

**TALIWORKS CORPORATION BERHAD**  
**(Company No 196501000264 (6052-V))**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024**  
**(UNAUDITED)**

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**This Report is authorised by the Board for public release on 26 August 2024**

## KEY FINANCIAL HIGHLIGHTS

<i>(in RM'000 unless specified otherwise)</i>	<u>6 months ended 30 Jun</u>		<u>Variance</u>
	<u>2024</u>	<u>2023</u>	(%)
	unaudited	unaudited	#
Revenue	192,299	182,560	↑ 5
Gross profit	73,000	62,586	↑ 17
Profit before taxation (“PBT”)	48,299	34,292	↑ 41
Profit for the period	36,898	25,114	↑ 47
Earnings per share (“EPS”) (sen)	1.59	1.08	↑ 47
Dividends per share (sen)	2.0	3.3	↓ 39

# approximate, to the nearest digit

- The Group achieved an increase in revenue by RM9.74 million, rising from RM182.56 million to RM192.30 million for the six (6) months period ended 30 June 2024. The increase was attributable to higher contribution from all operating subsidiaries, except from the water treatment and supply segment.
- The increase in the revenue of the Group was driven by the on-going progress of Packages 2 and 3 of Phase 1 of the Sungai Rasau Water Treatment Plant and Water Supply Scheme (“**Rasau Projects**”) as well as strong growth in the Average Daily Traffic (“**ADT**”) recorded in the Grand Saga Highway by 4.6%; and to a certain extent, from the higher generation of energy output in the renewable energy segment.
- The decrease in revenue in the water treatment and supply segment was primarily attributed to the decrease in electricity rebates by RM13.33 million in the Sungai Selangor Water Treatment Plant Phase 1 (“**SSP1**”) operations. The lower electricity rebate was due to a decrease in the Imbalance Cost Pass-Through (“**ICPT**”) surcharge imposed by Tenaga Nasional Berhad from RM0.20/kWh to RM0.037/kWh effective from 1 July 2023. The metered sales recorded in SSP1 were lower by 3.8% compared to the corresponding period. Nonetheless, revenue from metered sales was higher by RM7.38 million due to the increase in the Bulk Water Supply Rate from RM0.42/m<sup>3</sup> to RM0.48/m<sup>3</sup> on 1 January 2024 (“**BWSR Increase**”) as provided under the Bulk Water Supply Agreement with Pengurusan Air Selangor Sdn. Bhd. (“**Air Selangor**”).
- In line with the increase in revenue, the Group recorded a 17% increase in gross profit, amounting to RM10.41 million. This growth was mainly due to the BWSR Increase and lower provision of heavy repairs as compared to the corresponding period. However, the increase was partially offset by higher rehabilitation, repair, upkeep and maintenance expenses and amortisation of intangible assets in the current financial period.
- In line with the higher gross profit, PBT was also higher at RM48.30 million compared to RM34.29 million in the corresponding period. Contributing to this increase included higher share of profits from a joint venture company due to recognition of government compensation on deferred increase of toll rate amounting to RM12.56 million (“**Toll Compensation**”), lower share of losses of associates as well as lower finance costs. Nonetheless, the Group recorded lower net returns from interest income, dividend and net gain on redemption from investments designated at fair value through profit or loss (“**FVTPL**”). In the corresponding period, the Group had recognised a one-off gain from the disposal of investment property, as well as higher sundry income, fair value and foreign exchange gains.
- Corresponding with the higher PBT, profit for the period was higher by RM11.78 million and EPS increased from RM1.08 per share to RM1.59 per share.
- The Board is pleased to declare a second interim single-tier dividend of 1.0 sen per share amounting to RM20.16 million for the current financial quarter ended 30 June 2024 to be payable on 27 September 2024.

**CONDENSED STATEMENTS OF FINANCIAL POSITION**

	30 Jun 2024	31 Dec 2023
	RM'000	RM'000
Note	(Unaudited)	(Audited)
<b>ASSETS</b>		
Property, plant and equipment	114,697	121,072
Right-of-use assets	30,076	31,967
Investment properties	94	96
Intangible assets	942,976	959,438
Investment in joint venture	72,137	71,410
Investment in associates	101,923	107,668
Other investment	200	200
Goodwill on consolidation	132,503	132,503
Long-term other receivable	13,423	13,423
Deposits, cash and bank balances	15,702	45,924
Deferred tax assets	5,983	6,373
<b>Total Non-Current Assets</b>	<b>1,429,714</b>	<b>1,490,074</b>
Inventories	76,864	39,023
Trade receivables	62,978	65,905
Other receivables, deposits and prepayments	28,619	18,590
Tax recoverable	1,323	1,008
Investments designated at fair value through profit or loss	41,587	50,846
Deposits, cash and bank balances	80,330	82,478
<b>Total Current Assets</b>	<b>291,701</b>	<b>257,850</b>
<b>TOTAL ASSETS</b>	<b>1,721,415</b>	<b>1,747,924</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	438,354	438,354
Merger deficit	(71,500)	(71,500)
Currency translation reserve	(390)	(615)
Retained earnings	321,368	329,673
<b>Total Equity Attributable to Owners of the Company</b>	<b>687,832</b>	<b>695,912</b>
Non-controlling interests	272,837	267,950
<b>Total Equity</b>	<b>960,669</b>	<b>963,862</b>
<b>LIABILITIES</b>		
Long-term borrowings	229,344	269,215
Lease liabilities	29,606	30,548
Long-term trade payables	966	1,629
Provisions	40,036	39,745
Deferred income	53,587	52,401
Deferred tax liabilities	233,573	237,670
<b>Total Non-Current Liabilities</b>	<b>587,112</b>	<b>631,208</b>

**CONDENSED STATEMENTS OF FINANCIAL POSITION**

		<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
		<u>RM'000</u>	<u>RM'000</u>
	<u>Note</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>LIABILITIES</b>			
Trade payables		24,111	28,033
Other payables and accruals		25,636	34,334
Amount due to contract customers		69,630	35,923
Provisions		-	8
Short-term borrowings	B7	40,000	35,000
Lease liabilities		2,414	2,943
Deferred income		7,033	13,989
Tax liabilities		4,810	2,624
<b>Total Current Liabilities</b>		<b>173,634</b>	<b>152,854</b>
<b>TOTAL LIABILITIES</b>		<b>760,746</b>	<b>784,062</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,721,415</b>	<b>1,747,924</b>

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	3 Months ended		6 Months ended	
		30 Jun		30 Jun	
		2024	2023	2024	2023
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
		<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>
Revenue	A4, B1	<b>98,972</b>	<b>89,028</b>	<b>192,299</b>	<b>182,560</b>
Cost of operations		(62,414)	(57,864)	(119,299)	(119,974)
<b>Gross profit</b>		<b>36,558</b>	<b>31,164</b>	<b>73,000</b>	<b>62,586</b>
Other operating income		1,076	5,131	3,578	7,045
Administrative and other expenses		(9,225)	(9,005)	(19,790)	(18,017)
<b>Operating profit</b>		<b>28,409</b>	<b>27,290</b>	<b>56,788</b>	<b>51,614</b>
Finance costs		(3,922)	(4,324)	(7,972)	(8,729)
Share of results of joint venture		823	243	5,227	739
Share of results of associates		(189)	(4,577)	(5,744)	(9,332)
<b>Profit before tax</b>	B4	<b>25,121</b>	<b>18,632</b>	<b>48,299</b>	<b>34,292</b>
Income tax expense	B5	(5,572)	(5,193)	(11,401)	(9,178)
<b>Profit for the financial period</b>		<b>19,549</b>	<b>13,439</b>	<b>36,898</b>	<b>25,114</b>
<b>Other comprehensive income</b>					
Items that may be reclassified subsequently to profit or loss:					
Currency translation		675	(441)	225	(496)
<b>Total comprehensive income for the financial period</b>		<b>20,224</b>	<b>12,998</b>	<b>37,123</b>	<b>24,618</b>
<b>Profit for the financial period attributable to:</b>					
Owners of the Company		16,986	11,802	32,011	21,861
Non-controlling interests		2,563	1,637	4,887	3,253
		<b>19,549</b>	<b>13,439</b>	<b>36,898</b>	<b>25,114</b>

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	3 Months ended		6 Months ended	
		30 Jun		30 Jun	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
		unaudited	unaudited	unaudited	unaudited
<b>Total comprehensive income for the financial period attributable to:</b>					
Owners of the Company		17,661	11,361	32,236	21,365
Non-controlling interests		2,563	1,637	4,887	3,253
		<b>20,224</b>	<b>12,998</b>	<b>37,123</b>	<b>24,618</b>
<b>Basic and diluted earnings per share attributable to owners of the Company (sen per share)</b>	B9	0.84	0.58	1.59	1.08

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying significant events and transactions attached to these interim financial statements.

**CONDENSED STATEMENTS OF CHANGES IN EQUITY**

<u>Note</u>	<u>Attributable to Owners of the Company</u>					<u>Non-controlling interests</u>	<u>Total Equity</u>
	<u>Share capital</u>	<u>Merger deficit</u>	<u>Currency translation reserve</u>	<u>Retained earnings</u>	<u>Total</u>		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As of 1 January 2024</b>	<b>438,354</b>	<b>(71,500)</b>	<b>(615)</b>	<b>329,673</b>	<b>695,912</b>	<b>267,950</b>	<b>963,862</b>
Profit for the financial period	-	-	-	32,011	32,011	4,887	36,898
<b>Other Comprehensive Income:</b>							
Currency translation differences	-	-	225	-	225	-	225
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>32,236</b>	<b>4,887</b>	<b>37,123</b>
<b>Transactions with Owners of the Company:</b>							
Dividends paid	-	-	-	(40,316)	(40,316)	-	(40,316)
<b>Total transactions with Owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40,316)</b>	<b>(40,316)</b>	<b>-</b>	<b>(40,316)</b>
<b>As of 30 Jun 2024 (unaudited)</b>	<b>438,354</b>	<b>(71,500)</b>	<b>(390)</b>	<b>321,368</b>	<b>687,832</b>	<b>272,837</b>	<b>960,669</b>

**CONDENSED STATEMENTS OF CHANGES IN EQUITY**

	<u>Share capital</u> RM'000	<u>Merger deficit</u> RM'000	<u>Attributable to Owners of the Company</u>		<u>Non-controlling interests</u> RM'000	<u>Total Equity</u> RM'000	
			<u>Currency translation reserve</u> RM'000	<u>Retained earnings</u> RM'000			
<b>As of 1 January 2023</b>	<b>438,354</b>	<b>(71,500)</b>	<b>(217)</b>	<b>420,755</b>	<b>787,392</b>	<b>260,459</b>	<b>1,047,851</b>
Profit for the financial period	-	-	-	21,861	21,861	3,253	25,114
<b>Other Comprehensive Income:</b>							
Currency translation differences	-	-	(496)	-	(496)	-	(496)
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>(496)</b>	<b>21,861</b>	<b>21,365</b>	<b>3,253</b>	<b>24,618</b>
<b>Transactions with owners of the Company:</b>							
Dividends paid	-	-	-	(66,522)	(66,522)	-	(66,522)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(66,522)</b>	<b>(66,522)</b>	<b>-</b>	<b>(66,522)</b>
<b>As of 30 Jun 2023 (unaudited)</b>	<b>438,354</b>	<b>(71,500)</b>	<b>(713)</b>	<b>376,094</b>	<b>742,235</b>	<b>263,712</b>	<b>1,005,947</b>

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying significant events and transactions attached to these interim financial statements.



**CONDENSED STATEMENTS OF CASH FLOWS**

	<u>6 Months</u> <u>ended</u> <u>30 Jun 2024</u> <u>RM'000</u> <u>unaudited</u>	<u>6 Months</u> <u>ended</u> <u>30 Jun 2023</u> <u>RM'000</u> <u>unaudited</u>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before tax	48,299	34,292
Adjustments for:		
Non-cash items	18,648	24,718
Interest income	(1,225)	(966)
Finance costs	7,972	8,729
Operating Profit Before Working Capital Changes	73,694	66,773
Net (increase)/decrease in inventories, amount due from contract customers, trade and other receivables	(11,608)	3,281
Net (decrease)/increase in trade and other payables, provisions and deferred income	(12,683)	3,107
Cash Generated From Operations	49,403	73,161
Income tax paid	(11,987)	(9,144)
Income tax refunded	-	2,685
<b>Net Cash From Operating Activities</b>	<b>37,416</b>	<b>66,702</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Interest received	1,347	1,171
Property, plant and equipment:		
- Proceeds from disposal	15	13
- Purchases	(393)	(1,335)
Dividend received from a joint venture	4,500	3,375
Investments designated at FVTPL:		
- Purchase	(28,619)	(12,437)
- Proceeds from redemption	38,000	52,000
- Dividend income	619	1,336
Withdrawals of deposits pledged as security	30,227	30,044
<b>Net Cash From Investing Activities</b>	<b>45,696</b>	<b>74,167</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Interest paid	(8,687)	(9,561)
Repayment of borrowings	(35,042)	(30,035)
Repayment of lease liabilities	(1,441)	(1,329)
Dividends paid ( <i>Note A7</i> )	(40,316)	(66,522)
<b>Net Cash Used In Financing Activities</b>	<b>(85,486)</b>	<b>(107,447)</b>

**CONDENSED STATEMENTS OF CASH FLOWS**

	<u>6 Months</u> <u>ended</u> <u>30 Jun 2024</u> <u>RM'000</u> <u>unaudited</u>	<u>6 Months</u> <u>ended</u> <u>30 Jun 2023</u> <u>RM'000</u> <u>unaudited</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,374)</b>	<b>33,422</b>
Effect of Exchange Rate Changes	226	(501)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<b>82,478</b>	<b>48,854</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	<b>80,330</b>	<b>81,775</b>
Cash and cash equivalents comprised the following amounts in the statements of financial position:		
Deposits with licensed banks	65,082	60,596
Cash and bank balances	30,950	38,657
Total deposits, cash and bank balances	96,032	99,253
Less: Deposits pledged as security	(15,702)	(17,478)
	<b>80,330</b>	<b>81,775</b>

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying significant events and transactions attached to these interim financial statements.

## **PART A – DISCLOSURES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING**

### **A1 – Basis of Preparation**

These interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board, Paragraph 9.22 of the Main Board Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and guidance communication notes issued by Bursa Securities.

These interim financial statements should be read in conjunction with the latest audited financial statements of the Company and its subsidiaries (“**Group**”) for the financial year ended 31 December 2023 (“**Audited Financial Statements**”). The selected explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the previous financial year.

The material accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the Audited Financial Statements, except for the following: -

#### **(i) Adoption of amendments to Malaysian Financial Reporting Standards (“MFRSs”)**

In the current financial period, the Group adopted all the amendments to the MFRSs issued by the Malaysian Accounting Standards Board that are effective for annual financial years beginning on or after 1 January 2024.

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

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no material impact on the financial performance or position of the Group.

#### **New MFRSs and Amendments to MFRSs in issue but not yet effective**

As at the date of authorisation of these interim financial statements, the amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are as listed below: -

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 121	Lack of Exchangeability
MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments

The Board anticipates that the abovementioned amendments to MFRSs will be adopted in the annual financial statements of the Group when they become effective, and that the adoption of these standards will have no material impact on the financial statements of the Group in the period of initial application.

#### **(ii) The principal closing rate used in translation of foreign currency amounts were as follows:**

<u>Foreign currency</u>	<u>30 Jun 2024</u>	<u>31 Mar 2024</u>	<u>30 Jun 2023</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>
1 US Dollar (USD)	4.72	4.72	4.67

## A2 – Comments about the Seasonal or Cyclical of Interim Operations

There are no significant seasonal or cyclical factors affecting the operations of the Group.

## A3 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There are no other items affecting the assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence during the current quarter and financial period.

## A4 – Disaggregation of Revenue

The disaggregation of revenue was as follows:

	<u>3 Months ended</u>		<u>6 Months ended</u>	
	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>
<i>Revenue from contracts with customers:</i>				
Management, operations and maintenance of water treatment plants	48,153	52,135	99,047	104,156
Toll revenue and operator fee	19,614	18,280	39,047	36,620
Revenue from construction contracts	19,258	7,155	31,056	19,112
Sales of electricity	7,386	6,809	14,027	13,225
Management fees	1,083	1,061	2,166	2,311
	<u>95,494</u>	<u>85,440</u>	<u>185,343</u>	<u>175,424</u>
<i>Revenue from other sources:</i>				
Deferred income	<u>3,478</u>	<u>3,588</u>	<u>6,956</u>	<u>7,136</u>
Revenue as per Condensed Statement of Comprehensive Income	<u>98,972</u>	<u>89,028</u>	<u>192,299</u>	<u>182,560</u>
<i>Timing of revenue recognition for revenue from contracts with customers:</i>				
At a point in time	75,153	77,224	152,121	154,001
Over time	20,341	8,216	33,222	21,423
	<u>95,494</u>	<u>85,440</u>	<u>185,343</u>	<u>175,424</u>

## A5 – Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years of the Group that have a material effect in the current quarter and financial period.

## A6 – Issuance, Repurchases and Repayments of Debt and Equity Securities

During the current quarter and financial period, there was no issuance, repurchase and repayment of debt and equity securities by the Company.

#### **A7 – Dividends Paid**

The total dividends paid to shareholders during the financial period amounted to RM40,316,000 (2023: RM66,522,000) as follows: -

- (a) On 27 February 2024, the Board declared a fourth interim single-tier dividend of 1.0 sen per share on 2,015,817,574 ordinary shares amounting to RM20,158,000 in respect of the financial year ended 31 December 2023 which was paid on 29 March 2024.
- (b) On 14 May 2024, the Board declared a first interim single-tier dividend of 1.0 sen per share on 2,015,817,574 ordinary shares amounting to RM20,158,000 in respect of the financial year ending 31 December 2024 which was paid on 28 June 2024.

#### **A8 – Material Subsequent Events**

Except as disclosed below, there were no material events subsequent to the end of the financial report that have not been reflected in these interim financial statements: -

On 26 July 2024, TR CPark Sdn. Bhd. (“**TR Cpark**”) and TR Sepang Sdn. Bhd. (“**TR Sepang**”), indirect wholly owned subsidiaries of the Company, entered into three (3) separate agreements with a third-party insurance company for the acceptance of insurance payments totalling USD2,323,711.65 (or RM10,672,807.61 based on MYR/USD exchange rate of 4.5930 published on Bank Negara Malaysia’s website as at 31 July 2024).

Details of the announcement by the Company can be downloaded from:

[https://www.bursamalaysia.com/market\\_information/announcements/company\\_announcement/announcement\\_details?ann\\_id=3470281](https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3470281)

#### **A9 - Contingent Liabilities**

There are no material contingent liabilities as at the end of the current financial period and up to 19 August 2024 (being a date not earlier than 7 days from the date of these interim financial statements).

#### **A10 – Changes in Composition of the Group**

There were no changes to the composition of the Group during the financial period, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinued operations.

#### **A11 – Other Significant Events and Transactions**

There are no other transactions and events that are significant to the understanding of the changes in the financial position and performance of the Group since the Audited Financial Statements.

## A12 – Operating Segments

Segmental information is presented in respect of the Group’s business segments, which reflect the Group’s management structure and the way financial information is internally reviewed by the Group’s chief operating decision makers.

3 Months  
ended 30 Jun

	Water		Waste management		Construction		Toll highway		Renewable energy		Others		Total		Reconciliation		Amount as per Statement of	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	48,153	52,135	87,328	85,407	19,258	7,155	16,874	15,882	7,386	6,810	1,083	1,061	180,082	168,450	(81,110)	(79,422)	98,972	89,028
EBITDA(i)	16,742	17,032	18,983	12,464	698	65	13,770	12,005	5,961	6,749	(2,089)	(1,923)	54,065	46,392	(13,205)	(7,005)	40,860	39,387
Depreciation and amortisation	(115)	(91)	(2,927)	(1,674)	(4)	(5)	(6,372)	(6,183)	(2,908)	(2,881)	(798)	(781)	(13,124)	(11,615)	673	(482)	(12,451)	(12,097)
Operating profit	16,627	16,941	16,056	10,790	694	60	7,398	5,822	3,053	3,868	(2,887)	(2,704)	40,941	34,777	(12,532)	(7,487)	28,409	27,290
Finance costs	(6)	-	(8,436)	(7,485)	-	-	(2,060)	(2,380)	(124)	(131)	(313)	(341)	(10,939)	(10,337)	7,017	6,013	(3,922)	(4,324)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	823	243	823	243
Share of results of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(189)	(4,577)	(189)	(4,577)
Profit before tax	16,621	16,941	7,620	3,305	694	60	5,338	3,442	2,929	3,737	(3,200)	(3,045)	30,002	24,440	(4,881)	(5,808)	25,121	18,632
Income tax expense	(3,931)	(3,557)	(5,104)	(5,291)	-	-	(1,600)	(1,135)	91	97	-	(499)	(10,544)	(10,385)	4,972	5,192	(5,572)	(5,193)
<b>Profit for the financial year</b>	<b>12,690</b>	<b>13,384</b>	<b>2,516</b>	<b>(1,986)</b>	<b>694</b>	<b>60</b>	<b>3,738</b>	<b>2,307</b>	<b>3,020</b>	<b>3,834</b>	<b>(3,200)</b>	<b>(3,544)</b>	<b>19,458</b>	<b>14,055</b>	<b>91</b>	<b>(616)</b>	<b>19,549</b>	<b>13,439</b>
EBDA(ii)	12,805	13,475	5,443	(312)	698	65	10,110	8,490	5,928	6,715	(2,402)	(2,763)	32,582	25,670	(582)	(134)	32,000	25,536
Capex(iii)	122	42	1,060	2,204	-	13	29	157	115	35	4	221	1,330	2,672	-	-	-	-

## A12 - Operating Segments (continued)

Segmental information is presented in respect of the Group's business segments, which reflect the Group's management structure and the way financial information is internally reviewed by the Group's chief operating decision makers.

6 Months ended 30 Jun	Water		Waste management		Construction		Toll highway		Renewable energy		Others		Total		Reconciliation		Amount as per Statement of Comprehensive Income	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	99,047	104,156	173,789	169,817	31,056	19,112	38,314	31,804	14,027	13,225	2,166	2,311	358,399	340,425	(166,100)	(157,865)	192,299	182,560
EBITDA(i)	35,198	32,224	32,189	24,018	990	319	31,883	24,265	12,315	12,228	(5,450)	(3,956)	107,125	89,098	(25,546)	(13,457)	81,579	75,641
Depreciation and amortisation	(227)	(181)	(5,698)	(3,225)	(9)	(11)	(12,683)	(12,269)	(5,790)	(5,745)	(1,595)	(1,554)	(26,002)	(22,985)	1,211	(1,042)	(24,791)	(24,027)
Operating profit	34,971	32,043	26,491	20,793	981	308	19,200	11,996	6,525	6,483	(7,045)	(5,510)	81,123	66,113	(24,335)	(14,499)	56,788	51,614
Finance costs	(12)	-	(16,855)	(14,634)	-	-	(4,198)	(4,823)	(247)	(261)	(627)	(683)	(21,939)	(20,401)	13,967	11,672	(7,972)	(8,729)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,227	739	5,227	739
Share of results of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,744)	(9,332)	(5,744)	(9,332)
Profit before tax	34,959	32,043	9,636	6,159	981	308	15,002	7,173	6,278	6,222	(7,672)	(6,193)	59,184	45,712	(10,885)	(11,420)	48,299	34,292
Income tax expense	(8,248)	(7,015)	(9,595)	(10,464)	-	-	(4,194)	(2,329)	181	194	-	113	(21,856)	(19,501)	10,455	10,323	(11,401)	(9,178)
<b>Profit for the financial year</b>	<b>26,711</b>	<b>25,028</b>	<b>41</b>	<b>(4,305)</b>	<b>981</b>	<b>308</b>	<b>10,808</b>	<b>4,844</b>	<b>6,459</b>	<b>6,416</b>	<b>(7,672)</b>	<b>(6,080)</b>	<b>37,328</b>	<b>26,211</b>	<b>(430)</b>	<b>(1,097)</b>	<b>36,898</b>	<b>25,114</b>
EBDA(ii)	26,938	25,209	5,739	(1,080)	990	319	23,491	17,113	12,249	12,161	(6,077)	(4,526)	63,330	49,196	(1,641)	(55)	61,689	49,141
Capex(iii)	212	111	10,316	11,304	13	103	123	323	122	428	9	276	10,795	12,545				

## A12 – Operating Segments (continued)

- (i) EBITDA is defined as earnings before finance costs, taxation, depreciation and amortisation (and excludes share of results of associates and joint venture).  
(ii) EBDA is defined as earnings before depreciation and amortisation.  
(iii) CAPEX is defined as capital expenditure based on the Group’s proportionate share on capital expenditure incurred for the financial period.

### Notes

- The Group monitors the performance of its business by five main business segments namely water treatment and supply, construction, toll highway, waste management and renewable energy. Others refer to investment holding and other non-core businesses. Goodwill has been allocated to its reportable segments.*
- The revenue and profit performance represent the Group’s proportionate share of interest in each of the subsidiaries (instead of full consolidation) and includes a proportionate share of the interest of joint ventures or associates (instead of being equity accounted). The total is then reconciled to the revenue and profit performance in the Condensed Statements of Comprehensive Income. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.*
- The segmental information on the waste management segment excluded the fair value measurement adjustments made at the Group level. This is to better assess the operational performance of the segment. The segmental results (including the calculation of EBITDA and EBDA), are solely from the concession business, after the proportionate deduction of dividends on cumulative preferences shares held by parties other than the Group.*

<u>As at 30 Jun</u>	<u>Water treatment and supply</u>		<u>Waste management</u>		<u>Construction</u>		<u>Toll highway</u>		<u>Renewable energy</u>		<u>Others</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>
	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>
Segment assets	95,119	113,957	87,220	106,274	98,277	75,450	1,222,566	1,240,131	167,310	176,068	50,923	83,730	1,721,415	1,795,610
Segment liabilities	(22,769)	(26,429)	-	-	(89,251)	(62,659)	(585,639)	(631,815)	(37,872)	(39,398)	(25,215)	(29,362)	(760,746)	(789,663)
Net segment assets	<b>72,350</b>	<b>87,528</b>	<b>87,220</b>	<b>106,274</b>	<b>9,026</b>	<b>12,791</b>	<b>636,927</b>	<b>608,316</b>	<b>129,438</b>	<b>136,670</b>	<b>25,708</b>	<b>54,368</b>	<b>960,669</b>	<b>1,005,947</b>



**PART B – DISCLOSURES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 – Overall Review of Group’s Financial Performance**

**Part A – Review of Statement of Financial Position**

	As at 30 Jun 2024 (Unaudited) RM’000	As at 31 Dec 2023 (Audited) RM’000	Variance (%) #
Total assets	1,721,415	1,747,924	↓ 2
Total liabilities	760,746	784,062	↓ 3
Total shareholders’ equity	960,669	963,862	< 1
Return on equity (%)*	3.83	4.92	↓ 22
Net assets per share (sen)	34.12	34.52	↓ 1

\* *Return on Equity is calculated by dividing the profit for the financial period/year with the average of the opening and closing total shareholders’ equity*

# *approximate, to the nearest digit*

- (a) The Group’s total assets decreased by 2% or RM26.51 million when compared to the Audited Financial Statements mainly due to the reduction in the following carrying amounts: -
- (i) investments designated at FVTPL, cash and bank balances by RM41.63 million. The decrease in the cash reserves of the Group was principally due to dividend payments to shareholders, repayments of the Islamic Medium-Term Notes (“**IMTN**”) under a IMTN (Sukuk) Programme issued by a subsidiary, Cerah Sama Sdn Bhd (“**Cerah Sama**”), and interest payments during the financial period;
  - (ii) property, plant and equipment by RM6.38 million and intangible assets by RM16.46 million due to depreciation and amortisation charges; and
  - (iii) investments in associates by RM5.75 million mainly due to share of losses of SWM Environment Holdings Sdn Bhd (“**SWMEH**”) during the financial period.

During the corresponding period, the following asset classes recorded an increase in the carrying amounts: -

- (i) inventories by RM37.84 million, mainly from materials purchased and delivered on site for the Rasau Projects but yet to be installed or consumed; and
  - (ii) trade and other receivables by RM7.10 million mainly due to purchases of replacement solar panels at TR Cpark and TR Sepang.
- (b) Total liabilities decreased by 3% or RM23.32 million, primarily due to the reduction in borrowings from the redemption of the fifth tranche of the IMTN of RM30.00 million, repayment of revolving credit of RM5.00 million and lower trade and other payables by RM13.28 million. Nonetheless, the amount due to contract customers increased by RM33.71 million due to higher inventory purchased.
- (c) The net assets per share as at 30 June 2024 was slightly lower at 34.12 sen as compared to 34.52 sen recorded as of 31 December 2023.

## B1 – Overall Review of Group’s Financial Performance (continued)

### Part B – Review of Income Statement

The breakdown of the revenue by business segment below should be read in conjunction with Note A4 – Disaggregation of Revenue above.

	<u>3 Months</u> <u>ended</u> <u>30 Jun 2024</u> <u>RM’000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>30 Jun 2023</u> <u>RM’000</u> <u>unaudited</u>	<u>6 Months</u> <u>ended</u> <u>30 Jun 2024</u> <u>RM’000</u> <u>unaudited</u>	<u>6 Months</u> <u>ended</u> <u>30 Jun 2023</u> <u>RM’000</u> <u>unaudited</u>
<i>Revenue</i>				
Water treatment and supply	48,153	52,135	99,047	104,156
Construction	19,258	7,155	31,056	19,112
Toll highway	23,092	21,868	46,003	43,756
Renewable energy	7,386	6,809	14,027	13,225
Others	1,083	1,061	2,166	2,311
<b>Revenue as per Condensed Statement of Comprehensive Income</b>	<b>98,972</b>	<b>89,028</b>	<b>192,299</b>	<b>182,560</b>
<i>Profit Before Tax</i>				
	<u>3 Months</u> <u>ended</u> <u>30 Jun 2024</u> <u>RM’000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>30 Jun 2023</u> <u>RM’000</u> <u>unaudited</u>	<u>6 Months</u> <u>ended</u> <u>30 Jun 2024</u> <u>RM’000</u> <u>unaudited</u>	<u>6 Months</u> <u>ended</u> <u>30 Jun 2023</u> <u>RM’000</u> <u>unaudited</u>
Water treatment and supply	16,627	16,943	34,971	32,045
Construction	685	52	964	291
Toll highway	10,935	9,132	21,381	18,305
Renewable energy	3,053	3,868	6,525	6,483
Others	(2,891)	(2,705)	(7,053)	(5,510)
<b>Operating profit</b>	<b>28,409</b>	<b>27,290</b>	<b>56,788</b>	<b>51,614</b>
Finance cost	(3,922)	(4,324)	(7,972)	(8,729)
Share of results of joint venture	823	243	5,227	739
Share of results of associates	(189)	(4,577)	(5,744)	(9,332)
<b>Profit before tax for the financial period</b>	<b>25,121</b>	<b>18,632</b>	<b>48,299</b>	<b>34,292</b>

#### (a) Current Quarter vs. Preceding Year’s Corresponding Quarter

##### Overall Summary

For the current quarter, the Group posted a higher revenue of RM98.97 million as compared to RM89.03 million in the corresponding quarter. The higher revenue was mainly contributed by higher revenue from all operating subsidiaries, except from the water treatment and supply segment.

In line with higher revenue, the Group reported a higher PBT of RM25.12 million, as compared to RM18.63 million in the corresponding quarter. The increase in PBT was mainly attributable to the following: -

- (a) BWSR Increase from the water treatment and supply segment;

## B1 – Overall Review of Group’s Financial Performance (continued)

### Part B – Review of Income Statement (continued)

#### (a) Current Quarter vs. Preceding Year’s Corresponding Quarter (continued)

- (b) lower provision of heavy repairs in the toll highway segment referred to in Note 39 of the Audited Financial Statements whereby the Group had reassessed the basis of estimation for the provision of heavy repairs to be based on the independent pavement condition assessment conducted annually;
- (c) lower share of losses from an associate, SWMEH of RM0.98 million (Q2FY23: RM5.03 million);
- (d) higher share of results from a joint venture company, Grand Sepadu (NK) Sdn Bhd (“**Grand Sepadu**”), in line with higher ADT; and
- (e) lower finance costs.

However, the increase in PBT was impacted by: -

- (a) higher net foreign exchange losses of RM0.68 million (Q2FY23: a net foreign exchange gain of RM0.47 million) due to currency fluctuations in the renewable energy segment in the current quarter; and
- (b) higher rehabilitation and maintenance expenditure totaling RM6.20 million (Q2FY23: RM5.17 million) in the current quarter.

In the corresponding quarter, the Group recorded a one-off gain on disposal of investment property amounting to RM1.81 million as well as higher sundry income and fair value gains.

#### Water treatment and supply

The segment recorded a revenue of RM48.15 million (Q2FY23: RM52.14 million), which comprised of metered sales of RM39.51 million (Q2FY23: RM37.15 million) and electricity and chemical rebates of RM8.64 million (Q2FY23: RM14.99 million) respectively. The decrease in the segment’s revenue was due to lower electricity rebates in the SSP1 operations. Despite the reduction in metered sales by 7.0%, revenue from metered sales recorded an increase as compared to the corresponding quarter due to the BWSR Increase.

The metered sales and the average million litres per day (“**MLD**”) of metered sales recorded in SSP1 were as follows: -

<b>SSP1</b>	<b>Q2 2024</b>	<b>Q2 2023</b>	<b>Variance (%)</b>
Metered Sales (million m <sup>3</sup> )	82.3	88.5	↓ 7.0
Number of billing days	91	91	
Average MLD	904	972	↓ 7.0

The segment’s operating profit declined marginally from RM16.94 million to RM16.63 million in the current quarter due to higher rehabilitation and maintenance expenditure totalling RM5.38 million (Q2FY23: RM4.16 million). In the corresponding quarter, the segment had recorded a gain on disposal of investment property of RM1.81 million.

## B1 – Overall Review of Group’s Financial Performance (continued)

### Part B – Review of Income Statement (continued)

#### (a) Current Quarter vs. Preceding Year’s Corresponding Quarter (continued)

##### Construction

The construction segment achieved a significant increase in revenue by RM12.10 million to RM19.26 million, resulting in a higher operating profit. This was mainly attributed to the progress of the Rasau Projects. In the corresponding quarter, the Proposed Construction and Completion of 76ML RC Reservoir R4 and Related Ancillary Works at Cyberjaya Flagship Zone, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan (“**CRJ4 Project**”) contributed RM2.26 million to the revenue. As this project was completed in the third quarter of last year, it did not generate any revenue and operating profit in the current quarter.

##### Toll highway – Subsidiary

ADT	Q2 2024	Q2 2023	Variance (%)
Grand Saga Highway (vehicles per day)	164,171	156,588	↑ 4.8

With the opening of the Sungai Besi–Ulu Klang Elevated Expressway (“**SUKE Expressway**”) in September 2022 and increased development along the highway, traffic flow on the Grand Saga Highway improved significantly. This led to a 4.8% increase in Grand Saga's ADT, resulting in an additional RM1.22 million in revenue for the current quarter. The operating profit was higher at RM10.94 million as compared to RM9.13 million in the corresponding quarter attributed to higher revenue and lower provision for heavy repairs.

##### Renewable energy

The total energy output, measured in megawatt-hour (“MWh”) recorded in the four (4) solar plants were as follows: -

	Q2 2024	Q2 2023	Variance (%)
Total energy output (MWh)	6,290	5,735	↑ 9.7

The revenue contributed by the renewable energy segment in the current quarter increased by RM0.58 million, driven by a 9.7% rise in energy output. The higher energy output arose from the replacement of solar panels at TR Sepang and TR CPark undertaken during the financial period.

Despite the higher revenue, operating profit decreased slightly from RM3.87 million to RM3.05 million. This was primarily due to: -

- (a) a net foreign exchange loss of RM0.68 million as compared to a net foreign exchange gain of RM0.47 million recorded in the corresponding quarter; and
- (b) higher insurance claims received in the corresponding quarter.

In the current quarter, the segment recorded proceeds from sale of old solar panels amounting to RM0.33 million and incurred lower repair and maintenance expenses of RM0.04 million (Q2FY23: RM0.45 million) as compared to the corresponding quarter.

## B1 – Overall Review of Group’s Financial Performance (continued)

### Part B – Review of Income Statement (continued)

#### (a) Current Quarter vs. Preceding Year’s Corresponding Quarter (continued)

##### Toll highway – Share of results of joint venture

ADT	Q2 2024	Q2 2023	Variance (%)
Grand Sepadu Highway (vehicles per day)	89,586	88,154	↑ 1.6

The Group’s share of results from Grand Sepadu was higher by RM0.58 million mainly due to the increased in ADT by 1.6% brought about by the opening of a new flyover at Bandar Bukit Raja, lower repair and maintenance expenses; provision for heavy repairs and finance cost in the current quarter. During the quarter, higher depreciation and amortisation expenses of RM4.07 million (Q2FY23: RM3.97 million); and tax expenses of RM2.19 million (Q2FY23: RM 1.63 million) were recorded.

##### Waste management – Associate

The Group’s share of results of associates is mainly contributed by SWMEH. The Group’s share of losses from SWMEH was lower at RM0.98 million as compared to RM5.03 million in the corresponding quarter due to the higher PAT recorded in SWMEH.

At SWMEH, revenue from both solid waste collection and public cleansing services was higher by 2.3% in the current quarter. In line with the increase in revenue, SWMEH recorded a higher PAT of RM59.96 million as compared to RM47.10 million in the corresponding quarter. The increase was also attributable to: -

- (a) higher other operating income of RM19.56 million (Q2FY23: RM3.72 million), including one-off gain of RM13.72 million from disposal of investment; and
- (b) lower expenses, amongst others, provision for loss allowance on receivables and payroll-related costs during the current quarter.

However, SWMEH incurred higher subcontractor costs, depreciation and finance costs in the current quarter.

#### (b) Current Year-to-date vs. Preceding Year-to-date

##### Overall Summary

The Group achieved an increase in revenue by RM9.74 million, rising from RM182.56 million to RM192.30 million, in the current financial period. The increase was attributable to higher contribution from all operating subsidiaries, except from the water treatment and supply segment.

In line with the increase in revenue, PBT also showed better performance, and this was mainly attributable to the following: -

- (a) BWSR Increase in the water treatment and supply segment, and lower provision of heavy repairs in the toll highway segment;
- (b) lower share of losses from SWMEH and higher share of profits from Grand Sepadu; and
- (c) lower finance costs.

## B1 – Overall Review of Group’s Financial Performance (continued)

### Part B – Review of Income Statement (continued)

#### (b) Current Year-to-date vs. Preceding Year-to-date (continued)

Nonetheless, the Group recorded: -

- (a) higher rehabilitation and repair maintenance expenses amounting to RM12.84 million (YTD Q2FY23: RM10.27 million), as well as higher amortisation of intangible assets amounting to RM16.46 million (YTD Q2FY23: RM15.86 million) in the current financial period;
- (b) lower net returns from interest income, dividend and net gain on redemption from investments designated at FVTPL in the current financial period; and
- (c) a one-off gain on disposal of investment property, as well as higher sundry income, fair value and foreign exchange gains in the corresponding financial period.

#### Water treatment and supply

At the operating level, the water treatment and supply segment recorded a revenue of RM99.05 million, a decrease from RM104.16 million recorded a year ago due to lower electricity rebates in the SSP1 operations. However, the decrease in the electricity rebate has no impact to the SSP1 operations as the reduction in the ICPT surcharges resulted in lower electricity costs. Despite the reduction in metered sales by 3.8%, revenue from metered sales recorded an increase as compared to the corresponding period, due to the BWSR Increase. In terms of breakdown of the revenue, metered sales contributed RM81.54 million (YTD Q2FY23: RM74.16 million) with the balance in electricity and chemical rebates.

The metered sales and the average MLD of metered sales recorded in SSP1 were as follows: -

<b>SSP1</b>	<b>YTD Jun 2024</b>	<b>YTD Jun 2023</b>	<b>Variance (%)</b>
Metered Sales (million m <sup>3</sup> )	169.9	176.6	↓ 3.8
Number of billing days	182	181	
Average MLD	933	976	↓ 4.4

Corresponding with the increase in revenue from metered sales, the segment’s operating profit was higher at RM34.97 million as compared to RM32.05 million a year ago. In the financial period, the segment recorded higher rehabilitation and maintenance expenses of RM10.87 million (YTD Q2FY23: RM8.44 million), lower net returns from interest income, dividend and net gain on redemption from investments designated at FVTPL of RM0.52 million (YTD Q2FY23: RM0.69 million). Whereas, in the corresponding financial period, the segment recorded a one-off gain on disposal of an investment property amounting to RM1.81 million.

#### Construction

During the six (6) months period ended 30 June 2024, the progress of the Rasau Projects has been encouraging and this contributed to the higher revenue and operating profit compared to the corresponding period. Unlike in the corresponding financial period where the CRJ4 Project generated RM3.24 million in revenue, this project did not generate any revenue and profit for the current financial period as it was completed in the previous year.

## B1 – Overall Review of Group’s Financial Performance (continued)

### Part B – Review of Income Statement (continued)

#### (b) Current Year-to-date vs. Preceding Year-to-date (continued)

##### Toll operations - Subsidiary

ADT	YTD Jun 2024	YTD Jun 2023	Variance (%)
Grand Saga Highway (vehicles per day)	163,330	156,110	↑ 4.6

Revenue from the Grand Saga Highway increased to RM46.00 million from RM43.76 million in the corresponding period, driven by a 4.6% rise in ADT. The opening of the SUKE Expressway in September 2022 is one of the primary factors that contributed to the higher ADT in addition to the developments taking place along the vicinity of the highway. In line with the increase in revenue, operating profit was higher at RM21.38 million from RM18.31 million registered a year ago. In the current financial period, provision for heavy repairs was lower; whereas repair and maintenance expenses, and amortisation of intangible assets was higher at RM1.56 million (YTD Q2FY23: RM0.97 million) and RM16.44 million (YTD Q2FY23: RM15.86 million) respectively.

##### Renewable energy

The total energy output (measured in MWh) recorded in the four (4) solar plants were as follows: -

	YTD Jun 2024	YTD Jun 2023	Variance (%)
Total energy output (MWh)	11,893	11,117	↑ 7.0

Revenue contribution from renewable energy segment showed an increase by RM0.80 million in line with the higher total energy output by 7.0%. The higher energy output arose from the replacement of solar panels at TR Sepang and TR CPark undertaken during the financial period.

In line with the higher revenue, the segment’s operating profit was higher as compared to the corresponding financial period. In the current financial period, the segment recorded a net foreign exchange loss of RM0.26 million whereas in the corresponding period, a net foreign exchange gain of RM0.51 million was recorded. Proceeds from sale of old solar panels and lower repair and maintenance expenses of RM0.34 million (YTD Q2FY23: RM0.81 million) in the current financial period also contributed to a better financial performance. However, proceeds from insurance claims was relatively lower at RM0.10 million compared to RM1.03 million received in the corresponding period.

##### Toll operations - Share of results of joint venture

ADT	YTD Jun 2024	YTD Jun 2023	Variance (%)
Grand Sepadu Highway (vehicles per day)	89,252	88,070	↑ 1.3

The Group’s share of results in Grand Sepadu was significantly higher by RM4.49 million mainly due to recognition of the Toll Compensation of RM12.56 million and arising from higher traffic volume where the ADT increased by 1.3%. The better financial performance was also contributed by lower provision for heavy repairs, repair and maintenance expenses and finance cost in the current quarter. As compared to the corresponding period, tax expenses; and depreciation and amortisation charges were higher at RM7.20 million (YTD Q2FY23: RM 3.41 million) and RM8.11 million (YTD Q2FY23: RM7.88 million) respectively.

**B1 – Overall Review of Group’s Financial Performance (continued)**

**Part B – Review of Income Statement (continued)**

**(b) Current Year-to-date vs. Preceding Year-to-date (continued)**

Waste management - Share of results of associate

The Group’s share of losses from SWMEH was RM6.96 million compared to RM10.26 million in the corresponding period due to higher PAT recorded in SWMEH. To equity account the results of SWM, the Group made a group adjustment of RM125.54 million (YTD Q2FY23: RM122.55 million) to SWMEH’s PAT. The PAT of SWMEH was significantly higher at RM105.67 million as compared to RM93.25 million due to higher revenue and other operating income (primarily from the one-off gains as stated on Page 20 above), lower provision for loss allowance on receivables, payroll-related costs and taxes. Nonetheless, SWMEH incurred higher subcontractor costs, depreciation and finance costs in the current financial period.

**(c) Material Change in Financial Performance for the Current Quarter Compared with Preceding Quarter**

	<u>3 Months ended 30 Jun 2024 RM’000 unaudited</u>	<u>3 Months ended 31 Mar 2024 RM’000 unaudited</u>
<u>Revenue</u>		
Water treatment and supply	48,153	50,894
Construction	19,258	11,798
Toll highway	23,092	22,911
Renewable energy	7,386	6,641
Others	1,083	1,083
<b>Total revenue as per Condensed Statement of Comprehensive Income</b>	<b>98,972</b>	<b>93,327</b>
<u>Profit Before Tax</u>		
Water treatment and supply	16,627	18,344
Construction	685	279
Toll highway	10,935	10,446
Renewable energy	3,053	3,472
Others	(2,891)	(4,162)
<b>Operating profit</b>	<b>28,409</b>	<b>28,379</b>
Finance cost	(3,922)	(4,050)
Share of results of joint venture	823	4,404
Share of results of associates	(189)	(5,555)
<b>Profit before tax for the financial period</b>	<b>25,121</b>	<b>23,178</b>



## **B1 – Overall Review of Group’s Financial Performance (continued)**

### **Part B – Review of Income Statement (continued)**

#### **(c) Material Change in Financial Performance for the Current Quarter Compared with Preceding Quarter (continued)**

In the current quarter, the Group revenue increased by RM5.65 million, from RM93.33 million to RM98.97 million mainly due to higher contribution from all operating subsidiaries, except from the water treatment and supply segment.

In line with the higher revenue, the PBT of the Group increased by RM1.94 million to RM25.12 million from RM23.18 million recorded in the previous quarter. This increase was attributable to lower rehabilitation and maintenance expenses and other overheads, as well as a lower share of losses from SWMEH in the current quarter. The higher PBT was however impacted by higher net foreign exchange loss and lower share of result from Grand Sepadu.

For the water treatment and supply segment, the operating revenue recorded a decrease of RM2.74 million from RM50.89 million to RM48.15 million mainly due to lower metered sales of 82.31 million m<sup>3</sup> (or 904 MLD) as compared to 87.56 million m<sup>3</sup> (or 962 MLD) in the previous quarter. The significant drop of 6.0% in metered sales was also contributed by a one-day scheduled plant shutdown at SSP1 and rationalisation of production by Air Selangor. Electricity and chemical rebates did not vary materially from the preceding quarter. The segment’s operating profit declined by RM1.72 million in line with the decrease in revenue.

The construction segment’s revenue and operating profit increased when compared to previous quarter due to higher work progress of the Rasau Projects. The higher profit was also attributed to lower employee related expenses in the current quarter.

For the Grand Saga Highway, the ADT was recorded at 164,171 vehicles per day as compared to 162,489 vehicles per day, or an increase of 1.0%. The improvement in Grand Saga’s traffic flow contributed to higher revenue and operating profit. Whereas for the Grand Sepadu Highway, the increase in the ADT was lower at 0.8% with 89,586 vehicles per day passing through the toll plazas compared to 88,919 vehicles per day in the previous quarter. Nonetheless, the Group’s share of results in Grand Sepadu was significantly lower at RM0.82 million (Q1FY24: RM4.40 million) and this was attributed to the Toll Compensation recorded in the preceding quarter, coupled with higher repair and maintenance expenses in the current quarter. The lower share of results was mitigated by lower taxes.

In the renewable energy segment, revenue increased slightly by RM0.75 million due to a 12.3% increase in total energy output to 6,290 MWh as compared to 5,603 MWh in the previous quarter. The increase in the total energy output was attributed to a higher average performance ratio of newly replaced solar panels. However, the operating profit declined slightly due to a net loss on foreign exchange in the current quarter.

The Group’s share of losses in SWMEH was significantly lower at RM0.98 million as compared to RM5.97 million in the preceding quarter due to higher PAT recorded by SWMEH. Revenue from both solid waste collection and public cleansing services was higher by 1.0%. SWMEH recorded a higher PAT of RM59.96 million as compared to RM45.70 million, primarily due to higher other operating income and lower payroll-related expenses. However, the financial performance of SWMEH was impacted by higher subcontractor cost and taxes in the current quarter.

## B1 – Overall Review of Group’s Financial Performance (continued)

### Part C – Review of Statement of Cash Flow

	<u>6 Months ended</u> <u>30 Jun 2024</u> <u>RM'000</u> <u>unaudited</u>	<u>6 Months ended</u> <u>30 Jun 2023</u> <u>RM'000</u> <u>unaudited</u>	Variance (%)
Net cash from operating activities	37,416	66,702	↓ 44
Net cash from investing activities	45,696	74,167	↓ 38
Net cash used in financing activities	(85,486)	(107,447)	↓ 20

Net cash from operating activities for the financial period was lower by RM29.29 million or 44% primarily attributable to purchase of inventories for the Rasau Projects, lower payments from trade and other receivables as well as contract customers. The lower net cash from operating activities was also a result of higher income tax paid, higher trade and other payables payments made, and a tax refund received in the corresponding period. Nonetheless, this decrease was mitigated by higher profit generated from business operations during the financial period.

Net cash from investing activities for the financial period was lower by RM28.47 million or 38% primarily due to lower net proceeds from redemption of investments designated at FVTPL. Nonetheless, the decrease in net cash from investing activities was mitigated by higher dividend received from a joint venture in the current financial period.

Net cash used in financing activities for the financial period was lower by RM21.96 million or 20% due to lower dividend payment to shareholders. Nonetheless, this was offset by an increase in loan repayments compared to the corresponding period.

## B2 – Prospects

The profitability of the Group is predominantly driven by the performance of the water treatment and supply; and the toll highway segments as they contribute the bulk of the profits and cash flows to the Group. During the financial period, even though there was a consistent and sustained demand for treated raw water in the Klang Valley, there has been a gradual decrease in the metered sales from the water treatment plants located along the Sungai Selangor basin including from SSP1. This could be attributed to Air Selangor rationalising production in the southern region, allowing for the redistribution of excess water from the Langat 2 Water Treatment Plant to the northern region. Nonetheless, the Group is closely monitoring its production to ensure that designated quality and quantity are adhered to comply with the BWSA with Air Selangor.

For the toll highway segment, the Grand Saga Highway in particular, has registered tremendous growth in the traffic volume, following the opening of the SUKE Expressway as well as from greater economic activities. Subject to the requisite regulatory approvals, the Group is also expecting the receipt of government compensation on deferred increase of toll rate in the current financial year.

In the renewable energy segment, the financial performance is expected to continue to improve with the full solar panel replacement at all the solar sites. TR SaTerm has successfully completed its panel replacement in the fourth quarter of 2022 whereas TR Cpark and TR Sepang have just completed theirs in July of this year. The Group has identified the renewable energy sector as one of the key growth areas and it will continue to pursue opportunities to expand its investment portfolio into this sector.

For the construction segment, the Group is currently undertaking Packages 2 and 3 of the Rasau Projects with a total project amount of RM896 million. As these projects are sizeable and involve several authorities and jurisdictions, securing regulatory approvals has been a challenge and the delay by the authorities in granting the requisite approvals, have somewhat impeded the progress of the projects. However, extension of time has been granted by Air Selangor to complete these packages by 29 November 2025 and 19 December 2025 respectively. Other than the Rasau Projects, the Group is also looking to tender for other infrastructure-related works to boost the order book.

## B2 – Prospects (continued)

For the waste management segment, SWMEH remains a profitable entity and continues to register increases in revenue from both solid waste collection and public cleansing services mainly from increasing areas to be serviced. Whilst it manages its operations in accordance with the SWMEH concession agreement to provide essential waste management services to the consumers, the protracted delay in the authorities to grant a tariff revision continues to be a key issue as it affects the company's ability to incur capital expenditure to procure new vehicles. As a result of the delay, the Group expects to record share of losses until the tariff revision is resolved. Discussions are on-going between SWMEH and the Ministry of Housing and Local Government for a second cycle tariff review under the terms of the concession agreement. Pending the tariff revision, SWMEH continues to rationalise its costs and optimise its operational efficiency.

The Group continues to focus on its growth strategies, prioritising investing and growing its infrastructure and utility businesses and intends to prioritise its resources for this purpose.

## B3 – Profit Estimates, Forecasts, Projections, Internal Targets or Profit Guarantees

Not applicable as none were announced or disclosed in a public document.

## B4 – Profit before tax

	<u>3 Months ended 30 Jun</u>		<u>6 Months ended 30 Jun</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>
<i>Other operating income:</i>				
Interest income on fixed deposits with licensed banks	636	501	1,225	966
Dividend from investments designated at FVTPL	347	596	623	1,336
Rental income	64	65	160	163
Gain on redemption of investments designated at FVTPL	91	8	213	69
Gain on foreign exchange (realised)	-	-	-	1
Gain on foreign exchange (unrealised)	(608)	759	39	840
Fair value changes	-	203	2	370
Gain on disposal of property, plant and equipment and sundry income	545	1,194	1,316	1,494
Gain on disposal of investment property	-	1,806	-	1,806
<i>Cost of operations, administrative and other expenses:</i>				
Depreciation and amortisation	(12,451)	(12,098)	(24,791)	(24,027)
Imputed interest on borrowing	(64)	(77)	(128)	(153)
Loss on fair value changes	(45)	-	(97)	-
Loss allowance on trade and other receivables and amount due from contract customers	(24)	(96)	(25)	(96)
Loss on foreign exchange (unrealised)	(65)	(294)	(292)	(326)
Loss on foreign exchange (realised)	(2)	-	(2)	(1)
Reversal of interest income imputed on retention sum	16	36	(26)	(34)

Save as disclosed above, the other items required under Chapter 9, Appendix 9B, Part A (16) of the Listing Requirements of Bursa Securities are not applicable.

## B5 – Income Tax Expense

The income tax expense is in respect of the estimated Malaysian income tax charges and deferred tax expenses. The effective tax rate of the Group varied from the statutory tax rate principally due to non-deductibility of certain expenses and/or non-taxability of certain income, as the case maybe, tax effect of share of profits/loss of joint venture and associates and losses incurred by certain subsidiaries which were not available to be set-off against taxable profits in other companies within the Group.

	<u>3 Months ended 30 Jun</u>		<u>6 Months ended 30 Jun</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>
Malaysian income tax	7,811	7,581	15,108	14,626
Deferred tax expense	(2,239)	(2,388)	(3,707)	(5,448)
Total income tax expense	<b>5,572</b>	<b>5,193</b>	<b>11,401</b>	<b>9,178</b>
Effective tax rate	22.2%	27.9%	23.6%	26.8%

## B6 – Status of Corporate Proposals Announced but not Completed

There was no corporate proposal announced but not completed as of 19 August 2024, being a date not earlier than 7 days from the date of these interim financial statements.

## B7 – Group Borrowings and Debt Securities

Included in the borrowings of the Group are borrowings denominated in Ringgit Malaysia as follows: -

	<u>Long term</u>	<u>Short term</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>30 Jun 2024 (unaudited)</u>			
Secured- IMTN	<b>229,344</b>	<b>40,000</b>	<b>269,344</b>
<u>30 Jun 2023 (unaudited)</u>			
Secured- IMTN	<b>269,060</b>	<b>30,000</b>	<b>299,060</b>

The RM420 million in nominal value IMTN Programme issued by Cerah Sama is repayable over eleven (11) annual instalments commencing 2020. During the financial period, the fifth tranche of the IMTN amounting to RM30 million in nominal value was redeemed in full at maturity in January 2024. As at the end of the financial period, the remaining balance of the IMTN amount to RM270 million, which is repayable between 2025 and 2030.

## B8 – Changes in Material Litigations

The Group does not have any material litigation since the date of the last annual statement of financial position to 19 August 2024, being a date not earlier than 7 days from the date of these interim financial statements.

## B9 – Earnings Per Share (“EPS”)

Basic and diluted earnings per share attributable to owners of the Company are computed by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

There are no potential dilutive ordinary shares attributable to the Company as at the end of the financial period.

	<u>3 Months ended 30 Jun</u>		<u>6 Months ended 30 Jun</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>
Profit for the financial period attributable to owners of the Company (RM'000)	16,986	11,802	32,011	21,861
Weighted average number of ordinary shares in issue ('000)	2,015,817	2,015,817	2,015,817	2,015,817
Earnings per share (sen)	<b><u>0.84</u></b>	<b><u>0.58</u></b>	<b><u>1.59</u></b>	<b><u>1.08</u></b>

## B10 – Auditors’ Reports

The audit report on the annual financial statements of the Group and the Company for the preceding financial year does not contain a modified opinion or material uncertainty related to going concern.

## B11 – Investment Designated at FVTPL, Deposits, Bank and Cash Balances

As at the end of the financial period, included in the investment designated at FVTPL, deposits, bank and cash balances totalling RM137.62 million are: -

- (a) RM15.70 million held as securities for banking facilities secured by the Group, of which RM8.19 million is maintained in a debt service reserve account for the sixth tranche of the IMTN and its corresponding interest due on 31 January 2025; and
- (b) RM12.48 million of budgeted capital expenditure for improvement works in all operating segments.

## B12 – Dividends

The Board is pleased to declare a second interim single-tier dividend of 1.0 sen per share on 2,015,817,574 shares amounting to RM20,158,000 in respect of the financial year ending 31 December 2024, to be payable on 27 September 2024.

For the current financial period, the Board has declared a total single-tier dividend of 2.0 sen to shareholders amounting to RM40,316,000 (2023: 3.3 sen per share amounting to RM66,522,000) in respect of the financial year ending 31 December 2024.

## B13 – Authorisation for Release

These interim financial statements have been reviewed by the Audit and Risk Management Committee and approved by the Board for public release.

By Order of the Board  
Tai Yuen Ling (LS0008513)  
Tai Yit Chan (MAICSA 7009143)  
Company Secretaries  
26 August 2024