
	Other expenses	(11,067)	(26,707)	15,640	-58.6%
	Earning before interest, tax, depreciation and amortisation ("EBITDA")	226,500	180,740	45,760	25.3%
	Operating profit	196,494	149,470	47,024	31.5%
	Profit before tax	146,448	126,764	19,684	15.5%
	Profit after tax	146,566	123,945	22,621	18.3%
	Profit after tax attributable to owners of the Company	141,715	116,644	25,071	21.5%
	Revenue				
	Renewable Energy	171,373	183,859	(12,486)	-6.8%
	Resources	42,878	60,308	(17,430)	-28.9%
	Packaging	93,902	98,226	(4,324)	-4.4%
	Sub-total	308,153	342,393	(34,240)	-10.0%
	Construction Revenue	383,248	-	383,248	na
	Investment Holding & Others	33,044	29,612	3,432	11.6%
	Total revenue	724,445	372,005	352,440	94.7%
	Profit before tax				
	Renewable Energy	133,946	130,545	3,401	2.6%
	Resources	6,617	13,619	(7,002)	-51.4%
	Packaging	4,043	7,520	(3,477)	-46.2%
	Sub-total	144,606	151,684	(7,078)	-4.7%
	Construction Profit	36,639	-	36,639	na
	Investment Holding & Others	(34,797)	(24,920)	(9,877)	39.6%
	Total profit before tax	146,448	126,764	19,684	15.5%
	Significant income/(expense) items:				
1	Share of loss in equity accounted investments	(35,127)	(7,663)	(27,464)	358.4%
2	Insurance income (reversal)/recognised for assets damaged by fire incident	(289)	7,235	(7,524)	N.M.
3	Fair value gain/(loss) on put option liability	4,187	(883)	5,070	N.M.
4	Fair value loss on investment properties	(7,994)	-	(7,994)	na
5	Gain/(Loss) on foreign exchange	10,782	(18,368)	29,150	-158.7%

B3. Variation of 4Q2024 vs 3Q2024 (Cont'd)

Group turnover for the current quarter nearly doubled, rising from RM372.0 million to RM724.4 million, primarily due to the recognition of RM383.2 million in construction revenue. However, the combined revenue of the three core divisions experienced a 10.0% sequential decline, falling from RM342.4 million in the preceding quarter to RM308.2 million in the current quarter. Specifically, the Renewable Energy Division decreased by 6.8% to RM171.4 million, the Packaging Division declined by 4.4% to RM93.9 million, and the Resources Division saw a significant 28.9% decrease to RM42.9 million.

Despite this revenue decline in core divisions, Group Profit Before Tax (PBT) grew by 15.5%, increasing from RM126.8 million to RM146.4 million. This growth was primarily driven by a construction profit of RM36.6 million and a 2.6% sequential increase in the Renewable Division's profit to RM133.9 million, which more than offset declines in other areas, including a 51.4% quarter-on-quarter decrease in the Resources Division's profit to RM6.6 million and a 46.2% reduction in the Packaging Division's pre-tax profit to RM4.0 million.

The Investment Holding and Others Division experienced increased losses, rising from RM24.9 million to RM34.8 million, mainly due to higher share of losses from joint ventures and associates, an increase in fair value losses of investment properties, and the absence of insurance income recorded in the preceding quarter. These negative impacts were partially countered by a forex gain of RM10.8 million (3Q2024: RM18.4 million loss) and a fair value gain on put option liability of RM4.2 million (3Q2024: RM0.9 million loss).

As a result of these various factors, the Group's PATNCI increased by 21.5%, rising from RM116.6 million to RM141.7 million.

Renewable Energy Division

Revenue declined by 6.8%, from RM183.9 million in 3Q2024 to RM171.4 million in the current quarter. This decrease was primarily due to a 7.4% reduction in hydro energy volume, caused by falling water levels as Laos transitioned from wet to dry season, and the shutdown of one turbine for major overhaul in December 2024. A 1.7% currency loss also contributed to the decline, which was partially offset by a 2.4% increase in weighted average tariff.

The hydropower plants' EAF decreased by 6.8%-points quarter-on-quarter, falling from 92.5% in the preceding quarter to 85.7% in the current quarter. This decline was attributed to the onset of the dry season and the aforementioned turbine overhaul.

Despite the revenue decrease, pre-tax profit rose by 2.6% to RM133.9 million, mainly due to a writeback of ECL which more than compensated for the lower revenue.

The Division's PATNCI, excluding construction profit, increased by 7.8% to RM135.3 million, compared to RM125.6 million in 3Q2024, driven by higher pre-tax profit and deferred tax write back.

B3. Variation of 4Q2024 vs 3Q2024 (Cont'd)

Resources Division

Revenue decreased by 28.9% quarter-over-quarter to RM42.9 million (down from RM60.3 million in 3Q2024), primarily due to a 30.5% drop in sales volume of lime products. The lower sales volume in the current quarter was mainly attributed to reduced domestic sales resulting from customer plant shutdowns and slight delays in two large export shipments. These shipments, originally scheduled for December, were pushed back to early January 2025.

Pre-tax profit decreased to RM6.6 million, marking a 51.4% drop from RM13.6 million in the preceding quarter, largely due to lower revenue and inventory impairment.

Packaging Division

Revenue decreased by 4.4% to RM93.9 million from RM98.2 million in the preceding quarter, primarily due to lower sales volume amid weak consumer demand and intense competition.

Pre-tax profit contracted by 46.2% to RM4.0 million (3Q2024: RM7.5 million) as profitability declined due to margin compression from intense competition.

B4. Prospects

In 2024, the Group recorded a 19.7% increase in profit after tax and non-controlling interests ("PATNCI"), rising from RM383.7 million to RM459.2 million. When normalised i.e. excluding contributions from associates and joint ventures, construction profits, and non-operating and one-off items, PATNCI surged by 25.3%, increasing from RM383.8 million to RM480.8 million. This highlights robust growth in core earnings and the positive impact of acquiring an additional 15% effective equity interest in DSPC.

We anticipate earnings of the Group's three core divisions to remain resilient in 2025 despite the world economy facing multiple challenges, including policy uncertainty, geopolitical tensions, and trade disruptions. Inflation remains a concern, while major economies are struggling to stimulate demand growth. Consumer sentiment is likely to stay weak, and industrial overcapacity will keep competition intense.

The Group incurred a sharp increase in the share of loss from associates and joint venture last year, reaching RM66.2 million. The losses stemmed primarily from the Group's oleochemical joint venture, Edenor, which continued to experience significant capacity losses due to ongoing repairs and upgrades, compounded by market weaknesses, excess global capacity, volatile commodity prices, and impairment charges. The key turnaround strategy is to stabilise the plant, and Edenor's management is confident it will succeed in the first quarter of 2025. Once plant reliability is restored and production resumes smoothly, Edenor's management expects a recovery in earnings this year.

B4. Prospects (Cont'd)

The Food Security Division, which was reported under the Investment Holding & Other Division, recorded RM50.6 million in revenue and a pre-tax loss of RM5.3 million. While we do not anticipate any substantial profit or loss contributions from the Food Security Division in the near term, management is optimistic that the division's earnings will significantly improve over the next five years. This growth is expected to be driven by increasing mature acreage and tree maturity of long-term crops planted in Cambodia and Malaysia, as well as the expansion of greenhouse farming initiatives in Malaysia.

Renewable Energy Division

Hydro (Don Sahong)

The earnings of Don Sahong are expected to remain relatively stable in 2025, with several offsetting factors at play. On the positive side, the full-year operation of the 5th turbine is projected to increase energy sales volume by 3%. Additionally, the investment in Don Sahong natural resources rights announced in December 2024 will significantly reduce the net royalty expense starting from January 1, 2025. Lower amortisation charges of concession assets are also expected following the extension of the concession period in accordance with the terms of the supplemental concession agreement executed in December 2024.

However, these benefits will be largely offset by a lower energy tariff, as the tariff will reset to 6.0 US cents per kWh in 2025 (in the first year of the revised concession period), compared to a weighted average tariff of 6.22 US cents in 2024. Furthermore, there will be higher operation and maintenance expenses following the commissioning of the 5th turbine and increase in overhaul costs.

Solar

We anticipate continued growth in our solar earnings, driven by the progressive installation of secured solar capacities. Currently, 31.3 MWp of solar generation facilities are operational, with an additional 63.2 MWp expected to commence commercial operations in 2025. Upon completion of these projects, our cumulative solar portfolio will reach a total capacity of 94.5 MWp.

Management will continue to explore new solar development opportunities under the National Energy Transition Roadmap (NETR) launched in August 2023. This includes two newly announced programs: the Battery Energy Storage Scheme (BESS) and the Corporate Renewable Energy Scheme (CRESS).

B4. Prospects (Cont'd)

Resources Division

Domestic demand for lime products is anticipated to be weak due to the expected slowdown in construction activities. While regional demand is projected to remain healthy, competition from regional players, including China, remains intense. Management will continue to focus on improving production cost efficiency and expanding the regional customer base, while remaining vigilant and adaptable to address frequent supply chain disruptions and shifting market dynamics. Overall, we expect earnings to be satisfactory in 2025.

Packaging Division

The operating environment for the packaging industry is expected to be challenging. Competition is intensifying, the industry is plagued by overcapacity, and consumers are increasingly cautious with their spending due to the uncertain global economic outlook.

Management will continue to focus on broadening and deepening its customer base through dedication and commitment to providing innovative, value-added packaging solutions at competitive prices. Efforts will also be directed toward raising production plant efficiencies and reducing costs.

We believe that the addition of new capacities by Stenta, with its two new Linear Low-Density Polyethylene (LLDPE) production lines, and by Hexachase, with its two new printing and extrusion lines, while exerting short-term margin pressure, will position the company well to increase its market share upon a market rebound. Overall, we expect earnings of the division to be satisfactory in 2025.

B5. Profit forecast

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

B6. Income tax expense

	4th Quarter Ended 31 December		Financial Year Ended 31 December	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Tax expense for current period/year	(118)	431	18,301	13,750
Additional tax assessment for final settlement of tax dispute between Idaman Harmoni Sdn Bhd and Inland Revenue Board	-	-	-	11,398
	(118)	431	18,301	25,148

B6. Income tax expense (Cont'd)

The Group's effective tax rate for the current quarter and financial year ended 31 December 2024 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 current financial year.

B7. Status of corporate proposal

There was no corporate proposal announced but not completed at 19 February 2025, 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 19 February 2025, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B9. Dividends

(a) A final single-tier dividend of 4.25 sen per ordinary share for the financial year ended 31 December 2023 was declared on 28 February 2024 and paid to entitled shareholders on 19 April 2024;

(b) An interim single-tier dividend of 4.50 sen per ordinary share for the financial year ending 31 December 2024 was declared on 22 August 2024 and paid to entitled shareholders on 18 October 2024;

(c) The Board declared a second and final dividend of 4.50 sen per ordinary share for the financial year ended 31 December 2024. 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 to-date for the current financial year is 9.0 sen (2023: 8.25 sen) per ordinary share.

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

	4th Quarter Ended 31 December		Financial Year Ended 31 December	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
After crediting:				
Dividend income	1,002	431	2,091	1,471
Fair value gain on:				
- investment properties	-	3,543	-	3,543
- put option liability	4,187	17,005	1,539	13,943
Gain on disposal of:				
- a subsidiary	-	-	-	1,020
- property, plant and equipment	15	74	494	151
Gain on foreign exchange:				
- realised	2,754	13,794	-	28,247
- unrealised	8,028	3,089	-	3,801
Interest income	6,368	6,680	24,190	23,593
Write-back of:				
- impairment loss on receivables	10,952	395	10,962	865
Insurance claims income/(reversal)	(289)	2,062	31,826	2,062
After charging:				
Amortisation of:				
- service concession asset	(21,363)	(22,827)	(88,921)	(88,638)
- other intangible asset	(122)	(127)	(491)	(508)
Fair value loss on investment properties	(7,994)	-	(7,994)	-
Depreciation of:				
- property, plant and equipment	(14,263)	(12,326)	(48,498)	(38,297)
- right-of-use assets	(626)	159	(3,578)	(4,613)
Finance costs	(14,919)	(11,736)	(62,183)	(40,079)
Impairment losses on:				
- property, plant and equipment	-	(555)	-	(555)
- receivables, net	(849)	(12,051)	(21,548)	(32,370)
Inventories written down	(3,698)	(5,997)	(3,722)	(6,027)
Inventories written off	-	(1)	-	(3,277)
Loss on foreign exchange:				
- realised	-	-	(2,098)	-
- unrealised	-	-	(2,036)	-
Loss on deconsolidation of subsidiaries	-	-	(99)	-
Plant and equipment written off	2	(385)	(2)	(388)
Assets written off, net of partial insurance claims recognised				
- property, plant and equipment	-	(27,942)	-	(27,942)
- inventories	-	(1,056)	-	(1,056)
Tax penalties writeback/(expense)	-	9,232	-	(5,697)

B10. Detailed disclosure for consolidated statement of profit or loss and other comprehensive income (Cont'd)

	4th Quarter Ended 31 December		Financial Year Ended 31 December	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
After other comprehensive income/(expenses):				
Foreign currency translation difference for foreign operations				
- changes in current period/year	189,619	(70,516)	(70,850)	80,352
Fair value changes of equity investments	(2,232)	7,753	(43,161)	(18,711)

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	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Profit after tax attributable to owners of the Company	141,715	122,020	459,178	383,708
Weighted average number of ordinary shares ('000):				
Issued ordinary shares outstanding at beginning of the period/year	988,352	988,352	988,352	988,352
Effect of treasury shares held	(45,793)	(45,593)	(45,663)	(44,353)
	942,559	942,759	942,689	943,999
Basic earnings per share (sen)	15.04	12.94	48.71	40.65

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 2024, 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 2024.

B12. Authorised for issue

These interim financial statements were authorised for issue by the Board of Directors on 26 February 2025.