

LOTTE CHEMICAL TITAN HOLDING BERHAD
199101012045 (222357-P)

**Unaudited condensed consolidated
interim financial statements**

For the quarter and year-to-date ended 31 December 2021

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

Contents	Page
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 - 17
Other explanatory notes	18 - 29

Lotte Chemical Titan Holding Berhad
(Incorporated in Malaysia)

Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021

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 31 December 2021, 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 31.12.2021 RM'000	Individual Quarter ended 31.12.2020 RM'000	Changes		Financial Year ended 31.12.2021 RM'000	Financial Year ended 31.12.2020 RM'000	Changes	
	Note			RM'000	%			RM'000	%
Revenue	A8	2,684,589	1,922,658	761,931	40%	9,830,885	6,901,349	2,929,536	42%
Cost of goods sold		(2,586,744)	(1,613,903)	(972,841)	-60%	(8,541,570)	(6,401,914)	(2,139,656)	-33%
Gross profit		97,845	308,755	(210,910)	-68%	1,289,315	499,435	789,880	158%
Other income		16,749	6,265	10,484	167%	32,943	34,366	(1,423)	-4%
Distribution expenses		(42,254)	(47,575)	5,321	11%	(143,015)	(112,560)	(30,455)	-27%
Administrative expenses		(30,201)	(24,773)	(5,428)	-22%	(104,568)	(98,475)	(6,093)	-6%
Foreign exchange differences		(2,146)	(25,548)	23,402	92%	31,244	(11,892)	43,136	363%
Fair value changes on derivatives		(377)	(2)	(375)	-18750%	(372)	2,696	(3,068)	-114%
Other expenses		(4,063)	(12,037)	7,974	66%	(14,572)	(41,536)	26,964	65%
Profit from operations		35,553	205,085	(169,532)	-83%	1,090,975	272,034	818,941	301%
Finance income		13,731	10,959	2,772	25%	52,539	65,573	(13,034)	-20%
Finance costs	B6	(3,491)	(3,382)	(109)	-3%	(13,811)	(14,360)	549	4%
Net finance income		10,240	7,577	2,663	35%	38,728	51,213	(12,485)	-24%
Share of results of associates		101,193	(10,474)	111,667	1066%	221,083	(119,254)	340,337	285%
Profit before tax	B5	146,986	202,188	(55,202)	-27%	1,350,786	203,993	1,146,793	562%
Income tax	B7	38,947	(52,431)	91,378	174%	(291,976)	(49,980)	(241,996)	-484%
Net profit for the period		185,933	149,757	36,176	24%	1,058,810	154,013	904,797	587%

Lotte Chemical Titan Holding Berhad
(Incorporated in Malaysia)

Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021

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

	Individual Quarter ended 31.12.2021 RM'000	Individual Quarter ended 31.12.2020 RM'000	Financial Year ended 31.12.2021 RM'000	Financial Year ended 31.12.2020 RM'000
Other comprehensive income/(loss), net of tax				
Item that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	(364)	2,881	(364)	2,881
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	<u>(44,494)</u>	<u>(305,708)</u>	<u>358,110</u>	<u>(171,198)</u>
	<u>(44,858)</u>	<u>(302,827)</u>	<u>357,746</u>	<u>(168,317)</u>
Total comprehensive income/(loss) for the period	<u>141,075</u>	<u>(153,070)</u>	<u>1,416,556</u>	<u>(14,304)</u>
Net profit for the period attributable to:				
Owner of the Company	186,836	151,163	1,057,974	148,591
Non-controlling interests	<u>(903)</u>	<u>(1,406)</u>	<u>836</u>	<u>5,422</u>
	<u>185,933</u>	<u>149,757</u>	<u>1,058,810</u>	<u>154,013</u>
Total comprehensive income/(loss) for the period attributable to:				
Owner of the Company	143,749	(136,927)	1,398,116	(3,183)
Non-controlling interests	<u>(2,674)</u>	<u>(16,143)</u>	<u>18,440</u>	<u>(11,121)</u>
	<u>141,075</u>	<u>(153,070)</u>	<u>1,416,556</u>	<u>(14,304)</u>
Basic and diluted earnings per ordinary share (sen)	B18 <u>8.20</u>	<u>6.65</u>	<u>46.49</u>	<u>6.54</u>

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 31 December 2021**

Unaudited condensed consolidated statement of financial position

	Note	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Assets			
Non-current assets			
Property, plant and equipment		5,254,255	5,067,755
Right-of-use assets		531,731	499,378
Prepayment for acquisition of land		-	19,248
Investments in associates		2,380,832	2,092,828
Non-current tax assets		15,202	-
		<u>8,182,020</u>	<u>7,679,209</u>
Current assets			
Inventories		1,674,270	1,294,003
Trade and other receivables		975,283	733,903
Current tax assets		33,064	8,271
Prepayments		29,924	34,831
Other investments	B13	2,756,116	2,889,690
Cash and bank balances	B14	1,842,009	1,268,313
		<u>7,310,666</u>	<u>6,229,011</u>
Total assets		<u><u>15,492,686</u></u>	<u><u>13,908,220</u></u>
Equity and liabilities			
Capital and reserves			
Share capital		5,827,149	5,816,813
Other reserves		1,385,076	1,044,570
Retained earnings		5,737,540	5,164,217
Treasury shares, at cost		(226,252)	(226,252)
Total equity attributable to owners of the Company		<u>12,723,513</u>	<u>11,799,348</u>
Non-controlling interests		622,608	468,793
Total equity		<u><u>13,346,121</u></u>	<u><u>12,268,141</u></u>

Lotte Chemical Titan Holding Berhad
(Incorporated in Malaysia)

Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021

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

	Note	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Non-current liabilities			
Provision		407,492	332,400
Deferred tax liabilities		703,035	431,139
Defined benefit obligation		21,317	19,307
Lease liabilities		29,390	37,774
		<u>1,161,234</u>	<u>820,620</u>
Current liabilities			
Trade and other payables		974,705	805,901
Current tax liabilities		-	1,303
Other financial liabilities		-	152
Lease liabilities		10,249	12,103
Derivative financial instruments		377	-
		<u>985,331</u>	<u>819,459</u>
Total liabilities		<u>2,146,565</u>	<u>1,640,079</u>
Total equity and liabilities		<u>15,492,686</u>	<u>13,908,220</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		<u>5.59</u>	<u>5.19</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 31 December 2021

Unaudited condensed consolidated statement of changes in equity

	<----- Attributable to owners of the Company ----->								
	Note	<----- Non-distributable reserves ----->			Distributable	Total equity attributable to owners of the Company		Non-controlling interest	Total RM'000
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	
At 1 January 2020		5,816,813	(226,252)	26,539	1,172,686	5,171,854	11,961,640	317,584	12,279,224
Net profit for the year		-	-	-	-	148,591	148,591	5,422	154,013
Other comprehensive (loss)/income		-	-	-	(154,655)	2,881	(151,774)	(16,543)	(168,317)
Total comprehensive (loss)/income for the year		-	-	-	(154,655)	151,472	(3,183)	(11,121)	(14,304)
Proceeds from issuance of ordinary share by a subsidiary to Lotte Chemical Corporation, the ultimate holding company		-	-	-	-	-	-	162,330	162,330
Dividends	A7, B17	-	-	-	-	(159,109)	(159,109)	-	(159,109)
At 31 December 2020		5,816,813	(226,252)	26,539	1,018,031	5,164,217	11,799,348	468,793	12,268,141
At 1 January 2021		5,816,813	(226,252)	26,539	1,018,031	5,164,217	11,799,348	468,793	12,268,141
Net profit for the year		-	-	-	-	1,057,974	1,057,974	836	1,058,810
Other comprehensive income/(loss)		-	-	-	340,506	(364)	340,142	17,604	357,746
Total comprehensive income for the year		-	-	-	340,506	1,057,610	1,398,116	18,440	1,416,556
Proceeds from issuance of ordinary share by a subsidiary to Lotte Chemical Corporation, the ultimate holding company		-	-	-	-	-	-	135,375	135,375
Share issued pursuant to Dividend Reinvestment Scheme	A6, A7	10,336	-	-	-	-	10,336	-	10,336
Dividends	A7, B17	-	-	-	-	(484,287)	(484,287)	-	(484,287)
At 31 December 2021		5,827,149	(226,252)	26,539	1,358,537	5,737,540	12,723,513	622,608	13,346,121

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 31 December 2021

Unaudited condensed consolidated statement of cash flows

	Financial Year ended 31.12.2021 RM'000	Financial Year ended 31.12.2020 RM'000
Cash flows from operating activities		
Profit before tax	1,350,786	203,993
Adjustments for:-		
Depreciation of property, plant and equipment and right-of-use assets	556,376	558,236
Finance costs	13,811	14,360
Property, plant and equipment written off	238	2,679
Write down/(Reversal of write-down) of inventories to net realisable value	17,280	(23,056)
Expenses recognised in respect of defined benefit plan	3,315	3,300
Inventories written off	97	86
Share of results of associates	(221,083)	119,254
Loss/(Gain) on disposal of property, plant and equipment	89	(12,602)
Loss on derecognition of right-of-use-assets	-	6,226
Finance income	(52,539)	(65,573)
Fair value changes in derivatives	372	(2,696)
Gain on disposal of investment in associate	(10,192)	-
Unrealised loss on foreign exchange	25,730	34,932
Operating profit before working capital changes	1,684,280	839,139
Change in inventories	(353,021)	31,317
Change in trade and other receivables	(240,207)	117,058
Change in trade and other payables	151,218	110,323
Cash generated from operations	1,242,270	1,097,837
Payments under defined benefit plan	(2,309)	(746)
Finance costs paid	(6,801)	(7,264)
Income tax paid	(65,720)	(16,140)
Net cash generated from operating activities	1,167,440	1,073,687

Lotte Chemical Titan Holding Berhad
(Incorporated in Malaysia)

Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021

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

	Financial Year ended 31.12.2021 RM'000	Financial Year ended 31.12.2020 RM'000
Cash flows from investing activities		
Finance income received	52,539	65,573
Proceeds from disposal of property, plant and equipment	44	12,602
Proceeds from derecognition of right-of-use assets	-	13,981
Acquisition of property, plant and equipment	(449,121)	(825,652)
Payment for right-of-use asset	(22,798)	-
Prepayment for acquisition of land	-	(8)
Fund withdrawal from other investment	133,574	26,281
Investment in associate	-	(13,074)
Proceeds from disposal of investment in associate	15,782	-
Net cash used in investing activities	<u>(269,980)</u>	<u>(720,297)</u>
Cash flows from financing activities		
Dividend paid	(473,952)	(159,109)
Proceeds from issuance of ordinary share by a subsidiary to Lotte Chemical Corporation, the ultimate holding company	135,375	162,330
Payment of lease liabilities	<u>(12,085)</u>	<u>(12,218)</u>
Net cash used in financing activities	<u>(350,662)</u>	<u>(8,997)</u>
Net increase in cash and cash equivalents	546,798	344,393
Effect of exchange rate changes on the balance of cash held in foreign currencies	26,898	(75,849)
Cash and cash equivalents at beginning of period	<u>1,268,313</u>	<u>999,769</u>
Cash and cash equivalents at end of period (Note B14)	<u><u>1,842,009</u></u>	<u><u>1,268,313</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 31 December 2021**

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 2020 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 27 January 2022.

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 2020, except for the adoption of the following amendments to MFRSs during the financial year:

Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

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.

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.

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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

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

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 year 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 Q4 2021, based on an analysis performed by the management, the Group has revised the discount rate from 1.81% to 1.91% and the estimated new replacement value ("ENRV") has increased by around 20%. This change has resulted in a net increase by approximately RM56,223,000 in the provision for dismantling cost.

A6. Debt and equity securities

During the financial year ended 31 December 2021, 4,573,040 new ordinary shares of LCT were issued in relation to the Dividend Reinvestment Scheme exercise undertaken by the Company. The said shares were listed and quoted on the Main Market of Bursa Malaysia Securities Bhd on 2 June 2021. There were no other material issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period under review.

A7. Dividend paid

During the financial year ended 31 December 2021, the Company paid a final single tier dividend in respect of the financial year ended 31 December 2020, of 3.27 sen per share on 2,272,983,500 ordinary shares, amounting to a dividend of RM 74,326,559. Out of the total cash distribution, a total of RM 10.34 mil was converted into 4,573,040 new ordinary shares of the Company at the conversion price of RM2.26 per ordinary share under the Dividend Reinvestment Scheme.

The Company also paid a special single tier dividend of 18 sen per share on 2,277,556,540 ordinary shares, amounting to a dividend of RM409,960,177 on 26th November, 2021 for the financial year ended 31 December 2021.

During the financial year ended 31 December 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.

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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

A8. Revenue

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 year ended 31 December 2021			
Geographical markets			
Malaysia	457,762	2,886,723	3,344,485
Indonesia	309,515	2,580,124	2,889,639
China (including Hong Kong)	187,794	519,140	706,934
Southeast Asia	498,673	949,629	1,448,302
Northeast Asia	265,930	222,578	488,508
Indian Sub-Continent	209,545	488,134	697,679
Others	-	255,338	255,338
	<u>1,929,219</u>	<u>7,901,666</u>	<u>9,830,885</u>
For the financial year ended 31 December 2020			
Geographical markets			
Malaysia	318,355	2,169,633	2,487,988
Indonesia	134,794	1,571,342	1,706,136
China (including Hong Kong)	229,578	1,003,781	1,233,359
Southeast Asia	247,811	624,337	872,148
Northeast Asia	196,824	154,759	351,583
Indian Sub-Continent	50,221	164,959	215,180
Others	-	34,955	34,955
	<u>1,177,583</u>	<u>5,723,766</u>	<u>6,901,349</u>

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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 year ended 31 December 2021				
Revenue				
External customers	1,929,219	7,901,666	-	9,830,885
Inter-segment	4,587,042	-	(4,587,042)	-
Total revenue	6,516,261	7,901,666	(4,587,042)	9,830,885
Expenses				
Depreciation of property, plant and equipment and right-of-use assets	365,557	189,573	1,246	556,376
Property, plant and equipment written off	198	40	-	238
Write-down of inventories to net realisable value	8,649	8,631	-	17,280
Segment results	118,201	923,445	309,140	1,350,786

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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 year ended 31 December 2020				
Revenue				
External customers	1,177,583	5,723,766	-	6,901,349
Inter-segment	3,030,580	-	(3,030,580)	-
Total revenue	4,208,163	5,723,766	(3,030,580)	6,901,349
Expenses				
Depreciation of property, plant and equipment and right-of-use assets	353,552	203,413	1,271	558,236
Property, plant and equipment written off	1,804	875	-	2,679
Reversal of write-down of inventories to net realisable value	(5,134)	(17,922)	-	(23,056)
Segment results	(136,132)	467,552	(127,427)	203,993

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 RM27.7 million for the financial year ended 31 December 2021 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 RM51.1 million for the financial year ended 31 December 2021 which are 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 31 December 2021**

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

A9. Operating segments (cont'd)

Reconciliation of profit

	Financial Year ended 31.12.2021 RM'000	Financial Year ended 31.12.2020 RM'000
Segment profit/(loss) of:		
- Olefins and derivative products	118,201	(136,132)
- Polyolefin products	923,445	467,552
Total segment profit	<u>1,041,646</u>	<u>331,420</u>
Inter-segment sales (elimination)	1,632	(673)
Share of results of associates	221,083	(119,254)
Finance income derived from IPO proceeds	27,656	45,908
Foreign exchange gain/(loss) arise as a result of converting a portion of IPO proceed to USD	51,104	(21,899)
Other unallocated cost/income	7,665	(31,509)
Eliminations and unallocated results	309,140	(127,427)
Profit before tax	<u><u>1,350,786</u></u>	<u><u>203,993</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 31 December 2021, 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 2020.

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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 year except for the followings:

- (a) The associate 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. A final decision on the arbitration proceedings relating to the purchase price formula was reached on 23 November 2021 and there will be no further changes to the equity interest which Eagle US is entitled to receive pursuant to the closing of the Transfer. As such, Eagle US's shareholding in LACC is confirmed to remain at 46.77% with LC USA holding the remaining shareholding of 53.23%. LC USA will recognise a revenue of USD 18.4 million and a gain on disposal before tax of approximately USD 60.5 million. This transaction will be subject to tax of about USD 17.1 million resulting in estimated net gain of USD 61.8 million. The Group's 40% share of the above is approximately USD 24.7 million.
- (b) In Q4 2021, the Company has disposed 31,479,000 ordinary shares, representing 10.00% of the issued share capital in Lotte UBE Synthetic Rubber Sdn. Bhd. to Lotte Chemical Corporation for a sales proceed of RM15,782,000 million. On the date of disposal, the book value of the equity interest disposed was RM 5,590,000. The difference between the consideration received and the book value of the interest disposed of RM 10,192,000 was recorded within other income in the statement of comprehensive income.

A14. Capital commitments

Capital expenditure as at the reporting date is as follows:

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Contracted but not provided for	<u>546,192</u>	<u>342,826</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.

Lotte Chemical Titan Holding Berhad
(Incorporated in Malaysia)

Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021

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

A15. Fair value information (cont'd)

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.

Fund placement with licensed financial institutions

The fair value of the fund placements with licensed financial institutions is calculated by reference to the quoted net asset values of the fund.

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.

	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
As at 31 December 2021				
Financial assets				
Fund placements with licensed financial institutions	1,523,342	-	1,523,342	-
Financial liabilities				
Derivatives				
- Forward currency contracts	(377)	-	(377)	-
As at 31 December 2020				
Financial assets				
Fund placements with licensed financial institutions	1,416,558	-	1,416,558	-

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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:

	Financial Year ended 31.12.2021 RM'000	Financial Year ended 31.12.2020 RM'000
Ultimate holding company		
Sales of goods	77,225	55,347
Catalyst trial fee received/receivable	7,904	6,016
Management and consulting fees incurred	1,265	383
Reimbursement of payroll for secondment of expatriates	13,041	10,985
Purchase of materials	438	914
Commission expense	1,537	1,736
Royalty expense	47,162	27,525
Commission income	22	42
Capital expenditure incurred	24,972	28,762
IT support services fee paid/payable	639	635
Other administrative expenses	4	13
Expenses paid on behalf	2	-
Related companies		
Sales of goods	118,240	72,766
Capital expenditure incurred	105,371	123,637
IT support services fee paid/payable	3,508	3,225
Commission expense	933	5,295
Warehouse and logistics services incurred	24,012	23,447
Advertising expenses	-	18
Other administrative expenses	104	49
Office Space Sublease	82	-
Lease rental income	186	-
Interest income	13	-

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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

A16. Related parties (cont'd)

	Financial Year ended 31.12.2021 RM'000	Financial Year ended 31.12.2020 RM'000
Associate company		
Sales of goods	248,299	141,636
Sales of utilities	13,037	11,450
Income from shared services	55	212
Financial guarantee income	78	87
Interest income	150	83
Lease rental income	2,725	2,782
Other income	<u>2</u>	<u>729</u>

Lotte Chemical Titan Holding Berhad
(Incorporated in Malaysia)

Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021

Part B - Other explanatory notes

B1. Review of group performance

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

	Individual quarter ended 31 December					
	2021	2020	2021	2020	2021	2020
	Group RM'000	RM'000	Olefins and derivative products RM'000	RM'000	Polyolefin products RM'000	RM'000
Revenue	2,684,589	1,922,658	582,041	332,581	2,102,548	1,590,077
Profit/(Loss) before tax	146,986	202,188	(23,469)	(17,499)	61,387	276,673
EBITDA*	<u>175,190</u>	<u>344,821</u>	<u>66,588</u>	<u>72,029</u>	<u>108,093</u>	<u>327,415</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.

The Group's revenue increased by 40% (or RM 761.9 million) from RM 1,922.7 million to RM 2,684.6 million mainly due to the increase in average product selling price and sales volume.

Average plant utilisation rate recorded at 88% comparing to 85% in the corresponding quarter.

Firmer feedstock costs in Q4 2021 have caused a drop in gross profit margin. Moreover, there was a write down of inventories to net realizable value of RM 14.2 million in Q4 2021 as compared to a reversal of write down amounting to RM 3.5 million in Q4 2020. As such profit before tax have reduced from RM 202.2 million to RM 147.0 million.

The decrease in profit before tax was partially offsetted by the share of one-off gain on disposal of investment of RM 101 million from associated company, Lotte Chemical USA Corp. ("LC USA") and a RM 23.4 million gain from foreign exchange differences.

The net profit improved by 24% from RM 149.8 million to RM 185.9 million mainly due to tax income arising from reversal of tax expenses provided in previous quarter.

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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)

Olefins and derivative products

The segment recorded an increase in revenue from RM 332.6 million in Q4 2020 to RM 582.0 million in Q4 2021. This was due to the increase in average product selling price and sales volume in Q4 2021 as compared to the corresponding quarter.

Loss before tax increased by 34% from RM 17.5 million to RM 23.5 million mainly due to lower margin resulting from higher feedstock costs.

Polyolefin products

The segment recorded an increase in revenue from RM 1,590.1 million in Q4 2020 to RM 2,102.5 million in Q4 2021. This was due to the increase in average product selling price and sales volume.

Profitability recorded at RM 61.4 million from RM 276.7 million mainly due to firmer feedstock cost.

Lotte Chemical Titan Holding Berhad
(Incorporated in Malaysia)

Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021

Part B - Other explanatory notes (cont'd)

B1. Review of group performance (cont'd)

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

	Financial year ended 31 December					
	2021	2020	2021		2021	2020
	Group		Olefins and derivative	products	Polyolefin products	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	9,830,885	6,901,349	1,929,219	1,177,583	7,901,666	5,723,766
Profit/(Loss) before tax	1,350,786	203,993	118,201	(136,132)	923,445	467,552
EBITDA*	<u>1,647,351</u>	<u>830,270</u>	<u>483,954</u>	<u>216,817</u>	<u>1,105,240</u>	<u>672,125</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.

The Group's revenue increased by 42% (or RM 2,929.5 million) from RM 6,901.3 million to RM 9,830.9 million mainly due to the increase in average product selling price. Price increase was supported by firmer feedstock cost and supply disruption resulting from plant outages in United States and South East Asia along with the turnaround activities in Middle East.

Overall plant utilisation increased from 82% to 84%.

Profit before tax improved by more than six-fold to RM 1,350.8 million in 2021 comparing to RM 204.0 million in the corresponding year. The increase was mainly due to improved gross profit margin from 7% to 13% resulting from higher average product selling price. Lotte Chemical USA Corp. has further contributed 40% share of profit after tax amounting to RM 221.0 million compared to a loss after tax of RM 113.1 million in the corresponding year.

As a result of the above, the Group's profit after tax increased significantly to RM 1,058.8 million compared to RM 154.0 million in the corresponding year.

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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)

Olefins and derivative products

The segment recorded an increase in revenue from RM 1,177.6 million to RM 1,929.2 million. This was primarily due to the increase in average product selling price and sales volume in 2021 as compared to the corresponding year.

Profit before tax improved from loss before tax of RM 136.1 million to profit before tax of RM 118.2 million mainly due to improved margin.

Polyolefin products

The segment recorded an increase in revenue from RM 5,723.8 million to RM 7,901.7 million. This was primarily due to the increase in average product selling price and sales volume in 2021 as compared to the corresponding year.

Profit before tax improved from RM 467.6 million to RM 923.4 million mainly due to improved margin spread.

B2. Variation of results against the preceding quarter

	Individual Quarter ended 31 December 2021 RM'000	Individual Quarter ended 30 September 2021 RM'000
Revenue	2,684,589	2,236,646
Profit before tax	146,986	148,122
EBITDA	<u>175,190</u>	<u>239,818</u>

The Group's revenue increased by 20% to RM 2,684.6 million from RM 2,236.6 million in the corresponding quarter mainly due to higher sales volume.

The plant utilization rate improved to 88% in Q4 2021 as compared to 76% in the preceding quarter due to statutory turnaround in Malaysia in Q3 2021.

Profit from operation decreased by 65% to RM 35.6 million from RM 102.2 million in Q3 2021 mainly due to higher feedstock costs and margin squeeze. However, this impact was offsetted by the one-off gain on disposal of investment of RM 101 million from LC USA. As such profit before tax in Q4 2021 has remain comparable with Q3 2021 at RM 147.0 million.

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

Part B - Other explanatory notes (cont'd)

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

The net profit improved by 286.6% from RM 48.1 million to RM 185.9 million mainly due to tax income arising from reversal of tax expenses provided in previous quarter.

B3. Commentary on prospects

The results of our operations for the financial period ending 31 December 2022 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 World Bank in the latest global economic outlook report highlighted that the global economy is expected to rebound by 5.5% for 2021 with strong post-COVID-19 pandemic recovery following relaxation from the extensive pandemic-related lockdown measures seen in the year before, which had led to a severe contraction of 3.4% in 2020. However, global growth is expected to moderate to 4.1% in 2022, as a result of continued pandemic flare-ups with newer variants, easing of global fiscal support as well as on-going global supply chain disruptions. The near-term outlook for the global economy would also be weaker, dampened by higher global inflationary pressure resulting from higher food and energy prices.

We are cautiously optimistic on the petrochemical market outlook with some balancing market factors weighing on the sector. Given that our naphtha feedstock correlates with the crude oil outlook, rising global crude oil price will notably be an area of concern. In addition, there are new additional domestic capacity expected to come online this year, which potentially have downward pressure on the product prices. On the other hand, stable demand with the easing of lockdown measures coupled with freight constraints and regional supply disruptions would lead to firm footing for the overall product prices. As the petrochemical sector moves in tandem with economic growth, it would likely be supported by the continued global economic recovery projected for 2022.

Amidst current market uncertainties, the Company will continue to monitor closely on the pandemic development as the petrochemical market 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 brace through the volatile business environment. Notwithstanding the external circumstances, the Company will continue to maintain its strong financial resilience and optimize its operations to ride through the 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 31 December 2021

Part B - Other explanatory notes (cont'd)

B5. Profit before tax

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

	Individual quarter ended 31 December		Financial year ended 31 December	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Depreciation of property, plant and equipment and right-of-use assets	139,637	139,736	556,376	558,236
(Gain)/loss on foreign exchange:				
- Realised	(10,987)	34,384	(56,974)	(23,040)
- Unrealised	13,133	(8,836)	25,730	34,932
Inventories written off	95	-	97	86
Property, plant and equipment written off	-	1,846	238	2,679
Loss/(Gain) on disposal of property, plant and equipment	15	-	89	(12,602)
Loss on derecognition of right-of-use-assets	-	6,226	-	6,226
Gain on disposal of investment in associate	(10,192)	-	(10,192)	-
Write down/(Reversal of write-down) of inventories to net realisable value	14,193	(3,475)	17,280	(23,056)
Fair value changes in derivatives	377	2	372	(2,696)
	<u>377</u>	<u>2</u>	<u>372</u>	<u>(2,696)</u>

B6. Finance costs

	Individual quarter ended 31 December		Financial year ended 31 December	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expenses on lease liabilities	581	748	2,489	3,117
Bank charges	724	656	3,054	3,027
Letter of credit charges	336	295	1,258	1,107
Unwinding of discount on provision	1,850	1,683	7,010	7,096
Other finance costs	-	-	-	13
	<u>3,491</u>	<u>3,382</u>	<u>13,811</u>	<u>14,360</u>

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

Part B - Other explanatory notes (cont'd)

B7. Income tax

	Individual quarter ended 31 December		Financial year ended 31 December	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax				
Current year	(24,928)	6,339	40,611	24,779
Under/(Over)provision in prior year	(758)	65	(758)	(1,109)
	<u>(25,686)</u>	<u>6,404</u>	<u>39,853</u>	<u>23,670</u>
Deferred tax				
Origination and reversal of temporary differences	31,178	48,053	230,708	24,401
Under/(Over) provision in prior year	(44,439)	(2,026)	21,415	1,909
	<u>(13,261)</u>	<u>46,027</u>	<u>252,123</u>	<u>26,310</u>
Total income tax recognised in profit or loss	<u>(38,947)</u>	<u>52,431</u>	<u>291,976</u>	<u>49,980</u>

By excluding the share of results of associates, the Group effective tax rate for the year ended 31 December 2021 is closed to 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 year under review.

B9. Quoted securities

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

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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 31 December 2021 RM'000	Percentage utilised %
Funding of following projects:				
(i) LINE Project (Note 1)	By 2023	2,634,213	545,710	21%
(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%
		3,543,748	1,455,245	41%

Note 1: The funding for LINE Project 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 LINE Project.

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 LINE Project.

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 31 December 2021, RM 85.0 million of the unutilised funds are temporarily reserved in Indonesia for subsequent payment to suppliers of LINE Project .

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

Part B - Other explanatory notes (cont'd)

B10. Status of corporate proposals (cont'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
In view of the increase in worldwide COVID-19 vaccinations and opening up of global economies, the Company has decided that it is the appropriate time to proceed with the commencement of construction of the LINE Project. The signing of Engineering, Procurement and Construction ("EPC") contracts which covers its work packages for crackers, downstream plants, infrastructure facilities and etc. has been completed on 7 January 2022. The construction of the LINE Project is expected to commence in 2022 and completed by 2025.
- (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.

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

Part B - Other explanatory notes (cont'd)

B13. Other investments

	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
<u>Fund placements with licensed financial institutions</u>		
Unutilised proceeds from initial public offering	972,166	959,814
Proceeds from internally generated funds	551,176	456,744
	<u>1,523,342</u>	<u>1,416,558</u>
<u>Short term deposits with licensed financial institutions with maturity more than 3 months</u>		
Unutilised proceeds from initial public offering	952,926	1,357,426
Proceeds from internally generated funds	279,848	115,706
	<u>1,232,774</u>	<u>1,473,132</u>
Total other investments	<u>2,756,116</u>	<u>2,889,690</u>

B14. Cash and bank balances

	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
<u>Unutilised proceeds from initial public offering</u>		
Cash at banks	11,274	5,189
Short term deposits with licensed financial institutions	477,677	105,152
	<u>488,951</u>	<u>110,341</u>
<u>Others</u>		
Cash at banks and on hand	1,233,700	1,097,393
Short term deposits with licensed financial institutions	119,358	60,579
Cash and cash equivalents	<u>1,842,009</u>	<u>1,268,313</u>

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

Part B - Other explanatory notes (cont'd)

B15. Off balance sheet financial instruments

There were no off balance sheet financial instruments for the year ended 31 December 2021.

B16. Material litigation

Lotte Chemical Titan International Limited (“LCTIL”), an indirect subsidiary of the Company, which is under liquidation process has filed a Judicial Review Application to the High Court, to appeal against Minister of Finance Malaysia’s decision on rejecting LCTIL’s application for a determination of the term “chargeable profit” for a Labuan entity carrying on a Labuan non-trading activity under the Labuan Business Activity Tax Act 1990 (“Decision”). The said Decision would give rise to a tax liability amounting to USD 8.5 million (equivalent to RM 35 million) to LCTIL. The hearing and case management took place on 21 June 2021 and 6 September 2021, 18 November 2021, 21 December 2021 and the next case management is scheduled on 17 March 2022.

Upon consulting its tax consultant and solicitors, LCTIL is of the view that there are reasonable grounds to contest the Decision and LCTIL intends to take all steps necessary to contest the Decision.

The additional tax liability is not expected to have a material impact on the net assets or gearing of the Group for the financial year ending 31 December 2021.

B17. Dividends

Other than disclosed in Note A7, declaration of dividend for the financial year ended 31 December 2021 will be decided at a later date.

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

**Unaudited condensed consolidated interim financial statements
For the quarter and year-to-date ended 31 December 2021**

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		Financial year	
	ended 31 December 2021	2020	ended 31 December 2021	2020
Net profit attributable to the owner of the Company (RM'000)	186,836	151,163	1,057,974	148,591
Weighted average number of ordinary shares at the end of the period ('000)	2,277,557	2,272,984	2,275,652	2,272,984
Basic and diluted earning per share (sen)	8.20	6.65	46.49	6.54

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 2020.