LOTTE CHEMICAL TITAN HOLDING BERHAD
(222357-P)

Unaudited condensed consolidated interim financial statements

For the quarter and year-to-date ended 30 June 2019

222357-P

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(Incorporated in Malaysia)

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The Board of Directors of Lotte Chemical Titan Holding Berhad ("LCT" or "the Company") is pleased to announce the following unaudited condensed consolidated financial statements of LCT and its subsidiaries ("the Group") for the quarter and year-to-date ended 30 June 2019, which should be read in conjunction with the accompanying explanatory notes on page 8 to 36.

Unaudited condensed consolidated statement of comprehensive income

	Note	Individual Quarter ended 30.06.2019 RM'000	Individual Quarter ended 30.06.2018 RM'000	Changes RM'000	%	Cumulative Quarter ended 30.06.2019 RM'000	Cumulative Quarter ended 30.06.2018 RM'000	Changes RM'000	%
Revenue	A8	2,127,154	2,275,537	(148,383)	-7%	4,297,157	4,489,796	(192,639)	-4%
Cost of goods sold		(1,991,540)	(1,983,513)	(8,027)	0%	(4,004,545)	(3,890,641)	(113,904)	3%
Gross profit		135,614	292,024	(156,410)	-54%	292,612	599,155	(306,543)	-51%
Other income		51,639	36,924	14,715	40%	56,788	41,993	14,795	35%
Distribution expenses		(32,369)	(15,922)	(16,447)	103%	(65,929)	(32,600)	(33,329)	102%
Administrative expenses		(29,959)	(23,891)	(6,068)	25%	(56,683)	(47,259)	(9,424)	20%
Foreign exchange differences		13,850	52,158	(38,308)	-73%	(4,863)	42,506	(47,369)	-111%
Fair value changes on derivatives		(572)	(1,687)	1,115	-66%	280	(1,123)	1,403	-125%
Other expenses		(4,557)	(3,889)	(668)	17%	(7,904)	(7,344)	(560)	8%
Profit from operations		133,646	335,717	(202,071)	-60%	214,301	595,328	(381,027)	-64%
Finance income		26,854	25,252	1,602	6%	52,598	50,063	2,535	5%
Finance costs	B6	(4,238)	(3,996)	(242)	6%	(8,078)	(7,707)	(371)	5%
Net finance income		22,616	21,256	1,360	6%	44,520	42,356	2,164	5%
Share of results of associates		(18,069)	1,852	(19,921)	-1076%	(31,498)	20,968	(52,466)	-250%
Profit before tax	B5	138,193	358,825	(220,632)	-61%	227,323	658,652	(431,329)	-65%
Income tax	B7	(33,208)	(43,173)	9,965	-23%	(66,476)	(98,731)	32,255	-33%
Net profit for the period		104,985	315,652	(210,667)	-67%	160,847	559,921	(399,074)	-71%

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Unaudited condensed consolidated statement of comprehensive income (cont'd)

	Note	Individual Quarter ended 30.06.2019 RM'000	Individual Quarter ended 30.06.2018 RM'000	Cumulative Quarter ended 30.06.2019 RM'000	Cumulative Quarter ended 30.06.2018 RM'000
Other comprehensive income/ (loss), net of tax					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		136,130	391,434	(6,463)	(33,304)
		136,130	391,434	(6,463)	(33,304)
Total comprehensive income for the period		241,115	707,086	154,384	526,617
Net profit for the period attributable to:					
Owner of the Company		104,848	315,025	160,679	559,222
Non-controlling interests		137	627	168	699
		104,985	315,652	160,847	559,921
Total comprehensive income for the period attributable to:					
Owner of the Company		240,495	705,085	154,952	525,979
Non-controlling interests		620	2,001	(568)	638
		241,115	707,086	154,384	526,617
Basic and diluted earnings per ordinary share (sen)	B18	4.61	13.86	7.07	24.60

The unaudited condensed consolidated statement of other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

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Unaudited condensed consolidated statement of financial position

	Note	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Assets			
Non-current assets			
Property, plant and equipment		4,960,140	5,360,287
Prepaid lease payments		-	62,467
Right-of-use assets		566,269	-
Prepayment for acquisition of land		19,775	19,789
Investments in associates		2,068,127	2,101,300
Deferred tax assets		-	33
		7,614,311	7,543,876
Current assets			
Inventories		1,370,387	1,507,657
Trade and other receivables		835,119	1,007,726
Tax recoverable		19,870	25,332
Prepayments		8,495	24,348
Other investment	B13	1,163,013	1,149,813
Cash and bank balances	B14	2,150,440	2,262,300
		5,547,324	5,977,176
Total assets		13,161,635	13,521,052
Equity and liabilities			
Capital and reserves			
Share capital		5,816,813	5,816,813
Other reserves		1,265,912	1,271,639
Retained earnings		4,893,021	5,118,749
Treasury shares, at cost		(226,252)	(226,252)
Total equity attributable to owner of the Company		11,749,494	11,980,949
Non-controlling interests		22,417	22,985
		11,771,911	12,003,934

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Unaudited condensed consolidated statement of financial position (cont'd)

	Note	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Non-current liabilities			
Provision		307,529	263,743
Deferred tax liabilities		442,770	396,557
Defined benefit obligation		19,192	17,236
Lease liabilities		45,325	-
		814,816	677,536
Current liabilities			
Trade and other payables		557,354	838,664
Provision for taxation		2,822	-
Other financial liabilities		72	91
Lease liabilities		14,120	-
Derivative financial instruments		540	827
		574,908	839,582
Total liabilities		1,389,724	1,517,118
Total equity and liabilities		13,161,635	13,521,052
Net assets per share attributable to ordinary equity holders of the parent (RM)		5.17	5.27

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

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Unaudited condensed consolidated statement of changes in equity

		<---------------------- Attributable to owners of the Company						
		<----------- Non-distributable reserves ------------>			Distributable			
	Note	Share capital RM'000	Treasury Shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total RM'000
At 1 January 2018		5,816,813	(226,252)	1,086,768	4,856,084	11,533,413	24,970	11,558,383
Net profit for the period		-	-	-	559,222	559,222	699	559,921
Other comprehensive loss		-	-	(33,243)	-	(33,243)	(61)	(33,304)
Total comprehensive income for the period		-	-	(33,243)	559,222	525,979	638	526,617
Dividends	A7, B17	-	-	-	(522,786)	(522,786)	-	(522,786)
At 30 June 2018		5,816,813	(226,252)	1,053,525	4,892,520	11,536,606	25,608	11,562,214
At 1 January 2019		5,816,813	(226,252)	1,271,639	5,118,749	11,980,949	22,985	12,003,934
Net profit for the period		-	-	-	160,679	160,679	168	160,847
Other comprehensive loss		-	-	(5,727)	-	(5,727)	(736)	(6,463)
Total comprehensive income for the period		-	-	(5,727)	160,679	154,952	(568)	154,384
Dividends	A7, B17	-	-	-	(386,407)	(386,407)	-	(386,407)
At 30 June 2019		5,816,813	(226,252)	1,265,912	4,893,021	11,749,494	22,417	11,771,911

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

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Unaudited condensed consolidated statement of cash flows

	Cumulative Quarter ended 30.06.2019 RM'000	Cumulative Quarter ended 30.06.2018 RM'000
Cash flows from operating activities		
Profit before tax	227,323	658,652
Adjustments for:-		
Depreciation of property, plant and equipment and right-of-use assets	311,803	236,679
Amortisation of prepaid land lease payments	-	1,399
Finance costs	8,078	7,707
Property, plant and equipment written off	712	-
(Reversal of write-down)/Write-down of inventories to net realisable value	(37,683)	401
Expenses recognised in respect of defined benefit plan	1,679	2,072
Inventories written off	9	107
Impairment loss on trade receivables	596	-
Reversal of impairment loss on other receivables	-	(1)
Share of results of associates	31,498	(20,968)
Bad debts recovered	(17)	-
Loss on disposal of property, plant and equipment	-	187
Finance income	(52,598)	(50,063)
Fair value changes in derivatives	(280)	1,123
Loss on partial settlement of derivative financial instruments	-	220
Unrealised gain on foreign exchange	(887)	(70,458)
Operating profit before working capital changes	490,233	767,057
Change in inventories	148,618	(281,561)
Change in trade and other receivables	184,070	(66,384)
Change in trade and other payables	(249,684)	103,914
Cash generated from operations	573,237	523,026
Payments under defined benefit plan	(138)	(602)
Finance costs paid	(2,345)	(2,135)
Income tax paid	(6,238)	(9,547)
Net cash generated from operating activities	564,516	510,742

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Unaudited condensed consolidated statement of cash flows (cont'd)

	Cumulative Quarter ended 30.06.2019 RM'000	Cumulative Quarter ended 30.06.2018 RM'000
Cash flows from investing activities		
Finance income received	52,598	50,063
Proceeds from disposal of property, plant and equipment	-	175
Acquisition of property, plant and equipment	(311,146)	(289,849)
Payment for right-of-use asset	(6,551)	-
Prepaid lease payments	-	(5,840)
Prepayment for acquisition of land	-	(24,030)
(Placement)/Withdrawal of fund placements with licensed financial institutions	(13,200)	379,060
Proceeds from disposal of financial instruments	-	1,096
Net cash (used in)/generated from investing activities	(278,299)	110,675
Cash flows from financing activities		
Dividend paid	(386,407)	(522,786)
Share issuance costs and listing expenses paid	-	(179)
Payment of lease liabilities	(12,570)	-
Net cash used in financing activities	(398,977)	(522,965)
Net (decrease)/increase in cash and cash equivalents	(112,760)	98,452
Effect of exchange rate changes on the balance of cash held in foreign currencies	900	6,755
Cash and cash equivalents at beginning of year	2,262,300	2,374,176
Cash and cash equivalents at end of year (Note B14)	2,150,440	2,479,383

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

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Part A - Explanatory notes pursuant to MFRS 134

A1. Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with IAS 34, MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. They should also be read in conjunction with the financial statements of the Group for the year ended 31 December 2018 and the accompanying notes attached to the unaudited condensed consolidated interim financial statements.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 31 July 2019.

A2. Significant accounting policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 December 2018, except for the adoption of the following amendments to MFRSs during the financial year:

Amendments to MFRS 9	Prepayment Features with Negative Compensation
MFRS 16	Leases
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and 108	Definition of Material
MFRS 17	Insurance Contracts
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to references to the Conceptual Framework in MFRS Standards
Annual Improvements to MFRS Standards 2015–2017 Cycle

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Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A2. Significant accounting policies (cont'd)

The adoption of the above amendments had no significant impact to the financial statements of the Group other than the following:

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying MFRS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’). The Group also elected to recognise a right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The effect of adoption MFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

	RM'000
Assets	
Right-of-use assets	575,273
Property, plant and equipment	(441,309)
Prepaid land lease	(62,467)
Prepayment	(1,189)
Total assets	70,308
Liabilities	
Lease liabilities, representing total liabilities	70,308

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A2. Significant accounting policies (cont'd)

MFRS 16 Leases (cont'd)

(a) Nature of the effect of adoption of MFRS 16

The Group has lease contracts for various items of land and building, vehicles and others. Before the adoption of MFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments, Prepaid lease payments and Trade and other payables, respectively.

Upon adoption of MFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

<u>Leases previously classified as finance leases</u>

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under MFRS 117). The requirements of MFRS 16 was applied to these leases from 1 January 2019.

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A2. Significant accounting policies (cont'd)

MFRS 16 Leases (cont'd)

(a) Nature of the effect of adoption of MFRS 16 (con'd)

Leases previously classified as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A2. Significant accounting policies (cont'd)

MFRS 16 Leases (cont'd)

(a) Nature of the effect of adoption of MFRS 16 (con'd)

Leases previously classified as operating leases (cont'd)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	RM'000
Operating lease commitments as at 31 December 2018	92,000
Less:	
Commitments relating to short-term leases	(9,611)
Commitments relating to low-value assets	(278)
	82,111
Weighted average incremental borrowing rate as at 1 January 2019	5.39%
Lease liabilities as at 1 January 2019	70,308

(b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of MFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A2. Significant accounting policies (cont'd)

MFRS 16 Leases (cont'd)

(b) Summary of new accounting policies (cont'd)

<u>Lease liabilities</u>

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A2. Significant accounting policies (cont'd)

MFRS 16 Leases (cont'd)

(b) Summary of new accounting policies (cont'd)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below USD 5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgment in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

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Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A2. Significant accounting policies (cont'd)

MFRS 16 Leases (cont'd)

(c) Amounts recognised in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Land and buildings RM'000	Vehicles RM'000	Others RM'000	Total RM'000	Lease Liabilities RM'000
As at 1 January 2019	514,831	11,627	48,815	575,273	70,308
Additions	6,551	-	-	6,551	-
Depreciation expense	(9,392)	(2,396)	(3,273)	(15,061)	-
Interest expense	-	-	-	-	1,740
Unrealised foreign exchange	-	-	-	-	84
Disposal	-	(42)	-	(42)	(42)
Foreign currency translation reserve	(381)	(20)	(51)	(452)	(75)
Payments	-	-	-	-	(12,570)
As at 30 June 2019	511,609	9,169	45,491	566,269	59,445

The Group recognised rent expense from short-term leases and low-value assets of RM5,130,000 for the six months ended 30 June 2019.

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A3. Seasonality or cyclicality of operations

The petrochemical industry and the operating margins in this industry have historically been cyclical. Changes in supply and demand, both domestically and internationally (including in Southeast Asia, China and other markets the Group sells to), and resulting utilisation rates are key factors that influence the cycle and profitability of the petrochemical industry.

Supply is affected by significant capacity additions in the market, and if such additions are not matched by corresponding growth in demand, average industry utilisation rates and margins will face downward pressures. Conversely, if capacity additions are not able to keep up with increased demand, average industry utilisation rates and margins face upward pressure. As a result, the petrochemical industry is cyclical and characterised by periods of tight supply, leading to high utilisation rates and margins, followed by periods of oversupply primarily resulting from significant capacity additions, leading to reduced utilisation rates and margins. The demand and supply balance may favour one position or the other for an extended period of time and may not rebalance quickly.

As the petrochemical industry is cyclical, new investments usually occur at the same time, following periods of sustained higher profitability. Cyclical changes in supply and demand are usually closely linked to economic growth patterns, especially in China given its strong manufacturing base. Global supply is increasing, with renewed investments in the United States following increased shale gas availability, adding to the development of capacity in the Middle East and Asia, led by investments in China.

It is not possible to predict accurately the supply and demand balances, market conditions and other factors that may affect industry capacity utilisation rates and margins in the future.

We do not typically experience significant seasonality in our business operations.

A4. Exceptional items

There was no exceptional item during the period under review.

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A5. Material changes in estimates

The Group regularly reviews the significant assumptions used in measuring its provision for dismantling cost to ensure that the assumptions are in line with economic measurements. In Q2 2019, based on an analysis performed by the management, the Group has revised the discount rate from 3.05% to 2.56%. This change has resulted in an increase by approximately RM39,697,000 in the provision for dismantling cost.

A6. Debt and equity securities

There were no material issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the quarter under review.

A7. Dividend paid

During the 6 months financial period ended 30 June 2019, the Company paid a final single tier dividend in respect of the financial year ended 31 December 2018, of 17.0 sen per share on 2,272,983,500 ordinary shares, amounting to a dividend of RM 386,407,195.

During the 6 months financial period ended 30 June 2018, the Company paid a final single tier dividend in respect of the financial year ended 31 December 2017, of 23.0 sen per share on 2,272,983,500 ordinary shares, amounting to a dividend of RM 522,786,205.

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Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A8. Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Olefins and derivative products RM'000	Polyolefin products RM'000	Total RM'000
For the financial period ended 30 June 2019			
Geographical markets			
Malaysia	232,615	1,321,008	1,553,623
Indonesia	61,190	1,055,873	1,117,063
China (including Hong Kong)	248,275	390,128	638,403
Southeast Asia	146,184	365,700	511,884
Northeast Asia	162,103	91,553	253,656
Indian Sub-Continent	72,515	111,256	183,771
Others	-	38,757	38,757
Total revenue from contracts with customers	922,882	3,374,275	4,297,157
For the financial period ended 30 June 2018			
Geographical markets			
Malaysia	267,657	1,442,100	1,709,757
Indonesia	162,787	1,038,037	1,200,824
China (including Hong Kong)	395,635	224,202	619,837
Southeast Asia	92,448	270,759	363,207
Northeast Asia	177,973	84,212	262,185
Indian Sub-Continent	93,174	101,150	194,324
Others	57,380	82,282	139,662
Total revenue from contracts with customers	1,247,054	3,242,742	4,489,796

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Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A9. Operating segments

For management purposes, the Group is organised into business units based on its products and has 2 reportable segments, as follows:

(i) Olefins and derivative products - Manufacture and sale of olefins and derivative products

(ii) Polyolefin products - Manufacture and sale of polyolefin products

The following table provides an analysis of the Group's revenue and results by business segment:

	Olefins and derivative products RM'000	Polyolefin products RM'000	Eliminations and unallocated results RM'000	Total RM'000
For the financial period ended 30 June 2019				
Revenue				
External customers	922,882	3,374,275	-	4,297,157
Inter-segment	2,115,591	-	(2,115,591)	-
Total revenue	3,038,473	3,374,275	(2,115,591)	4,297,157
Expenses				
Depreciation of property, plant and equipment and right-of-use assets	201,280	106,913	3,610	311,803
Property, plant and equipment written off	21	691	-	712
Reversal of write-down of inventories to net realisable value	(30,188)	(7,495)	-	(37,683)
Segment results	8,862	214,421	4,040	227,323

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Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A9. Operating segments (cont'd)

	Olefins and derivative products RM'000	Polyolefin products RM'000	Eliminations and unallocated results RM'000	Total RM'000
For the financial period ended 30 June 2018				
Revenue				
External customers	1,247,054	3,242,742	-	4,489,796
Inter-segment	1,845,274	-	(1,845,274)	-
Total revenue	3,092,328	3,242,742	(1,845,274)	4,489,796
Expenses				
Depreciation of property, plant and equipment and amortisation of prepaid lease payments	157,251	79,530	1,297	238,078
Write-down/(Reversal of write-down) of inventories to net realisable value	883	(482)	-	401
Segment results	173,684	392,956	92,012	658,652

Adjustments and eliminations

Finance income are allocated to individual segments other than finance income derived from the Company's proceeds from its initial public offering amounting to approximately RM42.1 million for the financial period ended 30 June 2019 which are managed on a group basis.

Foreign exchange gain/loss are allocated to individual segments other than foreign exchange loss arising from the conversion of the unutilised proceeds of the Company's initial public offering to USD amounting to approximately RM2.9 million for the financial period ended 30 June 2019 which are managed on a group basis.

Fair value changes in derivatives are not allocated to individual segments as the underlying instruments are also managed on a group basis.

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Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A9. Operating segments (cont'd)

Reconciliation of profit

	Cumulative Quarter ended 30.06.2019 RM'000	Cumulative Quarter ended 30.06.2018 RM'000
Segment profit of:		
- Olefins and derivative products	8,862	173,684
- Polyolefin products	214,421	392,956
Total segment profit	223,283	566,640
Fair value changes in derivatives	280	(1,123)
Inter-segment sales (elimination)	5,612	(639)
Share of results of associates	(31,498)	20,968
Finance income derived from IPO proceeds	42,137	43,303
Foreign exchange (loss)/gain arise as a result of converting a portion of IPO proceed to USD	(2,901)	35,921
Other unallocated cost	(9,590)	(6,418)
Profit before tax	227,323	658,652

A10. Valuation of property, plant and equipment

There were no revaluations of property, plant and equipment for the period under review. As at 30 June 2019, all property, plant and equipment were stated at cost less accumulated depreciation.

A11. Material subsequent event

There were no material events subsequent to the end of the current period.

A12. Contingencies

There were no material contingent liabilities or contingent assets since the last consolidated statement of financial position as at 31 December 2018.

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A13. Changes in composition of the Group

There were no material changes in the composition of the Group during the period.

A14. Capital commitments

Capital expenditure as at the reporting date is as follows:

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Contracted but not provided for	641,110	185,464
Approved but not contracted for	364,760	195,581

A15. Fair value information

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximations of fair values.

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair values:

(i) Trade and other receivables
(ii) Trade and other payables

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Derivatives

Fair values of forward currency contracts are calculated by reference to forward rates quoted at the reporting date for contracts with similar maturity profiles.

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A15. Fair value information (cont'd)

Financial guarantees

The Company provides a financial guarantee to a bank for credit facilities granted to an associate. The fair value of the guarantee is not expected to be material due to the following reasons:

- The likelihood is remote that the guaranteed party will default within the guaranteed period; and
- The estimated loss exposure to the Company arising from the outstanding credit facility that is not recovered if the guaranteed party were to default is not expected to be significant as the guaranteed party has net assets in excess of the outstanding amount of credit facilities.

Fair value hierarchy

The following table is the fair value measurement hierarchy of the Group's assets and

	Total RM'000	**Quoted prices in active markets (Level 1) RM'000**	**Significant observable inputs (Level 2) RM'000**	**Significant unobservable inputs (Level 3) RM'000**
At 30 June 2019				
Financial assets				
Fund placements with licensed financial institutions	1,163,013	-	1,163,013	-
Financial liabilities				
Derivatives				
- Forward currency contracts	(540)	-	(540)	-
At 31 December 2018				
Financial assets				
Fund placements with licensed financial institutions	1,149,813	-	1,149,813	-
Financial liabilities				
Derivatives				
- Forward currency contracts	(827)	-	(827)	-

Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A16. Related parties

For the purposes of these interim financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions of the Group are as follows:

	Cumulative Quarter ended 30.06.2019 RM'000	Cumulative Quarter ended 30.06.2018 RM'000
Ultimate holding company		
Sales of goods	34,680	24,275
Catalyst trial fee received/receivable	4,664	2,233
Management and consulting fees incurred*	179	6,940
Reimbursement of payroll for secondment of expatriates*	7,448	-
Purchase of materials	6,096	1,170
Commission expense	751	446
Royalty expense	18,465	162
Commission income	106	149
Capital expenditure incurred	6,108	2,060
IT support services fee paid/payable	650	277
Expenses paid on behalf	-	379
Related companies		
Sales of goods	52,242	27,368
Capital expenditure incurred	117,665	190,379
IT support services fee paid/payable	1,367	1,185
Commission expense	1,978	942
Warehouse and logistics services incurred	8,958	223
Advertising expenses	-	183
Other administrative expenses	46	22

* The Group's expatriates payroll of RM6, 940,000 were previously presented as management and consulting fees incurred for the period ended 30 June 2018. Management considers it to be more relevant if it was presented as reimbursement of payroll cost for secondment of expatriates.

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Part A - Explanatory notes pursuant to MFRS 134 (cont'd)

A16. Related parties (cont'd)

	Cumulative Quarter ended 30.06.2019 RM'000	Cumulative Quarter ended 30.06.2018 RM'000
Associate company		
Sales of goods	97,205	112,059
Sales of utilities	6,876	6,440
Income from shared services	126	97
Financial guarantee income	50	21
Lease rental income	1,316	1,260

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Part B - Other explanatory notes

B1. Review of group performance

(a) Performance of the current quarter against the corresponding quarter

	Individual quarter ended 30 June					
	2019	2018	2019	2018	2019	2018
	Group		Olefins and derivative products		Polyolefin products	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,127,154	2,275,537	487,344	669,403	1,639,810	1,606,134
Profit/ (Loss) before tax	138,193	358,825	(7,267)	74,799	117,174	187,406
EBITDA*	289,171	454,207	93,439	152,684	169,232	226,065

* EBITDA refers to earnings before interest, taxation, depreciation and amortisation and is computed based on profit from operations plus depreciation of property, plant and equipment and right-of-use assets and amortisation of prepaid lease payments.

Group revenue decreased by 6.5% (or RM 148.3 million) from RM 2,275.5 million to RM 2,127.2 million due to decrease in average product selling price. This was partially offset by the increase in sales volume which was driven by improvement in production quantity as compared to Q2 2018.

Overall production quantity increased due to commissioning of new PP3 plant in Q3 2018 while average plant utilisation rate improved from 82% to 89% in Q2 2019.

The main reason for the decrease in profit before tax from RM 358.8 million in Q2 2018 to RM 138.2 million in Q2 2019 is due to margin squeeze resulting from fall in product selling prices. The lower selling price is mainly due to diversion of polyolefin supply from USA into SEA region as a consequence of the US-China trade war as well as softening of global economic growth.

Part B - Other explanatory notes (cont'd)

B1. Review of group performance (cont'd)

(a) Performance of the current quarter against the corresponding quarter (cont'd)

Other factors contributing to the lower profit before tax includes higher distribution expenses, lower foreign exchange gain by RM 38.3 million and share of loss from associates. Higher distribution expenses arose from increase in sales volume, higher unit distribution cost and increase in royalty expenses by RM 8.9 million. This is partially offset by higher insurance proceed received/receivable of RM 45.7 million for furnace damage claim as compared to RM 31.2 million for gas turbine claim in Q2 2018.

Share of result from associates reduced by RM 19.9 million. This is mainly due to loss on fair value changes in interest rate swap entered by Lotte Chemical USA Corporation and borrowing costs incurred for project financing.

As a result of the above, profit after tax decreased by RM 210.7 million from RM 315.7 million to RM 105.0 million. Effective tax rate increased from 12% to 24% as a consequence of no further reinvestment allowance claimable.

Olefins and derivative products

The segment recorded a decrease in revenue of RM 182.1 million from RM 669.4 million in Q2 2018 to RM 487.3 million in Q2 2019. This was primarily due to the decrease in selling prices and sales volume in Q2 2019 as compared to the corresponding quarter.

Profit before tax decreased by RM 82.1 million from RM 74.8 million in Q2 2018 to loss before tax of RM 7.3 million in Q2 2019 mainly due to margin squeeze as average product selling price has dropped more than the feedstock price.

Polyolefin products

The segment recorded an increase in revenue of RM 33.7 million from RM 1,606.1 million in Q2 2018 to RM 1,639.8 million in Q2 2019. This was primarily due to an increase in sales volume in Q2 2019 as compared to the corresponding quarter due to the commercial operation of new plant but partially offsetted by decrease in average product selling price.

Profit before tax decreased by RM 70.2 million from RM 187.4 million in Q2 2018 to RM 117.2 million in Q2 2019 mainly due to margin squeeze as average product selling price has dropped more than the feedstock price.

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Part B - Other explanatory notes (cont'd)

B1. Review of group performance (cont'd)

(b) Performance of the current period against the corresponding period

	Cumulative quarter ended 30 June					
	2019	2018	2019	2018	2019	2018
	Group		Olefins and derivative products		Polyolefin products	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,297,157	4,489,796	922,882	1,247,054	3,374,275	3,242,742
Profit before tax	227,323	658,652	8,862	173,684	214,421	392,956
EBITDA*	526,104	833,406	209,213	330,315	321,587	473,167

* EBITDA refers to earnings before interest, taxation, depreciation and amortisation and is computed based on profit from operations plus depreciation of property, plant and equipment and right-of-use assets and amortisation of prepaid lease payments.

Group revenue decreased by 4.3% (or RM 192.6 million) from RM 4,489.8 million to RM 4,297.2 million due to decrease in average product selling price. This was partially offset by the increased in sales volume which was driven by improvement in production quantity as compared to corresponding period in 2018.

Overall production quantity increased due to commissioning of new plants while average plant utilisation rate improved from 82% to 88%.

The main reason for the decrease in profit before tax from RM 658.7 million to RM 227.3 million is due to margin squeeze resulting from fall in product selling prices. The lower selling price is mainly due to diversion of polyolefin supply from USA into SEA region as a consequence of the US-China trade war as well as softening of global economic growth.

Other factors contributing to the lower profit before tax includes higher distribution expenses, net foreign exchange loss by RM 47.4 million and share of loss from associates. Higher distribution expenses arose from increase in sales volume, higher unit distribution cost and higher royalty expenses to holding company by RM 18.3 million. This is partially mitigated by higher insurance claim received/receivable and reversal of write-down of inventories to net realisable value of RM 37.7 million in 1H 2019.

Part B - Other explanatory notes (cont'd)

B1. Review of group performance (cont'd)

(b) Performance of the current period against the corresponding period (cont'd)

Share of result from associates reduced by RM 52.5 million. This is mainly due to loss on fair value changes in interest rate swap entered by Lotte Chemical USA Corporation and borrowing costs incurred for project financing.

As a result of the above, profit after tax decreased by RM 399.1 million from RM 559.9 million to RM 160.8 million. Effective tax rate increase from 15% to 29% as a consequence of no further reinvestment allowance claimable.

Olefins and derivative products

The segment recorded a decrease in revenue of RM 324.2 million from RM 1,247.1 million to RM 922.9 million. This was primarily due to the decrease in product selling prices and sales volume in Q2 2019 as compared to the corresponding period.

Profit before tax decreased by RM 164.8 million from RM 173.7 million to RM 8.9 million mainly due to margin squeeze as average product selling price has dropped more than the feedstock price.

Polyolefin products

The segment recorded an increase in revenue of RM 131.6 million from RM 3,242.7 million to RM 3,374.3 million. This was primarily due to an increase in sales volume as compared to the corresponding quarter due to new plant capacity and partially offsetted by decrease in average product selling price.

Profit before tax decreased by RM 178.6 million from RM 393.0 million to RM 214.4 million mainly due to margin squeeze as average product selling price has dropped more than the feedstock price.

B2. Variation of results against the preceding quarter

	Individual Quarter ended 30 June 2019 RM'000	Individual Quarter ended 31 March 2019 RM'000
Revenue	2,127,154	2,170,003
Profit before tax	138,193	89,130
EBITDA	289,171	236,933

Part B - Other explanatory notes (cont'd)

B2. Variation of results against the preceding quarter (cont'd)

Group revenue decreased slightly by RM 42.8 million or 2.0% from RM 2,170.0 million to RM 2,127.2 million due to a slight decrease in sales volume in Q2 2019 compared to the preceding quarter which was attributed to festive holiday in June. This was partially offset by marginal increase in overall product selling prices in the quarter.

The average group utilisation rate increased from 87% to 89% due to improved plant reliability.

Profit before tax increased by RM 49.1 million from RM 89.1 million in Q1 2019 to RM 138.2 million in Q2 2019 mainly due to net foreign exchange gain by RM 32.6 million and insurance proceed received/receivable of RM 45.7 million for furnace damage claim. This was partially offset by weaker margin resulting from higher feedstock price in Q2 2019.

B3. Commentary on prospects

The results of our operations for the financial year ending 31 December 2019 are expected to be primarily influenced by the following factors:

(a) The demand and supply balance of petrochemical products in the market;
(b) Our ability to maximise production outputs and operational efficiency;
(c) Petrochemical product demand moves in tandem with overall global GDP growth, driven by consumption and population growth; and
(d) Feedstock prices which is correlated to crude oil prices.

Crude oil price, has been very volatile since beginning of the year, as a consequence of continued production cuts by OPEC and Russia. This will have an impact on the price of Naphtha, which is our main feedstock. The production cut is expected to extend until early 2020 to continue stabilizing prices from expected higher U.S shale production. Full U.S sanctions on both Venezuelan and Iranian crude oil export will further reduce global crude oil supply. These factors are expected to lend support towards crude oil price uptrend momentum. However, softened macroeconomic outlook and increasing U.S output and exports beyond Q3 2019 will offset potential increase in crude oil prices.

Domestically, new additional capacities are expected to create short to medium-term supply and demand imbalances. The additional supply is expected to be gradually absorbed by the high consumption growth in the Asian region.

Economic environment remain challenging with the unresolved global trade tensions while the U.S - China trade truce agreed in the recent G20 meeting in Osaka, Japan, would provide some respite pending the outcome of further negotiation. Despite slowing of global economic activities, emerging markets and Asian region, our key sales market, are expected to sustain their growth momentum for remaining of 2019.

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Part B - Other explanatory notes (cont'd)

B4. Profit forecast or profit guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B5. Profit before tax

Profit before tax is arrived at after charging/(crediting):

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Depreciation of property, plant and equipment and right-of-use assets	155,525	117,782	311,803	236,679
Loss/(Gain) on foreign exchange:				
- Realised	2,544	15,801	5,750	27,952
- Unrealised	(16,394)	(67,959)	(887)	(70,458)
Amortisation of prepaid lease payments	-	708	-	1,399
Inventories written off	6	106	9	107
Property, plant and equipment written off	347	-	712	-
Loss on disposal of property, plant and equipment	-	-	-	187
Loss on partial settlement of derivative financial instruments	-	206	-	220
Impairment loss on trade receivables	-	-	596	-
Reversal of impairment loss on other receivables	-	-	-	(1)
Write-down/(Reversal of write-down) of inventories to net realisable value	129	883	(37,683)	401
Bad debts recovered	(17)	-	(17)	-
Fair value changes in derivatives	572	1,687	(280)	1,123

Part B - Other explanatory notes (cont'd)

B6. Finance costs

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Unwinding of lease liabilities	818	-	1,740	-
Bank charges	1,116	910	1,655	1,397
Letter of credit charges	259	258	561	609
Unwinding of discount on provision	1,980	2,763	3,993	5,572
Other finance costs	65	65	129	129
	4,238	3,996	8,078	7,707

B7. Income tax

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Current tax				
Current year	10,498	9,831	20,715	18,053
Overprovision in prior year	(272)	-	(272)	-
	10,226	9,831	20,443	18,053
Deferred tax				
Origination and reversal of temporary differences	22,982	33,342	46,033	77,993
Underprovision in prior year	-	-	-	2,685
	22,982	33,342	46,033	80,678
Total income tax recognised in profit or loss	33,208	43,173	66,476	98,731

The Group effective tax rate of 29.2% for the period ended 30 June 2019 is higher than the statutory tax rate of 24%. This is primarily due to the fact that profit before tax recorded by the Group during the current financial period decreased while the non-tax deductible expenses such as depreciation expenses arising from the Group’s non qualifying, property, plant and equipment expenditures remained relatively constant.

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Part B - Other explanatory notes (cont'd)

B8. Sales of unquoted investments/properties

There were no material disposals of unquoted investments or properties by the Group for the period under review.

B9. Quoted securities

There were no material dealings in quoted securities during the period under review.

B10. Status of corporate proposals

Based on the IPO price of RM 6.50 per share, gross proceeds of RM 3,770 million was raised from the Public Issue on 11 July 2017 in the Main Market of Bursa Malaysia Securities Berhad. RM 226.3 million of the proceeds were utilised for purchase of treasury shares. The status of utilisation of the remaining IPO proceeds are as follow:

Details of use of	Estimated timeframe	Amount RM'000	Actual RM'000	Percentage %
Funding of following projects:				
(i) Integrated Petrochemical Facility (Note 1)	Within 36 months	2,634,213	235,022	9%
(ii) TE3 Project	Within 12 months	220,000	220,000	100%
(iii) PP3 Project (Note 2)	Within 12 months	606,805	606,805	100%
Estimated listing expenses (Note 3)	Within 6 months	82,730	82,730	100%
		3,543,748	1,144,557	32%

Note 1: The funding for Integrated Petrochemical Facility has been revised from RM 2,588,044,000 to RM 2,634,213,000 due to the excess fund from PP3 project and listing expenses.

Note 2: The PP3 project has been revised from RM 620,000,000 to RM 606,805,000. The excess fund of RM 13,195,000 from PP3 project would be invested in the Integrated Petrochemical Facility.

Note 3: The listing expenses has been revised from RM 115,704,000 to RM 82,730,000. The excess fund of RM 32,974,000 from listing expenses would be invested in the Integrated Petrochemical Facility.

Part B - Other explanatory notes (cont'd)

B10. Status of corporate proposals (cont'd)

The utilisation of the proceeds as disclosed above should be read in conjunction with the prospectus of the Company dated 16 June 2017 ("Prospectus"). In accordance to the Prospectus, the balance of the unutilised funds are kept as deposits, short-term money-market instruments or money-market unit trust funds in Malaysia. As at 30 June 2019, RM 13 million of the unutilised funds are temporarily reserved in Indonesia for subsequent payment to suppliers of Integrated Petrochemical Facility.

The Company has placed the unutilised IPO proceeds with licensed bank and financial institution in Malaysia and has met the Shariah compliance ratio requirement.

The status and progress of each of the projects as at the reporting date are as follows:

(i) Integrated Petrochemical Facility ("IPF")
Upon completion of the front-end engineering design (FEED) study in the fourth quarter of 2018 and a final feasibility study in the first quarter of 2019, the Company has determined the configuration and specification of the IPF. Appropriate project structure and funding are currently under review, and work for the land preparation in the project site has started while tendering and construction are scheduled to commence in 2019/2020.

(ii) TE3 Project
The project has started commercial operation since 16th December 2017.

(iii) PP3 Project
The project has started commercial operation since 1st September 2018.

Please refer to Section 4.7.1 of the Prospectus for further details of the projects.

B11. Derivative financial instruments

The Group's derivative financial instruments are as disclosed in Note A15.

B12. Fair value changes of financial liabilities

Other than derivatives which are measured at fair value and are classified as liabilities only when they are at a loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after initial recognition.

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Part B - Other explanatory notes (cont'd)

B13. Other investment

	As at 30 June 2019 RM'000	As at 31 December 2018 RM'000
Unutilised proceeds from initial public offering	941,992	1,029,131
Proceeds from internally generated funds	221,021	120,682
	1,163,013	1,149,813

Other investment comprise solely of fund placements with licensed financial institutions.

B14. Cash and bank balances

	As at 30 June 2019 RM'000	As at December 2018 RM'000
Unutilised proceeds from initial public offering		
Cash at banks	14,154	34,913
Short term deposits with licensed financial institutions	1,669,252	1,777,204
	1,683,406	1,812,117
Others		
Cash at banks and on hand	449,180	450,183
Short term deposits with licensed financial institutions	17,854	-
	2,150,440	2,262,300

B15. Off balance sheet financial instruments

There were no off balance sheet financial instruments for the period ended 30 June 2019.

B16. Material litigation

There was no material litigation taken or threatened against the Company and its subsidiaries as at the reporting date.

B17. Dividends

Other than disclosed in Note A7, no dividend has been paid or declared by the Company for the period ended 30 June 2018 and 30 June 2019.

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Part B - Other explanatory notes (cont'd)

B18. Earnings per share ("EPS")

Basic and diluted EPS are calculated by dividing net profit for the period attributable to the owner of the Company by the weighted average number of ordinary shares outstanding during the period. The Company did not issue any instruments that will give effect to dilutive potential ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2019	**2018**	**2019**	**2018**
Net profit attributable to the owner of the Company (RM'000)	104,848	315,025	160,679	559,222
Weighted average number of ordinary shares at the end of the period ('000)	2,272,984	2,272,984	2,272,984	2,272,984
Basic and diluted EPS (sen)	4.61	13.86	7.07	24.60

B19. Audit report of preceding annual financial statements

The auditors have expressed an unqualified opinion on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2018.