

LOTTE CHEMICAL TITAN HOLDING  
BERHAD  
199101012045(222357-P)

**Unaudited condensed consolidated  
interim financial statements**

For the quarter and year-to-date ended 30 June 2020

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

<b>Contents</b>	<b>Page</b>
Unaudited condensed consolidated statement of comprehensive income	1 - 2
Unaudited condensed consolidated statement of financial position	3 - 4
Unaudited condensed consolidated statement of changes in equity	5
Unaudited condensed consolidated statement of cash flows	6 - 7
Explanatory notes pursuant to MFRS 134	8 - 16
Other explanatory notes	17 - 29

**Lotte Chemical Titan Holding Berhad**  
(Incorporated in Malaysia)

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

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 2020, which should be read in conjunction with the accompanying explanatory notes on page 8 to 29.

**Unaudited condensed consolidated statement of comprehensive income**

		Individual Quarter ended 30.06.2020 RM'000	Individual Quarter ended 30.06.2019 RM'000	Changes		Cumulative Quarter ended 30.06.2020 RM'000	Cumulative Quarter ended 30.06.2019 RM'000	Changes	
	Note			RM'000	%			RM'000	%
<b>Revenue</b>	A8	1,576,264	2,127,154	(550,890)	-26%	3,038,098	4,297,157	(1,259,059)	-29%
Cost of goods sold		(1,407,061)	(1,991,540)	584,479	-29%	(3,067,389)	(4,004,545)	937,156	-23%
<b>Gross (loss)/ profit</b>		169,203	135,614	33,589	25%	(29,291)	292,612	(321,903)	-110%
Other income		6,063	51,639	(45,576)	-88%	13,767	56,788	(43,021)	-76%
Distribution expenses		(23,871)	(32,369)	8,498	-26%	(42,198)	(65,929)	23,731	-36%
Administrative expenses		(24,016)	(29,959)	5,943	-20%	(47,895)	(56,683)	8,788	-16%
Foreign exchange differences		(3,173)	13,850	(17,023)	-123%	58,259	(4,863)	63,122	-1298%
Fair value changes on derivatives		(835)	(572)	(263)	46%	2,805	280	2,525	902%
Other expenses		(4,072)	(4,557)	485	-11%	(26,686)	(7,904)	(18,782)	238%
<b>Profit/(Loss) from operations</b>		119,299	133,646	(14,347)	-11%	(71,239)	214,301	(285,540)	-133%
Finance income		18,364	26,854	(8,490)	-32%	42,113	52,598	(10,485)	-20%
Finance costs	B6	(3,609)	(4,238)	629	-15%	(7,499)	(8,078)	579	-7%
<b>Net finance income</b>		14,755	22,616	(7,861)	-35%	34,614	44,520	(9,906)	-22%
Share of results of associates		(24,819)	(18,069)	(6,750)	37%	(59,935)	(31,498)	(28,437)	90%
<b>Profit/(Loss) before tax</b>	B5	109,235	138,193	(28,958)	-21%	(96,560)	227,323	(323,883)	-142%
Income tax	B7	(13,351)	(33,208)	19,857	-60%	22,948	(66,476)	89,424	-135%
<b>Net profit/(loss) for the period</b>		95,884	104,985	(9,101)	-9%	(73,612)	160,847	(234,459)	-146%

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

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

	Individual Quarter ended Note 30.06.2020 RM'000	Individual Quarter ended 30.06.2019 RM'000	Cumulative Quarter ended 30.06.2020 RM'000	Cumulative Quarter ended 30.06.2019 RM'000
<b>Other comprehensive (loss)/ income, net of tax</b>				
<b>Item that may be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences	(103,825)	136,130	431,843	(6,463)
	<u>(103,825)</u>	<u>136,130</u>	<u>431,843</u>	<u>(6,463)</u>
<b>Total comprehensive income for the period</b>	<u>(7,941)</u>	<u>241,115</u>	<u>358,231</u>	<u>154,384</u>
<b>Net profit/(loss) for the period attributable to:</b>				
Owner of the Company	88,724	104,848	(81,339)	160,679
Non-controlling interests	7,160	137	7,727	168
	<u>95,884</u>	<u>104,985</u>	<u>(73,612)</u>	<u>160,847</u>
<b>Total comprehensive income for the period attributable to:</b>				
Owner of the Company	(4,825)	240,495	338,096	154,952
Non-controlling interests	(3,116)	620	20,135	(568)
	<u>(7,941)</u>	<u>241,115</u>	<u>358,231</u>	<u>154,384</u>
<b>Basic and diluted earnings/ (loss) per ordinary share (sen)</b>	B18 3.90	4.61	(3.58)	7.07

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.

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

**Unaudited condensed consolidated statement of financial position**

	Note	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,612,818	4,909,584
Right-of-use assets		565,130	555,618
Prepayment for acquisition of land		20,475	19,574
Investments in associates		2,286,559	2,232,689
		<u>8,484,982</u>	<u>7,717,465</u>
<b>Current assets</b>			
Inventories		1,120,838	1,324,854
Trade and other receivables		798,829	857,356
Tax recoverable		14,757	17,075
Prepayments		12,372	26,159
Derivative financial instruments		162	-
Other investments	B13	2,981,073	2,915,971
Cash and bank balances	B14	879,332	999,769
		<u>5,807,363</u>	<u>6,141,184</u>
<b>Total assets</b>		<u>14,292,345</u>	<u>13,858,649</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		5,816,813	5,816,813
Other reserves		1,618,660	1,199,225
Retained earnings		4,931,406	5,171,854
Treasury shares, at cost		(226,252)	(226,252)
Total equity attributable to owner of the Company		12,140,627	11,961,640
Non-controlling interests		475,615	317,584
		<u>12,616,242</u>	<u>12,279,224</u>

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

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

	Note	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
<b>Non-current liabilities</b>			
Provision		450,916	323,650
Deferred tax liabilities		401,289	416,040
Defined benefit obligation		23,576	21,439
Lease liabilities		38,712	47,488
		<u>914,493</u>	<u>808,617</u>
<b>Current liabilities</b>			
Trade and other payables		747,220	752,527
Provision for taxation		2,135	3,175
Other financial liabilities		75	72
Lease liabilities		12,125	12,320
Derivative financial instruments		55	2,714
		<u>761,610</u>	<u>770,808</u>
<b>Total liabilities</b>		<u>1,676,103</u>	<u>1,579,425</u>
<b>Total equity and liabilities</b>		<u>14,292,345</u>	<u>13,858,649</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		<u>5.34</u>	<u>5.26</u>

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.

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**Unaudited condensed consolidated statement of changes in equity**

	Note	←----- Attributable to owners of the Company ----->							Total	
		←----- Non-distributable reserves ----->			Distributable	Total equity attributable to owners of the Company		Non-controlling interest		
		Share capital RM'000	Treasury Shares RM'000	Equity transaction reserves RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2019</b>		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)	
<b>At 30 June 2019</b>		5,816,813	(226,252)	-	1,265,912	4,893,021	11,749,494	22,417	11,771,911	
<b>At 1 January 2020</b>		5,816,813	(226,252)	26,539	1,172,686	5,171,854	11,961,640	317,584	12,279,224	
Net loss for the period		-	-	-	-	(81,339)	(81,339)	7,727	(73,612)	
Other comprehensive income		-	-	-	419,435	-	419,435	12,408	431,843	
Total comprehensive income for the period		-	-	-	419,435	(81,339)	338,096	20,135	358,231	
Dividends	A7, B17	-	-	-	-	(159,109)	(159,109)	-	(159,109)	
Proceeds from issuance of ordinary share by a subsidiary to Lotte Chemical Corporation, the ultimate holding company		-	-	-	-	-	-	137,896	137,896	
<b>At 30 June 2020</b>		5,816,813	(226,252)	26,539	1,592,121	4,931,406	12,140,627	475,615	12,616,242	

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.

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**Unaudited condensed consolidated statement of cash flows**

	<b>Cumulative Quarter ended 30.06.2020 RM'000</b>	<b>Cumulative Quarter ended 30.06.2019 RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(96,560)	227,323
Adjustments for:-		
Depreciation of property, plant and equipment and right-of-use assets	277,207	311,803
Finance costs	7,499	8,078
Property, plant and equipment written off	830	712
Reversal of write-down of inventories to net realisable value	(21,277)	(37,683)
Expenses recognised in respect of defined benefit plan	2,106	1,679
Inventories written off	34	9
Allowance for impairment loss on trade receivables	-	596
Share of results of associates	59,935	31,498
Bad debts recovered	-	(17)
Gain on disposal of property, plant and equipment	(3,421)	-
Finance income	(42,113)	(52,598)
Fair value changes in derivatives	(2,805)	(280)
Unrealised loss/(gain) on foreign exchange	14,273	(887)
Operating profit before working capital changes	195,708	490,233
Change in inventories	284,287	148,618
Change in trade and other receivables	120,504	184,070
Change in trade and other payables	(80,400)	(249,684)
Cash generated from operations	520,099	573,237
Payments under defined benefit plan	(361)	(138)
Finance costs paid	(2,180)	(2,345)
Income tax paid	(5,632)	(6,238)
Net cash generated from operating activities	511,926	564,516



**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

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

	<b>Cumulative Quarter ended 30.06.2020 RM'000</b>	<b>Cumulative Quarter ended 30.06.2019 RM'000</b>
<b>Cash flows from investing activities</b>		
Finance income received	42,113	52,598
Proceeds from disposal of property, plant and equipment	3,421	-
Acquisition of property, plant and equipment	(597,500)	(311,146)
Payment for right-of-use asset	-	(6,551)
Prepayment for acquisition of land	(8)	-
Fund placement in other investment	(65,102)	(13,200)
Investment in associate	(13,074)	-
Net cash used in investing activities	<u>(630,150)</u>	<u>(278,299)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(159,109)	(386,407)
Proceeds from issuance of ordinary share by a subsidiary to Lotte Chemical Corporation, the ultimate holding company	137,896	-
Payment of lease liabilities	<u>(11,044)</u>	<u>(12,570)</u>
Net cash used in financing activities	<u>(32,257)</u>	<u>(398,977)</u>
<b>Net decrease in cash and cash equivalents</b>	(150,481)	(112,760)
<b>Effect of exchange rate changes on the balance of cash held in foreign currencies</b>	30,044	900
<b>Cash and cash equivalents at beginning of period</b>	<u>999,769</u>	<u>2,262,300</u>
<b>Cash and cash equivalents at end of period (Note B14)</b>	<u><u>879,332</u></u>	<u><u>2,150,440</u></u>

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.

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

**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 2019 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 30 July 2020.

**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 2019, except for the adoption of the following amendments to MFRSs during the financial year:

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7	Disclosures –Interest Rate Benchmark Reform

The adoption of the above amendments had no significant impact to the financial statements of the Group.

**A3. Seasonality or cyclicity 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.

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

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

**A3. Seasonality or cyclical nature of operations (cont'd)**

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.

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.

**A4. Exceptional items**

There was no exceptional item during the quarter under review.

**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 2020, based on an analysis performed by the management, the Group has revised the discount rate from 2.48% to 1.51%. This change has resulted in an increase by approximately RM110,016,000 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.

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

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

**A7. Dividend paid**

During the 6 months financial period ended 30 June 2020, the Company paid a final single tier dividend in respect of the financial year ended 31 December 2019, of 7.0 sen per share on 2,272,983,500 ordinary shares, amounting to a dividend of RM 159,108,845.

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.

**A8. Revenue from contracts with customers**

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

	<b>Olefins and derivative products RM'000</b>	<b>Polyolefin products RM'000</b>	<b>Total RM'000</b>
<b>For the financial period ended 30 June 2020</b>			
<b>Geographical markets</b>			
Malaysia	114,432	910,168	1,024,600
Indonesia	47,273	686,073	733,346
China (including Hong Kong)	119,614	490,956	610,570
Southeast Asia	137,097	289,782	426,879
Northeast Asia	82,651	70,591	153,242
Indian Sub-Continent	15,672	54,434	70,106
Others	-	19,355	19,355
	<u>516,739</u>	<u>2,521,359</u>	<u>3,038,098</u>
<b>Total revenue from contracts with customers</b>			
<b>For the financial period ended 30 June 2019</b>			
<b>Geographical markets</b>			
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
	<u>922,882</u>	<u>3,374,275</u>	<u>4,297,157</u>
<b>Total revenue from contracts with customers</b>			

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**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:

	<b>Olefins and derivative products RM'000</b>	<b>Polyolefin products RM'000</b>	<b>Eliminations and unallocated results RM'000</b>	<b>Total RM'000</b>
<b>For the financial period ended 30 June 2020</b>				
<b>Revenue</b>				
External customers	516,739	2,521,359	-	3,038,098
Inter-segment	1,430,413	-	(1,430,413)	-
Total revenue	<u>1,947,152</u>	<u>2,521,359</u>	<u>(1,430,413)</u>	<u>3,038,098</u>
<b>Expenses</b>				
Depreciation of property, plant and equipment and right-of-use assets	174,891	101,381	935	277,207
Property, plant and equipment written off	510	320	-	830
Reversal of write-down of inventories to net realisable value	(3,521)	(17,756)	-	(21,277)
<b>Segment results</b>	<u>(100,904)</u>	<u>(25,124)</u>	<u>29,468</u>	<u>(96,560)</u>

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

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

**A9. Operating segments (cont'd)**

	<b>Olefins and derivative products RM'000</b>	<b>Polyolefin products RM'000</b>	<b>Eliminations and unallocated results RM'000</b>	<b>Total RM'000</b>
<b>For the financial period ended 30 June 2019</b>				
<b>Revenue</b>				
External customers	922,882	3,374,275	-	4,297,157
Inter-segment	2,115,591	-	(2,115,591)	-
Total revenue	<u>3,038,473</u>	<u>3,374,275</u>	<u>(2,115,591)</u>	<u>4,297,157</u>
<b>Expenses</b>				
Depreciation of property, plant and equipment and right-of-use	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)
<b>Segment results</b>	<u>8,862</u>	<u>214,421</u>	<u>4,040</u>	<u>227,323</u>

**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 RM29.6 million for the financial period ended 30 June 2020 which are managed on a group basis.

Foreign exchange gain/loss are allocated to individual segments other than foreign exchange gain arising from the conversion of the unutilised proceeds of the Company's initial public offering to USD amounting to approximately RM70.5 million for the financial period ended 30 June 2020 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.

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

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

**A9. Operating segments (cont'd)**

**Reconciliation of profit**

	<b>Cumulative Quarter ended 30.06.2020 RM'000</b>	<b>Cumulative Quarter ended 30.06.2019 RM'000</b>
Segment (loss)/profit of:		
- Olefins and derivative products	(100,904)	8,862
- Polyolefin products	(25,124)	214,421
Total segment (loss)/profit	<u>(126,028)</u>	<u>223,283</u>
Inter-segment sales (elimination)	(1,134)	5,612
Share of results of associates	(59,935)	(31,498)
Finance income derived from IPO proceeds	29,607	42,137
Foreign exchange gain/(loss) arise as a result of converting a portion of IPO proceed to USD	70,458	(2,901)
Other unallocated cost	(9,528)	(9,310)
Eliminations and unallocated results	29,468	4,040
<b>(Loss)/Profit before tax</b>	<u><u>(96,560)</u></u>	<u><u>227,323</u></u>

**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 2020, 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 2019.

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

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

**A13. Changes in composition of the Group**

Lotte Chemical USA Corporation (“LC USA”) has filed a Notice of Arbitration on the dispute with Eagle US 2 LLC (“Eagle US”) relating to the purchase price formula for transferring its equity interest in LACC LLC (“LACC”) to Eagle US. The arbitration hearing is scheduled to begin on 21 June 2021, subject to possible schedule changes including resulting from COVID-19 pandemic.

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

**A14. Capital commitments**

Capital expenditure as at the reporting date is as follows:

	<b>As at 30.06.2020 RM'000</b>	<b>As at 31.12.2019 RM'000</b>
Contracted but not provided for	<u>241,941</u>	<u>586,029</u>
Approved but not contracted for	<u>292,234</u>	<u>418,807</u>

**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.



**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**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 liabilities.

	<b>Quoted prices in active markets (Level 1) RM'000</b>	<b>Significant observable inputs (Level 2) RM'000</b>	<b>Significant unobservable inputs (Level 3) RM'000</b>
<b>At 30 June 2020</b>			
<b>Financial assets</b>			
Fund placements with licensed financial institutions	1,311,096	-	1,311,096
Derivatives			
- Forward currency contracts	162	-	162
	<u>1,311,258</u>	<u>-</u>	<u>1,311,258</u>
<b>Financial liabilities</b>			
Derivatives			
- Forward currency contracts	(55)	-	(55)

199101012045 (222357-P)

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

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

**A15. Fair value information (cont'd)**

Fair value hierarchy (cont'd)

	<b>Total</b>	<b>Quoted prices in active markets (Level 1)</b>	<b>Significant observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 31 December 2019</b>				
<b>Financial assets</b>				
Fund placements with licensed financial institutions	<u>1,325,440</u>	<u>-</u>	<u>1,325,440</u>	<u>-</u>
<b>Financial liabilities</b>				
Derivatives				
- Forward currency contracts	<u>(2,714)</u>	<u>-</u>	<u>(2,714)</u>	<u>-</u>

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**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:

	<b>Cumulative Quarter ended 30.06.2020 RM'000</b>	<b>Cumulative Quarter ended 30.06.2019 RM'000</b>
<b>Ultimate holding company</b>		
Sales of goods	20,096	34,680
Catalyst trial fee received/receivable	6,016	4,664
Management and consulting fees incurred	-	179
Reimbursement of payroll for secondment of expatriates	5,454	7,448
Purchase of materials	600	6,096
Commission expense	849	751
Royalty expense	281	18,465
Commission income	22	106
Capital expenditure incurred	23,656	6,108
IT support services fee paid/payable	309	650
<b>Related companies</b>		
Sales of goods	34,719	52,242
Capital expenditure incurred	78,487	117,665
IT support services fee paid/payable	1,684	1,367
Commission expense	2,924	1,978
Warehouse and logistics services incurred	11,902	8,958
Other administrative expenses	45	46
<b>Associate company</b>		
Sales of goods	56,774	97,205
Sales of utilities	5,320	6,876
Income from shared services	147	126
Financial guarantee income	43	50
Lease rental income	1,405	1,316

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**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					
	2020	2019	2020		2020	2019
	Group		Olefins and derivative products		Polyolefin products	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,576,264	2,127,154	269,946	487,344	1,306,318	1,639,810
Profit before tax	109,235	138,193	29,940	(7,267)	102,736	117,174
EBITDA*	<u>261,827</u>	<u>289,171</u>	<u>119,493</u>	<u>93,439</u>	<u>155,837</u>	<u>169,232</u>

\* 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 25.9% (or RM 550.9 million) from RM 2,127.2 million to RM 1,576.3 million owing to decrease in average product selling price. Demand was weak in early Q2 2020 as regional countries continue to impose lockdowns and restrictions in their attempts to curb the COVID-19 pandemic spread. Following the gradual easing of restriction to spur economic activity from May 2020, the Group managed to increase its sales volume by 1.4% as compared to Q2 2019.

The major statutory turnaround exercise conducted in Malaysia continue from March 2020 till April 2020. The average plant utilisation rate was 86% in Q2 2020 compared to 89% in Q2 2019.

The Group's cost of goods sold decreased by 29% from RM 1,991.5 million to RM 1,407.1 million due mainly to lower feedstock cost and reversal of write-down of inventories to net realisable value of RM 102.7 million in Q2 2020. As a result, the Group's gross profit improved to RM 169.2 million in Q2 2020.

The Group's profit was offsetted by lower other income as there is no one-off insurance claim in Q2 2020, higher foreign exchange loss, decrease in finance income as a result of lower interest rate and IPO fund balance and increase in share of loss from associate. These are partially mitigated by lower distribution expenses arising from decrease in royalty expenses and decrease in administrative expenses.

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

**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)**

As a result of the above, profit after tax decreased from RM 105.0 million to RM 95.9 million mainly due to lower average product selling price.

**Olefins and derivative products**

The segment recorded a decrease in revenue from RM 487.3 million in Q2 2019 to RM 269.9 million in Q2 2020. This was due to the decrease in average product selling price and sales volume in Q2 2020 as compared to the corresponding quarter.

Profit improved from loss before tax of RM 7.3 million to profit before tax of RM 29.9 million mainly due to lower feedstock costs and reversal of write-down of inventories to net realisable value.

**Polyolefin products**

The segment recorded a decrease in revenue from RM 1,639.8 million in Q2 2019 to RM 1,306.3 million in Q2 2020. This was due to the decrease in average product selling price in Q2 2020 as compared to the corresponding quarter but partially offsetted by higher sales volume.

Profit before tax decreased from RM 117.2 million to RM 102.7 million mainly due to lower average product selling price.

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

**B1. Review of group performance (cont'd)**

**(b) Performance of the current year against the corresponding year**

	Cumulative quarter ended 30 June					
	2020	2019	2020	2019	2020	2019
	Group		Olefins and derivative		Polyolefin products	
	RM'000	RM'000	products	RM'000	RM'000	RM'000
Revenue	3,038,098	4,297,157	516,739	922,882	2,521,359	3,374,275
(Loss)/Profit before tax	(96,560)	227,323	(100,904)	8,862	(25,124)	214,421
EBITDA*	<u>205,968</u>	<u>526,104</u>	<u>73,450</u>	<u>209,213</u>	<u>76,159</u>	<u>321,587</u>

\* 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 29.3% (or RM 1,259.1 million) from RM 4,297.2 million to RM 3,038.1 million due to decrease in average product selling price and sales volume. Business sentiment fell due to the economic fallout from the COVID-19 pandemic and demand weakened as a result. The operation of some of the main customers were affected due to the distinctive measures introduced in the regions to allow only essential business to operate.

Overall plant utilisation decreased from 88% to 76% due to the major statutory turnaround conducted in 2020. The reduction in production quantity has also contributed towards lower sales volume in 1H 2020.

As a result of the lower margin and volume, profit before tax has decreased from RM 227.3 million in 1H 2019 to loss before tax of RM 96.6 million in 1H 2020.

Other factors contributing to loss before tax includes decrease in other income due to no one-off insurance claim, withholding tax from disposal of Lotte Chemical Titan Nusantara's shares by Chemical Brothers Limited, decrease in finance income and increase in share of loss of associates.

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

**B1. Review of group performance (cont'd)**

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

Other major factors offsetting the loss before tax includes lower distribution expenses arising from decrease in royalty expense, lower administrative expenses and higher foreign exchange gain.

As a result of the above, profit after tax decreased from RM 160.8 million to loss before tax of RM 73.6 million.

**Olefins and derivative products**

The segment recorded a decrease in revenue from RM 922.9 million to RM 516.7 million. This was primarily due to the decrease in average product selling price and sales volume in 2020 as compared to the corresponding year.

Profit before tax decreased from RM 8.9 million to loss before tax of RM 100.9 million mainly due to margin squeeze.

**Polyolefin products**

The segment recorded a decrease in revenue from RM 3,374.3 million to RM 2,521.4 million. This was primarily due to the decrease in average product selling price and sales volume in 2020 as compared to the corresponding year.

Profit before tax decreased from RM 214.4 million to loss before tax of RM 21.0 million mainly due to margin squeeze.

**B2. Variation of results against the preceding quarter**

	<b>Individual Quarter ended 30 June 2020 RM'000</b>	<b>Individual Quarter ended 31 March 2020 RM'000</b>
Revenue	1,576,264	1,461,834
Profit/(Loss) before tax	109,235	(205,795)
EBITDA	<u>261,827</u>	<u>(55,859)</u>

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

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

Group revenue increased by RM 114.4 million or 7.8% from RM 1,461.8 million to RM 1,576.3 million due to increase in sales volume resulting from the reopening of most businesses during the recovery movement control order in Q2 2020 compared to the preceding quarter.

The plant utilisation rate was 86% in Q2 2020 as compared to 66% in the preceding quarter. This is attributable to the normalisation of plant operation after the completion of major statutory turnaround in April 2020.

Profitability improved significantly by RM 315 million from loss before tax of RM 205.8 million in Q1 2020 to profit before tax of RM 109.2 million in Q2 2020. The key factors contributing to the improvement are increase in sales volume, increase in margin spread resulting in significant improvement in gross profit margin from -13.6% to 10.7% inclusive of increase in reversal of write-down of inventories to net realisable value and lower other expenses and share of losses from associates but partially offsetted by higher foreign exchange loss.

**B3. Commentary on prospects**

The results of our operations for the financial year ending 31 December 2020 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.

The International Monetary Fund in its latest report has forecasted the global economy in 2020 to be in recession with subdued turnaround in 2021 following the COVID-19 pandemic. The recovery outlook will remain largely uncertain for now, as nations worldwide are experiencing mixed results from their respective responses to contain the pandemic. Nevertheless, governments worldwide, including Malaysia, have since deployed sizable monetary and fiscal stimulus countermeasures to support the economy and this has helped to soften the economic downturn and lifted overall market sentiment.



**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

**B3. Commentary on prospects (cont'd)**

Additionally, intense volatility in global crude oil price persisted with the price war between two major OPEC+ producers in early 2020, namely Russia and Saudi Arabia, and exacerbated by the pandemic. On average, benchmark Brent crude price saw steep decline from above USD 60 per barrel in early 2020 to below USD 20 per barrel in April 2020. The price has since rebounded to above USD 40 per barrel in June 2020 subsequent to the OPEC+ producers' output cut agreement to curb supply glut. Such volatility has resulted in enormous price fluctuation for our naphtha feedstock costs that correlate with the global crude oil price movement.

The global economy has been in uncharted territory with the fallout from the COVID-19 pandemic. Nevertheless, with major economies gradually reopening since June 2020, manufacturing and business activities have begun starting-up and expected to normalize and improve in the second half of 2020. The improving business outlook will be dependent on the global economic recovery pace.

The Company will continue to track the post-pandemic development as the petrochemical industry correlates with and is heavily dependent on the regional and global economic growth and aggregate consumption pattern. Notwithstanding the external circumstances, the Company will continue to maintain its strong financial resilience and optimize its operations to ride through the highly volatile business environment.

**B4. Profit forecast or profit guarantee**

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

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

**B5. Profit/(Loss) before tax**

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

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Depreciation of property, plant and equipment and right-of-use assets	142,528	155,525	277,207	311,803
(Gain)/Loss on foreign exchange:				
- Realised	(59,291)	2,544	(72,532)	5,750
- Unrealised	62,464	(16,394)	14,273	(887)
Inventories written off	16	6	34	9
Property, plant and equipment written off	601	347	830	712
Gain on disposal of property, plant and equipment	(33)	-	(3,421)	-
Allowance for impairment loss on trade receivables	-	-	-	596
(Reversal of write-down)/Write down of inventories to net realisable value	(102,673)	129	(21,277)	(37,683)
Bad debts recovered	-	(17)	-	(17)
Fair value changes in derivatives	835	572	(2,805)	(280)
	<u>835</u>	<u>572</u>	<u>(2,805)</u>	<u>(280)</u>

**B6. Finance costs**

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unwinding of lease liabilities	793	818	1,614	1,740
Bank charges	880	1,116	1,665	1,655
Letter of credit charges	244	259	502	561
Unwinding of discount on provision	1,692	1,980	3,705	3,993
Other finance costs	-	65	13	129
	<u>3,609</u>	<u>4,238</u>	<u>7,499</u>	<u>8,078</u>

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

**B7. Income tax**

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Current tax</b>				
Current year	2,189	10,498	5,084	20,715
Overprovision in prior year	-	(272)	-	(272)
	<u>2,189</u>	<u>10,226</u>	<u>5,084</u>	<u>20,443</u>
<b>Deferred tax</b>				
Origination and reversal of temporary differences	<u>11,162</u>	<u>22,982</u>	<u>(28,032)</u>	<u>46,033</u>
<b>Total income tax recognised in profit or loss</b>	<u>13,351</u>	<u>33,208</u>	<u>(22,948)</u>	<u>66,476</u>

The Group effective tax rate for the 6 months ended 30 June 2020 is 23.8%, close to the statutory tax rate of 24%.

**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.

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

**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 proceeds	Intended timeframe for utilisation	Proposed utilisation RM'000	Actual utilisation as at 30 June 2020 RM'000	Percentage utilised %
Funding of following projects:				
(i) LINE Project (formerly known as Integrated Petrochemical Facility) (Note 1)	By 2022	2,634,213	427,411	16%
(ii) TE3 Project	Fully utilised	220,000	220,000	100%
(iii) PP3 Project (Note 2)	Fully utilised	606,805	606,805	100%
Listing expenses (Note 3)	Fully utilised	82,730	82,730	100%
		<u>3,543,748</u>	<u>1,336,946</u>	<u>38%</u>

**Note 1:** The funding for LINE Project (formerly known as 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.

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 2020, RM 35.7 million of the unutilised funds are temporarily reserved in Indonesia for subsequent payment to suppliers of Integrated Petrochemical Facility.

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

**B10. Status of corporate proposals (con'd)**

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) LINE Project (formerly known as Integrated Petrochemical Facility)  
The overall project configuration has been finalized and announced, and work for land preparation in the project site is currently underway.

Nonetheless, in light of the significant impact from COVID-19 pandemic on the global economy and intense volatility in global crude oil prices, the Group is undertaking a strategic review on the project timing and its progress.

The Group shall provide further update when the market environment and outlook stabilize in the coming quarters.

- (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.

**Lotte Chemical Titan Holding Berhad**  
**(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements**  
**For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

**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.

**B13. Other investments**

	<b>As at 30 June 2020 RM'000</b>	<b>As at 31 December 2019 RM'000</b>
<u>Fund placements with licensed financial institutions</u>		
Unutilised proceeds from initial public offering	961,711	947,422
Proceeds from internally generated funds	349,385	378,018
	<u>1,311,096</u>	<u>1,325,440</u>
<u>Short term deposits with licensed financial institutions with maturity more than 3 months</u>		
Unutilised proceeds from initial public offering	1,547,276	1,393,573
Proceeds from internally generated funds	122,701	196,958
	<u>1,669,977</u>	<u>1,590,531</u>
Total other investments	<u><u>2,981,073</u></u>	<u><u>2,915,971</u></u>

**B14. Cash and bank balances**

	<b>As at 30 June 2020 RM'000</b>	<b>As at 31 December 2019 RM'000</b>
<u>Unutilised proceeds from initial public offering</u>		
Cash at banks	8,612	8,365
Short term deposits with licensed financial institutions	27,096	210,496
	35,708	218,861
<u>Others</u>		
Cash at banks and on hand	786,381	772,177
Short term deposits with licensed financial institutions	57,243	8,731
Cash and cash equivalents	<u><u>879,332</u></u>	<u><u>999,769</u></u>

**Lotte Chemical Titan Holding Berhad  
(Incorporated in Malaysia)**

**Unaudited condensed consolidated interim financial statements  
For the quarter and year-to-date ended 30 June 2020**

**Part B - Other explanatory notes (cont'd)**

**B15. Off balance sheet financial instruments**

There were no off balance sheet financial instruments for the period ended 30 June 2020.

**B16. Material litigation**

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

**B17. Dividends**

Other than disclosed in Note A7, no dividend has been paid or declared by the Company and its subsidiaries for the period ended 30 June 2019 and 30 June 2020.

**B18. Earnings per share ("EPS")**

Basic and diluted EPS are calculated by dividing net (loss)/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	
	2020	2019	2020	2019
Net profit/(loss) attributable to the owner of the Company (RM'000)	88,724	104,848	(81,339)	160,679
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 earning/(loss) per share (sen)	3.90	4.61	(3.58)	7.07

**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 2019.