

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		UNAUDITED CURRENT YEAR QUARTER 30 JUNE 2019 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 JUNE 2018 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 30 JUNE 2019 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 JUNE 2018 RM'000	Changes %
Revenue	B1	141,061	151,797	-7%	237,830	265,943	-11%
Operating expenses		(129,725)	(145,174)	-11%	(222,135)	(254,800)	-13%
Other operating income		(194)	66	-394%	284	134	112%
Profit from operations		11,142	6,689	67%	15,979	11,277	42%
Finance costs		(5,334)	(1,979)	170%	(7,984)	(3,901)	105%
Profit before tax		5,808	4,710	23%	7,995	7,376	8%
Taxation	B5	(1,476)	(1,108)	33%	(2,001)	(1,770)	13%
Profit for the period		4,332	3,602	20%	5,994	5,606	7%
Profit attributable to :							
Owners of the Company		4,332	3,602	20%	5,994	5,606	7%
Non-controlling interest		-	-		-	-	
Profit for the period		4,332	3,602	20%	5,994	5,606	7%
Basic earnings per share (sen)	B10 (a)	2.52	2.32	8%	3.48	3.62	-4%
Diluted earnings per share (sen)	B10 (b)	2.38	2.32	2%	3.26	3.62	-10%

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018)

PMB Technology Berhad*(Company No.584257-X)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	UNAUDITED CURRENT YEAR QUARTER 30 JUNE 2019 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 JUNE 2018 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 30 JUNE 2019 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 JUNE 2018 RM'000	Changes %
Profit for the period	4,332	3,602	20%	5,994	5,606	7%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	557	1,263	-56%	(99)	(589)	-83%
Total comprehensive income for the period	<u>4,889</u>	<u>4,865</u>	<u>0%</u>	<u>5,895</u>	<u>5,017</u>	<u>18%</u>
Total comprehensive income attributable to :						
Owners of the Company	4,889	4,865	0%	5,895	5,017	18%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>4,889</u>	<u>4,865</u>	<u>0%</u>	<u>5,895</u>	<u>5,017</u>	<u>18%</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT FINANCIAL QUARTER END 30-JUNE-19 RM'000 UNAUDITED	31-DEC-18 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	493,163	424,546
Investment properties	1,172	1,186
Investment in associates	-	-
Right-of-use assets	2,318	3,472
Goodwill	792	792
Deferred tax assets	5,538	5,538
	<u>502,983</u>	<u>435,534</u>
Current assets		
Inventories and contract assets	191,409	144,901
Trade receivables	115,580	112,071
Other receivables, deposits and prepayments	51,564	14,842
Amount due from related companies	10,688	10,437
Tax recoverable	3,626	3,312
Cash and bank balances	75,643	58,186
	<u>448,510</u>	<u>343,749</u>
TOTAL ASSETS	<u>951,493</u>	<u>779,283</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	99,899	51,365
Foreign currency traslation reserve	3,900	3,999
ICULS equity	155,588	155,602
Warrant reserves	33,921	33,921
Retained profit	119,442	115,016
Treasury shares, at cost	(2,220)	(2,220)
	<u>410,530</u>	<u>357,683</u>
Non-controlling interest	-	-
Total equity	<u>410,530</u>	<u>357,683</u>
Non-current liabilities		
Hire purchase & finance lease liabilities	6,987	7,734
Term loan	120,009	92,437
Liability component of ICULS	24,553	24,555
Lease liabilities	402	1,003
Deferred taxation	7,148	7,148
	<u>159,099</u>	<u>132,877</u>
Current Liabilities		
Trade payables	54,298	47,542
Contract liabilities	8,349	6,221
Other payables and accruals	21,606	23,533
Hire purchase & finance lease liabilities	6,370	7,182
Overdraft & short term borrowings	202,817	137,338
Amount due to related companies	85,118	63,563
Lease liabilities	1,916	2,469
Taxations	1,390	875
	<u>381,864</u>	<u>288,723</u>
Total liabilities	<u>540,963</u>	<u>421,600</u>
TOTAL EQUITY AND LIABILITIES	<u>951,493</u>	<u>779,283</u>
Net assets per share attributable to the owners of the company (RM)		
(based on 172,231,150 ordinary shares)	2.38	
(based on 154,959,600 ordinary shares)		2.31

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company						Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Foreign currency translation reserve RM'000	Equity Component of RCSLS RM'000	Warrants Reserves RM'000	Retained Profits RM'000			
At 1 January 2019	51,365	(2,220)	3,999	155,602	33,921	115,016	357,683	-	357,683
Placement I Shares	48,515	-	-	-	-	-	48,515	-	48,515
Total comprehensive income for the period	-	-	(99)	-	-	5,994	5,895	-	5,895
Conversion of RCSLS	19	-	-	(14)	-	(3)	2	-	2
Dividend									
- Second interim dividend for the financial year ended 31 Dec 2018	-	-	-	-	-	(1,565)	(1,565)	-	(1,565)
At 30 June 2019	99,899	(2,220)	3,900	155,588	33,921	119,442	410,530	-	410,530
At 1 January 2018	46,941	(2,220)	3,327	-	-	108,744	156,792	-	156,792
Total comprehensive income for the period	-	-	(589)	-	-	5,606	5,017	-	5,017
Dividend									
- Fourth Interim dividend for the financial year ended 31 Dec 2017	-	-	-	-	-	(775)	(775)	-	(775)
At 30 June 2018	46,941	(2,220)	2,738	-	-	113,575	161,034	-	161,034

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED FOR THE 6 MONTHS ENDED 30-JUNE-19 RM'000	UNAUDITED FOR THE 6 MONTHS ENDED 30-JUNE-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,995	7,376
Adjustments for:		
Depreciation	10,555	6,816
Net (gain)/loss on disposal of property, plant and equipment and investment properties	(145)	(56)
Interest income	(108)	(31)
Interest expenses	7,984	3,901
Operating profit before working capital changes	<u>26,281</u>	<u>18,006</u>
Changes in working capital:		
Inventories & contract assets	(46,508)	(4,952)
Trade and other receivables	(40,482)	13,017
Trade and other payables	28,512	40,940
Cash used in operations	<u>(32,197)</u>	<u>67,011</u>
Income taxes paid	(1,800)	(1,746)
Net cash (used in)/from operating activities	<u>(33,997)</u>	<u>65,265</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and investment properties	(79,880)	(120,476)
Interest received	108	31
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	867	56
Net cash used in investing activities	<u>(78,905)</u>	<u>(120,389)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(1,565)	(775)
Interest expenses paid	(7,984)	(3,901)
Repayment of hire purchase	(1,559)	(522)
Proceeds from bank borrowings	29,689	-
Repayment of bank borrowings	-	(8,107)
Proceeds from loan	58,947	53,695
Proceeds from Placement I	48,515	-
Net cash from financing activities	<u>126,043</u>	<u>40,390</u>
Exchange differences on translation of the financial statements of foreign operations	<u>(99)</u>	<u>(589)</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	13,042	(15,323)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	55,932	52,425
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>68,974</u>	<u>37,102</u>
The cash & cash equivalents comprise:		
Cash & bank balances	75,643	41,402
Bank overdraft	(6,669)	(4,300)
	<u>68,974</u>	<u>37,102</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018)

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

PART A : EXPLANATORY NOTES

A1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia.

The condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2018. The explanatory notes attached to the condensed consolidated financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the year ended 31 December 2018.

A2. Significant Accounting Policies

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with those adopted for the financial year ended 31 December 2018, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2019.

-) MFRS 16, *Lease*
-) IC Interpretation 23, *Uncertainty over Income Tax Treatments*
-) Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
-) Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
-) Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)**
-) Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
-) Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment and Settlement**
-) Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
-) Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

The adoption of the above standards, amendments and annual improvement did not have any material financial impacts to the Group.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

A2. Significant Accounting Policies (Cont'd)

Standards issued but not yet effective

i) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

-) Amendments to MFRS 3, *Business Combinations – Definition of a Business*
-) Amendments to MFRS 101, *Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

ii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

-) MFRS 17, *Insurance Contracts*

iii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

-) Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to adopt the above when they become effective in the respective financial periods. The adoption of the above is not expected to have any material impacts to the financial statements of the Group upon their initial adoption.

A3. Seasonal or cyclical of operations

The business of the Group was not significantly affected by any seasonal or cyclical factors.

A4. Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter under review.

A5. Changes in estimates

There were no material changes in estimated amount reported in prior period which have a material effect on the current financial year-to-date.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

A6. Debt and equity securities

As at 30 June 2019, a total of 5,040,400 shares were held as treasury shares at cost in accordance with the requirements of Section 127 of the Companies Act, 2016. None of the treasury shares repurchased has been sold or cancelled.

A7. Dividend paid

The second interim single tier dividend of 1 sen per share totaling RM1,564,961.50 for the financial year ended 31 December 2018 was paid to shareholders on 18 April 2019.

A8. Segmental information

Segmental information is presented in respect of the Group's business segments.

The Group comprises the following main business segments:

Manufacturing & trading : Manufacture of metallic silicon, aluminium access equipment and other related products, marketing and trading of aluminium products and other products.

Construction & fabrication : Contracting, designing and fabrication of aluminium curtain wall, cladding system and system formwork

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 30 June 2019</u>				
Total revenue	95,213	96,609	(50,761)	141,061
Inter-segment revenue	(11,899)	(38,862)	50,761	-
Revenue from external customers	83,314	57,747	-	141,061
Segment result	7,487	3,655		11,142
Finance cost				(5,334)
Tax expense				(1,476)
Profit for the period				4,332

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

A8. Segmental information (Cont'd)

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>6 months ended 30 June 2019</u>				
Total revenue	157,391	145,746	(65,307)	237,830
Inter-segment revenue	(21,251)	(44,056)	65,307	-
Revenue from external customers	136,140	101,690	-	237,830
Segment result	9,774	6,205		15,979
Finance cost				(7,984)
Tax expense				(2,001)
Profit for the period				5,994
Segment assets	1,143,172	247,438	(439,117)	951,493
Segment liabilities	686,299	174,322	(319,658)	540,963

A9. Valuation of property, plant and equipment

Property, plant and equipment of the Group were not revalued during the current quarter under review. All the property, plant and equipment were stated at costs less accumulated depreciation.

A10. Material events subsequent to the balance sheet date

Save for Note B6 pertaining to the Placements, there were no material subsequent events since the end of the current quarter to the date of issue of this report that have not been reflected in the financial statements for the current financial year-to-date.

A11. Changes in the composition of the Group

Save for the below, there were no changes in the composition of the Group for the current quarter under review.

The Company had on 12 June 2019 subscribed for 100 ordinary shares of RM1.00 representing 100% of the issued and paid-up share capital of PMB Chemical Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM100.00.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

A12. Contingent liabilities

There were no material changes in contingent liability as at the date of this quarterly report.

A13. Capital commitments

As at 30 June 2019, the Group has the following known capital commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>20,507</u>

A14. Related Party Transactions

The Group

With the affiliated companies - Press Metal Aluminium Holdings Berhad Group

	<u>Current year to-date</u>
	RM'000
Purchase of aluminium products	<u>73,148</u>
Sale of fabricated aluminium products and building materials	<u>10,154</u>
Sale of metallic silicon	<u>14,495</u>

**PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B1. Operating Segments Review

(a) Q2/19 vs Q2/18

The Group's revenue was higher at RM141.1 million, representing an increase of 2% from RM137.8 million recorded in Q2/18. The increase was mainly due to higher revenue contribution from Manufacturing and Trading segment.

In line with higher revenue, the Group's profit before tax ("PBT") increased from RM4.7 million to RM5.8 million.

Manufacturing and Trading segment

The revenue from Manufacturing and Trading segment increased by RM35 million or 73% from RM48.3 million to RM83.3 million, mainly contributed by the new metallic silicon plant.

With the contribution from the new metallic silicon plant, the segment profit increased from RM2.4 million to RM7.5 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

B1. Operating Segments Review (Cont'd)

(a) Q2/19 vs Q2/18 (Cont'd)

Construction and Fabrication segment

Revenue from Construction and Fabrication segment was lower at RM57.7 million, representing a decrease of 35% from RM89.5 million. It was mainly due to slower progress of certain on-going projects and some of the resources were utilized for the construction of the metallic silicon plant during the current quarter under review. In tandem with the lower revenue, segment profit decreased from RM4.3 million to RM3.7 million.

(b) 6M/2019 vs 6M/2018

The Group recorded a revenue of RM237.8 million for the six months ended 30 June 2019("6M/2019"), representing a decrease of 11% from RM265.9 million recorded for the six months ended 30 June 2018("6M/2018"). However, the Group's PBT increased from RM7.4 million to RM8.0 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment increased by 25% from RM108.5 million to RM136.1 million, mainly due to the contribution from the new metallic silicon plant. Accordingly, the segment profit increased by RM5.5 million to RM9.8 million during the current period under review.

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM101.7 million for 6M/2019, representing a decrease of 35% compared to RM157.4 million recorded for 6M/2018. The decrease was due to the slower progress for certain on-going projects and some of the resources were utilized for the construction of the metallic silicon plant. In line with lower revenue, segment profit decreased from RM7.0 million to RM6.2 million.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q2/19 vs Q1/19)

The Group's revenue increased by RM44.3 million from RM96.8 million to RM141.1 million. The increase was mainly attributable to the inclusion of revenue from the new metallic silicon plant and the improvement from Construction and Fabrication segment.

In line with the higher revenue after offsetting higher finance cost, mainly from the new metallic silicon plant, the Group's PBT increased by RM3.6 million from RM2.2 million to RM5.8 million in the current quarter under review.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

B3. Current year prospects

The global economic outlook remains very volatile due to the uncertainties arising from the continuing trade war between US and China.

On the domestic front, Malaysia's economic growth has been adversely affected by the global slowdown and will continue to hinge heavily on the domestic demand with the support from the government spending on infrastructure and housing developments.

The commodity prices and the Ringgit along with regional currencies will continue to be influenced by external factors. The currency exchange rates and the prices for both aluminium and metallic silicon are expected to be volatile in the near future.

Against this challenging and difficult backdrop, the Group will further improve its efficiency and products' quality in order to stay competitive and to achieve a satisfactory result.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	<u>Quarter Ended 30/06/19</u>	<u>Current Year To-date</u>
	RM'000	RM'000
Current income tax	<u>1,476</u>	<u>2,001</u>

The Group's effective tax rate for the financial year-to-date under review was 25%, which is slightly higher than the prima facie tax rate.

B6. Status of Corporate Proposals Announced

(A) On 18 July 2018, the Company has completed the Renounceable Rights Issue of RM212,294,652 nominal value of 5-Year 3.00% irredeemable convertible unsecured loan stocks ("**ICULS**") at 100% of its nominal value of RM2.74 each on the basis of one (1) ICULS for every two (2) existing ordinary shares, together with 38,739,900 free detachable warrants ("**Warrant(s)**") on the basis of one (1) Warrant for every two (2) ICULS subscribed. ("**Rights Issue of ICULS with Warrants**")

77,479,800 ICULS were issued pursuant to the Rights Issue of ICULS with Warrants and the total proceeds raised was RM212,294,652.

As at 30 June 2019, the proceeds from the Rights Issue of ICULS with Warrants has been fully utilised.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

B6. Status of Corporate Proposals Announced (Cont'd)

(B) On 19 June 2019, the Company had completed Placement I with the listing and quotation for 15,650,000 new Placement I shares with issued price of RM3.10 each. The total proceeds raised was RM48,515,000.00.

On 24 July 2019, the Company had completed Placement II with the listing and quotation of 32,324,000 new Placement II shares with issued price of RM3.11 each. The total proceeds raised was RM100,527,640.00.

The total proceeds raised from Placement I and Placement II was RM149,042,640.00.

As at 30 June 2019, the status of utilisation of proceeds from the Placement I and Placement II are as follows:

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Estimated timeframe for utilisation from listing of the Placement I and Placement II
<u>Placement I</u>			
Working Capital	48,025	10,421	Within 12 months
Estimated expenses in relation to the Placement I	190	190	Upon the completion of the Placement I
	48,515	10,611	
<u>Placement II</u>			
Construction of the Phase 2 PMB Silicon Facility	40,138	-	Within 12 months
Purchase of equipment for the Phase 2 PMB Silicon Facility	60,000	-	Within 12 months
Estimated expenses in relation to the Placement II	390	-	Upon the completion of the Placement II
	100,528	-	
Grand Total	149,043	10,611	

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

B7. Group borrowings and debt securities

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 30 June 2019</u>			
(a) (i) Short term			
Overdraft	-	6,669	6,669
Bridging loan	25,261	-	25,261
Revolving credit	-	11,300	11,300
Trade facilities	21,803	126,588	148,391
Term loan	11,196	-	11,196
	<u>58,260</u>	<u>144,557</u>	<u>202,817</u>
(ii) Long term			
Term loan	<u>120,009</u>	-	<u>120,009</u>
Total	<u>178,209</u>	<u>144,557</u>	<u>322,826</u>
	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 30 June 2018</u>			
(a) (i) Short term			
Overdraft	-	4,300	4,300
Bridging loan	-	30,000	30,000
Revolving credit	-	12,170	12,170
Trade facilities	-	93,927	93,927
Term loan	3,168	-	3,168
	<u>3,168</u>	<u>140,397</u>	<u>143,565</u>
(ii) Long term			
Term loan	<u>47,065</u>	-	<u>47,065</u>
Total	<u>50,233</u>	<u>140,397</u>	<u>190,630</u>

(b) Foreign currency bank borrowings

Foreign currency bank borrowings that denominated in Hong Kong Dollar ("HKD") included in the above borrowings are as follows:

	<u>As at 30/06/2019</u>		<u>As at 30/06/2018</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	873	463	1,806	930
Revolving credit	19,433	10,300	21,689	11,170
Trade facilities	32,931	17,453	3,911	2,014
	<u>53,237</u>	<u>28,216</u>	<u>27,406</u>	<u>14,114</u>

The Group borrowings has increased by RM132.2 million from RM190.6 million to RM273.4 million mainly due to the term loan and trade facilities drawdown for the metallic silicon plant in Bintulu, Sarawak.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**
B8. Material Litigation

There was no material litigation against the Group as at the reporting date.

B9. Proposed Dividend

The Directors declared a First interim single tier dividend of 1 sen per share for the financial year ending 31 December 2019 and will be payable to shareholders on 2 October 2019. The entitlement date for the said dividend shall be 12 September 2019.

A Depositor shall qualify for entitlement to the Dividend only in respect of:-

- (a) Shares transferred to the Depositor's securities account before 4.30 p.m. on 12 September 2019 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to Rules of Bursa Malaysia Securities Berhad.

B10. Earnings Per Share
(a) Basic earnings per share

	Current Quarter		Year-to-date	
	<u>30/06/19</u>	<u>30/06/18</u>	<u>30/06/19</u>	<u>30/06/18</u>
Profit attributable to Shareholders (RM'000)	4,332	3,602	5,994	5,606
Weighted average number of ordinary shares ('000)	172,231	154,960	172,231	154,960
Basic earnings per share (sen)	<u>2.52</u>	<u>2.32</u>	<u>3.48</u>	<u>3.62</u>

(b) Diluted earnings per share

	Current Quarter		Year-to-date	
	<u>30/06/19</u>	<u>30/06/18</u>	<u>30/06/19</u>	<u>30/06/18</u>
Profit attributable to Shareholders (RM'000)	5,886	3,602	8,078	5,606
Weighted average number of ordinary shares ('000)	247,522	154,960	247,522	154,960
Diluted earnings per share (sen)	<u>2.38</u>	<u>2.32</u>	<u>3.26</u>	<u>3.62</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

B11. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2018 was not subject to any qualification.

B12. Notes to the Condensed Consolidated Income Statement

PBT is arrived at after charging and (crediting) the following items:

		Current Quarter RM'000	Current Financial To-date RM'000
a)	Interest income	(70)	(108)
b)	Other income including investment income	(48)	(176)
c)	Interest expense	5,334	7,984
d)	Depreciation and amortization	6,124	10,555
e)	(Reversal)/Provision for and write off of receivables	-	-
f)	Provision for and write off of inventories	-	-
g)	(Gain) and loss on disposal of quoted or unquoted Investments or properties	-	-
h)	Impairment of assets	-	-
i)	Foreign exchange (gain) or loss	485	65
j)	(Gain) or loss on derivatives	-	-
k)	Exceptional items	-	-

B13. Derivative Financial Instruments

The Group did not enter into any derivatives and accordingly there was no outstanding derivatives as at the end of the financial period.

B14. Fair Value Changes of Financial Liabilities

There were no fair value changes of financial liabilities during the current quarter ended 30 June 2019.

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
20 August 2019