

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		UNAUDITED CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	Changes %	UNAUDITED CURRENT YEAR TO DATE	AUDITED PRECEDING YEAR TO DATE	Changes %
		31 DEC 2019 RM'000	31 DEC 2018 RM'000 Restated		31 DEC 2019 RM'000	31 DEC 2018 RM'000 Restated	
Continuing operations							
Revenue	B1	126,726	14,420	779%	399,746	285,526	40%
Operating expenses		(118,835)	(10,206)	1064%	(371,325)	(269,922)	38%
Other operating income	A4	13,064	333	3823%	13,501	716	1786%
Profit from operations		20,955	4,547	361%	41,922	16,320	157%
Finance costs		(2,875)	(1,265)	127%	(11,569)	(5,573)	108%
Profit before tax		18,080	3,282	451%	30,353	10,747	182%
Taxation	B5	(1,254)	(1,804)	-30%	(5,551)	(3,894)	43%
Profit from continuing operations		16,826	1,478	1038%	24,802	6,853	262%
Discontinued operations							
Profit from discontinued operations, net of tax	A4	478	610	-22%	2,969	2,466	20%
Profit for the period		17,304	2,088	729%	27,771	9,319	198%
Profit attributable to :							
Owners of the Company							
- from continuing operations		16,826	1,478	1038%	24,802	6,853	262%
- from discontinued operations		478	610	-22%	2,969	2,466	20%
Non-controlling interest							
-		-	-		-	-	
Profit for the period		17,304	2,088	729%	27,771	9,319	198%
Basic earnings per share (sen)							
- from continuing operations	B10 (a)	8.22	0.94	771%	12.12	4.38	177%
- from discontinued operations		0.23	0.39	-40%	1.45	1.57	-8%
Diluted earnings per share (sen)							
- from continuing operations	B10 (b)	6.13	0.75	720%	9.37	3.47	170%
- from discontinued operations		0.17	0.31	-45%	1.05	1.25	-16%

(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

Registration No. 200201016594 (584257-X)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	UNAUDITED CURRENT YEAR QUARTER 31 DEC 2019 RM'000	PRECEDING YEAR QUARTER 31 DEC 2018 RM'000 Restated	Changes %	UNAUDITED CURRENT YEAR TO DATE 31 DEC 2019 RM'000	AUDITED PRECEDING YEAR TO DATE 31 DEC 2018 RM'000 Restated	Changes %
Profit for the period	17,304	2,088	729%	27,771	9,319	198%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	(682)	579	-218%	(188)	672	-128%
Cash flow hedge	6,160	-	100%	6,160	-	100%
Total comprehensive income for the period	<u>22,782</u>	<u>2,667</u>	<u>754%</u>	<u>33,743</u>	<u>9,991</u>	<u>238%</u>
Total comprehensive income attributable to :						
Owners of the Company						
- from continuing operations	22,304	2,057	984%	30,774	7,525	309%
- from discontinued operations	478	610	-22%	2,969	2,466	20%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>22,782</u>	<u>2,667</u>	<u>754%</u>	<u>33,743</u>	<u>9,991</u>	<u>238%</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 31-DEC-19 RM'000 UNAUDITED	AS AT 31-DEC-18 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	699,930	424,546
Investment properties	4,674	1,186
Right-of-use assets	1,422	3,472
Goodwill	792	792
Derivative financial assets	4,769	-
Deferred tax assets	4,843	5,538
	<u>716,430</u>	<u>435,534</u>
Current assets		
Inventories and contract assets	175,777	144,901
Trade receivables	115,381	112,071
Other receivables, deposits and prepayments	28,331	14,842
Amount due from related companies	17,893	10,437
Tax recoverable	995	3,312
Derivative financial assets	1,391	-
Cash and bank balances	80,383	58,186
	<u>420,151</u>	<u>343,749</u>
TOTAL ASSETS	<u>1,136,581</u>	<u>779,283</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	200,633	51,365
Foreign currency translation reserve	3,811	3,999
ICULS equity	155,434	155,602
Warrant reserve	33,921	33,921
Hedging reserve	6,160	-
Retained profit	137,094	115,016
Treasury shares, at cost	(2,220)	(2,220)
	<u>534,833</u>	<u>357,683</u>
Non-controlling interest	-	-
Total equity	<u>534,833</u>	<u>357,683</u>
Non-current liabilities		
Hire purchase & finance lease liabilities	4,458	7,734
Term loan	237,088	92,437
Liability component of ICULS	21,300	24,555
Lease liabilities	192	1,003
Deferred taxation	7,868	7,148
	<u>270,906</u>	<u>132,877</u>
Current Liabilities		
Trade payables	86,343	47,542
Contract liabilities	9,280	6,221
Other payables and accruals	44,996	23,533
Hire purchase & finance lease liabilities	6,291	7,182
Overdraft & short term borrowings	164,632	137,338
Amount due to related companies	15,054	63,563
Dividend payable	2,046	-
Lease liabilities	1,252	2,469
Taxations	948	875
	<u>330,842</u>	<u>288,723</u>
Total liabilities	<u>601,748</u>	<u>421,600</u>
TOTAL EQUITY AND LIABILITIES	<u>1,136,581</u>	<u>779,283</u>
Net assets per share attributable to the owners of the company (RM)		
(based on 204,630,150 ordinary shares)	2.61	
(based on 156,574,150 ordinary shares)		2.28

(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						Distributable	Total	Non-controlling Interest	Total Equity
	Share Capital	Treasury Shares	Foreign currency translation reserve	Equity Component of ICULS	Warrant Reserve	Hedging Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	51,365	(2,220)	3,999	155,602	33,921	-	115,016	357,683	-	357,683
Placement I & Placement II	149,043	-	-	-	-	-	-	149,043	-	149,043
Total comprehensive income for the period	-	-	(188)	-	-	6,160	27,771	33,743	-	33,743
Conversion of ICULS	225	-	-	(168)	-	-	(36)	21	-	21
Dividend										
- Second interim dividend for the financial year ended 31 Dec 2018	-	-	-	-	-	-	(1,565)	(1,565)	-	(1,565)
- First interim dividend for the financial year ended 31 Dec 2019	-	-	-	-	-	-	(2,046)	(2,046)	-	(2,046)
- Second interim dividend for the financial year ended 31 Dec 2019	-	-	-	-	-	-	(2,046)	(2,046)	-	(2,046)
At 31 December 2019	200,633	(2,220)	3,811	155,434	33,921	6,160	137,094	534,833	-	534,833
At 1 January 2018	46,941	(2,220)	3,327	-	-	-	108,744	156,792	-	156,792
Total comprehensive income for the period	-	-	672	-	-	-	9,319	9,991	-	9,991
Issuance of ICULS	-	-	-	158,914	33,921	-	-	192,835	-	192,835
Conversion of ICULS	4,424	-	-	(3,312)	-	-	(707)	405	-	405
Dividend										
- Fourth Interim dividend for the financial year ended 31 Dec 2017	-	-	-	-	-	-	(775)	(775)	-	(775)
- First interim dividend for the financial year ended 31 Dec 2018	-	-	-	-	-	-	(1,565)	(1,565)	-	(1,565)
At 31 December 2018	51,365	(2,220)	3,999	155,602	33,921	-	115,016	357,683	-	357,683

(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)

PMB Technology Berhad

Registration No. 200201016594 (584257-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED FOR THE YEAR ENDED 31-DEC-19 RM'000	AUDITED FOR THE YEAR ENDED 31-DEC-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
Continuing operations	30,353	10,747
Discontinued operations	4,074	3,390
	<u>34,427</u>	<u>14,137</u>
Adjustments for:		
Depreciation	25,024	13,948
Net gain on disposal of subsidiaries	(9,956)	-
Net (gain)/loss on disposal of property, plant and equipment and investment properties	(190)	(91)
Net impairment loss	-	161
Property, plant and equipment written off	-	17
Unrealised foreign exchange gain	(294)	128
Interest income	(515)	(267)
Interest expenses	13,787	7,729
	<u>62,283</u>	<u>35,762</u>
Operating profit before working capital changes		
Changes in working capital:		
Inventories & contract assets	(59,467)	(65,750)
Trade and other receivables	(106,122)	41,186
Trade and other payables	60,037	20,961
	<u>(43,269)</u>	<u>32,159</u>
Cash used in operations		
Income taxes paid	(2,579)	(5,089)
	<u>(45,848)</u>	<u>27,070</u>
Net cash (used in)/from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and investment properties	(308,085)	(303,360)
Interest received	515	267
Proceeds from disposal of subsidiaries net of cash and cash equivalents disposed of	36,602	-
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	934	320
	<u>(270,034)</u>	<u>(302,773)</u>
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(3,611)	(2,340)
Interest expenses paid	(17,021)	(12,470)
Repayment of hire purchase	(2,805)	(5,706)
Proceeds from bank borrowings	55,653	323,429
Repayment of bank borrowings	-	(307,631)
Repayment of Leased Liabilities	(1,944)	-
Proceeds from loan	160,378	105,028
Repayment of loan	-	(34,047)
Proceeds from Placement I & II	149,043	-
Proceeds from Rights Issue of ICULS with Warrants	-	212,295
	<u>339,693</u>	<u>278,558</u>
Net cash from financing activities		
Exchange differences on translation of the financial statements of foreign operations	(188)	652
	<u>23,623</u>	<u>3,507</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	55,932	52,425
	<u>79,555</u>	<u>55,932</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
The cash & cash equivalents comprise:		
Cash & bank balances	80,383	58,186
Bank overdraft	(828)	(2,254)
	<u>79,555</u>	<u>55,932</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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2019

A2. Significant Accounting Policies (Cont'd)

The Group has adopted MFRS 9 Financial Instruments – Hedge accounting for the financial year ended 31 December 2019.

MFRS 9 Financial instruments
Hedge accounting

(a) Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (“forward points”) and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

A2. Significant Accounting Policies (Cont'd)

(a) Cash flow hedge (Cont'd)

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

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*
-) Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

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

-) MFRS 17, *Insurance Contracts*

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

A2. Significant Accounting Policies (Cont'd)

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 does not plan to apply MFRS 17, *Insurance Contract* that is effective for annual periods beginning on 1 January 2021 as it is not applicable to the Group. The adoption of the applicable accounting standards are 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

Included in the other operating income for the current quarter and the financial year to-date, there was a gain of RM10.0 million arising from the disposal of four wholly-owned subsidiaries as disclosed in A11. For details, please refer to our announcement to Bursa Malaysia Securities Berhad dated 19 December 2019.

Profit attributable to the discontinued operations were as follows:

	2019
	RM'000
Results of discontinued operations	
Revenue	153,435
Expenses	(149,361)
Results from operating activities	<u>4,074</u>
Tax	(1,105)
Profit for the year	<u><u>2,969</u></u>
Cash flows from/(used in) discontinued operations	
Net cash from operating expenses	15,953
Net cash used in investing activities	(626)
Net cash used in financing activities	<u>(12,203)</u>
Effect on cash flows	<u><u>3,124</u></u>

Save for the above, there were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter and the financial year to-date.

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

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.

A6. Debt and equity securities

As at 31 December 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 RM1,565,741.50 for the financial year ended 31 December 2018 was paid to shareholders on 18 April 2019.

The first interim single tier dividend of 1 sen per share totaling RM2,045,551.50 for the financial year ended 31 December 2019 was paid to shareholders on 2 October 2019.

The second interim single tier dividend of 1 sen per share totaling RM2,046,301.50 for the financial year ended 31 December 2019 was paid to shareholders on 15 January 2020.

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, marketing and trading of other related products.

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

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019
A8. Segmental information (Cont'd)

	Continuing operations			Total RM'000	Discontinued operations	
	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000		RM'000	Total RM'000
<u>3 months ended</u>						
<u>31 December 2019</u>						
Total revenue	66,483	111,720	(51,477)	126,726	36,224	162,950
Inter-segment revenue	(11,375)	(40,102)	51,477	-	-	-
Revenue from external customers	55,108	71,618		126,726	36,224	162,950
Segment result	8,826	2,173		10,999	1,262	12,261
Add : Gain on disposals (A4)	9,956	-		9,956	-	9,956
	18,782	2,173		20,955	1,262	22,217
Finance cost				(2,875)	(465)	(3,340)
Tax expense				(1,254)	(319)	(1,573)
Profit for the period				16,826	478	17,304

	Continuing operations			Total RM'000	Discontinued operations	
	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000		RM'000	Total RM'000
<u>12 months ended</u>						
<u>31 December 2019</u>						
Total revenue	200,642	371,291	(172,187)	399,746	153,435	553,181
Inter-segment revenue	(39,824)	(132,363)	172,187	-	-	-
Revenue from external customers	160,818	238,928		399,746	153,435	553,181
Segment result	19,478	12,488		31,966	6,292	38,258
Add : Gain on disposals (A4)	9,956	-		9,956	-	9,956
	29,434	12,488		41,922	6,292	48,214
Finance cost				(11,569)	(2,218)	(13,787)
Tax expense				(5,551)	(1,105)	(6,656)
Profit for the period				24,802	2,969	27,771
Segment assets	1,451,603	255,448	(570,470)	1,136,581		
Segment liabilities	743,356	179,150	(320,758)	601,748		

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

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

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

(a) On 19 December 2019, the Company had completed the following Disposals:

(i) Disposal of the entire equity interests in PMB Central Sdn Bhd, PMB Northern Sdn Bhd and PMB Eastern Sdn Bhd by Everlast Aluminium (M) Sdn Bhd, a wholly-owned subsidiary of PMBT to PMB (Klang) Sdn Bhd, for an aggregate cash consideration of RM43,182,000; and

(ii) Disposal of the entire equity interest in PMB Aluminium Sabah Sdn Bhd by PMBT to PMB (Klang) Sdn Bhd for a cash consideration of RM1,204,000.

(b) The incorporation of Greentec Logging Sdn. Bhd. ("GLSB") on 9 January 2020, a 40% associate company owned by PMB Carbon Sdn. Bhd., a wholly-owned subsidiary of the Company. The issued and paid-up share capital of GLSB is RM10.00 comprising 10 ordinary shares. GLSB intends to carry on timber related business.

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

A12. Contingent liabilities

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

A13. Capital commitments

As at 31 December 2019, the Group has the following known capital commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	8,386

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

A14. Related Party Transactions

The Group

With the affiliated companies - Press Metal Aluminium Holdings Berhad Group

	<u>Current year</u>
	RM'000
Purchase of aluminium products	<u>145,976</u>
Sale of metallic silicon, fabricated aluminium products and building materials	<u>57,330</u>
Proceeds from disposal of subsidiaries	<u>44,386</u>

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

B1. Operating Segments Review

	Continuing operations		Discontinued operations		Total	
	(Restated)					
	Q4/19	FYE 2019	Q4/19	FYE 2019	Q4/19	FYE 2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>						
Manufacturing & trading	55,108	160,818	36,224	153,435	91,332	314,253
Construction & Fabrication	71,618	238,928	-	-	71,618	238,928
	<u>126,726</u>	<u>399,746</u>	<u>36,224</u>	<u>153,435</u>	<u>162,950</u>	<u>553,181</u>
<u>Segment result</u>						
Manufacturing & trading	8,826	19,478	1,262	6,292	10,088	25,770
Construction & Fabrication	2,173	12,488	-	-	2,173	12,488
	<u>10,999</u>	<u>31,966</u>	<u>1,262</u>	<u>6,292</u>	<u>12,261</u>	<u>38,258</u>
Profit before tax	<u>8,124</u>	<u>20,397</u>	<u>797</u>	<u>4,074</u>	<u>8,921</u>	<u>24,471</u>

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B1. Operating Segments Review (Cont'd)

	Continuing operations (Restated)		Discontinued operations		Total	
			Q4/18	FYE 2018	Q4/18	FYE 2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>						
Manufacturing & trading	10,798	58,425	38,797	159,239	49,595	217,664
Construction & Fabrication	3,622	227,101	-	-	3,622	227,101
	<u>14,420</u>	<u>285,526</u>	<u>38,797</u>	<u>159,239</u>	<u>53,217</u>	<u>444,765</u>
<u>Segment result</u>						
Manufacturing & trading	1,497	3,584	1,478	5,546	2,975	9,130
Construction & Fabrication	3,050	12,736	-	-	3,050	12,736
	<u>4,547</u>	<u>16,320</u>	<u>1,478</u>	<u>5,546</u>	<u>6,025</u>	<u>21,866</u>
Profit before tax	<u>3,282</u>	<u>10,747</u>	<u>950</u>	<u>3,390</u>	<u>4,232</u>	<u>14,137</u>

(a) Q4/19 vs Q4/18

Continuing operations

The Group's revenue was higher at RM126.7 million, representing an increase of RM112.3 million from RM14.4 million recorded in Q4/18. The increase was mainly due to higher revenue contribution from both segments. Excluding the gain on disposal of subsidiaries of RM10.0 million highlighted in A4, the Group's profit before tax ("PBT") increased from RM3.3 million to RM8.1 million.

Manufacturing and Trading segment

The revenue from Manufacturing and Trading segment increased by RM44.3 million from RM10.8 million to RM55.1 million, mainly contributed by the new metallic silicon plant.

With the contribution from the new metallic silicon plant, the segment profit increased from RM1.5 million to RM8.8 million.

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B1. Operating Segments Review (Cont'd)

(a) Q4/19 vs Q4/18 (Cont'd)

Construction and Fabrication segment

Revenue from Construction and Fabrication segment increased from RM3.6 million to RM71.6 million. It was mainly due to the lower revenue recorded in Q4/18 resulted from the elimination of inter-segment revenue for the construction works carried out for the metallic silicon plant.

However, segment profit decreased from RM3.1 million to RM2.2 million. Lower segment profit recorded in Q4/19 was largely due to higher raw material cost which was not fully passed on to the customers.

Discontinued operations

Manufacturing and Trading segment

The revenue from Manufacturing and Trading segment decreased by RM2.6 million from RM38.8 million to RM36.2 million. It was mainly due to lower selling price that was resulted from lower aluminium price. Accordingly, the segment profit reduced from RM1.5 million to RM1.3 million

(b) FYE 2019 vs FYE 2018

Continuing operations

The Group recorded a revenue of RM399.7 million for the year ended 31 December 2019("FYE 2019"), representing an increase of RM114.2 million or 40% from RM285.5 million recorded for the year ended 31 December 2018("FYE 2018"). Excluding the gain on disposal of subsidiaries of RM10.0 million highlighted in A4, the Group's PBT increased from RM10.7 million to RM20.4 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment increased by RM102.4 million from RM58.4 million to RM160.8 million, mainly due to the contribution from the new metallic silicon plant. In line with higher revenue, the segment profit increased by RM15.9 million from RM3.6 million to RM19.5 million during the current year under review.

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B1. Operating Segments Review (Cont'd)

(b) FYE 2019 vs FYE 2018 (Cont'd)

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM238.9 million for FYE 2019, representing an increase of 5% compared to RM227.1 million recorded for FYE 2018. The increase was due to the acceleration of the progress of certain on-going projects. However, the segment profit decreased from RM12.7 million to RM12.5 million. Lower segment profit recorded for FYE 2019 was mainly due to higher raw material cost which was not fully passed on to the customers.

Discontinued operations

Manufacturing and Trading segment

The revenue from Manufacturing and Trading segment decreased by RM5.8 million from RM159.2 million to RM153.4 million. It was mainly due to lower selling price that was resulted from lower aluminium price. However, the segment profit increased from RM5.5 million to RM6.3 million due to better products mix.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q4/19 vs Q3/19)

Continuing operations

The Group's revenue increased by 12% or RM14.0 million from RM112.7 million to RM126.7 million. The increase was mainly attributable to the higher contribution from Construction and Fabrication segment and the inclusion of revenue from the new metallic silicon plant.

In line with higher revenue, the Group's PBT (excluding the gain of disposal of subsidiaries of RM10.0 million) increased by RM2.2 million from RM5.9 million to RM8.1 million.

Discontinued operations

The revenue from discontinued operations decreased by RM3.5 million from RM39.7 million to RM36.2 million. It was mainly due to lower selling price that was resulted from lower aluminium price. Accordingly, the segment profit decreased from RM2.2 million to RM1.3 million

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B3. Current year prospects

The sudden outbreak of the deadly coronavirus disease has sent dark clouds over the global economy, where the scale and magnitude of the damage has yet to be ascertained.

However, the local economy is expected to sustain largely by Government spending in the transportation, infrastructure and housing development sector.

The commodity prices and the Ringgit along with regional currencies will continue to be influenced by external factors especially the effect of the supply disruption in China resulted from the coronavirus outbreak. The currency exchange rates and the prices for silicon metal are expected to be volatile in the near future.

Against this challenging and difficult backdrop, the Group will continue to 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 31/12/19</u>	<u>Current Year To-date</u>
	RM'000	RM'000
Current taxation	578	3,692
Deferred tax charge	676	1,859
Total tax charge	<u>1,254</u>	<u>5,551</u>

The Group's effective tax rate for the financial year-to-date under review was 18.3% lower than the prevailing statutory tax rate, mainly due to the deferred tax charge relating to the Irredeemable Convertible Unsecured Loan Stock and certain non tax-deductible expenses after offsetting the non-taxable gain on disposal of subsidiaries.

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B6. Status of Corporate Proposals Announced

(A) Placements

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 31 December 2019, the proceeds from the Placement I and Placement II had been fully utilised.

(B) Disposals

As at 31 December 2019, the status of utilisation of proceeds from the Disposals as disclosed in A11 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
Purchase of raw materials	37,785	1,019	Within 12 months
Proposed dividend	3,070	-	Within 12 months
Working capital	3,101	3,101	Within 12 months
Estimated expenses	430	430	Within 6 months
	44,386	4,550	

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B7. Group borrowings and debt securities

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 31 December 2019</u>			
<u>Continuing operations</u>			
(a) (i) Short term			
Overdraft	-	828	828
Revolving credit	-	10,433	10,433
Trade facilities	-	132,952	132,952
Term loan	20,419	-	20,419
	<u>20,419</u>	<u>144,213</u>	<u>164,632</u>
(ii) Long term			
Term loan	237,088	-	237,088
Total	<u>257,507</u>	<u>144,213</u>	<u>401,720</u>
	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 31 December 2018</u>			
<u>Continuing operations</u>			
(a) (i) Short term			
Overdraft	-	2,247	2,247
Revolving credit	-	11,617	11,617
Trade facilities	-	118,391	118,391
Term loan	5,082	-	5,082
	<u>5,082</u>	<u>132,255</u>	<u>137,337</u>
(ii) Long term			
Term loan	92,437	-	92,437
Total	<u>97,519</u>	<u>132,255</u>	<u>229,774</u>
<u>Discontinued operations</u>			
(b) (i) Short term	180	42,270	42,450
(ii) Long term	210	-	210
Total	<u>390</u>	<u>42,270</u>	<u>42,660</u>

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B7. Group borrowings and debt securities (Cont'd)

(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 31/12/2019</u>		<u>As at 31/12/2018</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	1,574	828	4,248	2,248
Revolving credit	17,934	9,433	20,057	10,610
Trade facilities	41,521	21,840	18,771	9,930
	<u>61,029</u>	<u>32,101</u>	<u>43,077</u>	<u>22,788</u>

The Group borrowings has increased by RM171.9 million from RM229.8 million (excluding discontinued operations) to RM401.7 million mainly due to the term loan and trade facilities drawdown for the metallic silicon plant in Bintulu, Sarawak.

B8. Material Litigation

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

B9. Proposed Dividend

The Directors declared a special dividend (single tier) of 1.5 sen per share for the financial year ended 31 December 2019 and will be payable to shareholders on 16 April 2020. The entitlement date for the said dividend shall be 19 March 2020.

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 19 March 2020 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.

The special dividend was declared due to surplus cash arising from the disposal of the subsidiaries.

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B10. Earnings Per Share

(a) Basic earnings per share

	Current Quarter		Year-to-date	
	<u>31/12/19</u>	<u>31/12/18</u>	<u>31/12/19</u>	<u>31/12/18</u>
Profit attributable to Shareholders (RM'000)				
- Continuing operations	16,826	1,478	24,802	6,853
- Discontinued operations	478	610	2,969	2,466
	<u>17,304</u>	<u>2,088</u>	<u>27,771</u>	<u>9,319</u>
Weighted average number of ordinary shares ('000)	204,630	156,574	204,630	156,574
Basic earnings per share (sen)				
- Continuing operations	8.22	0.94	12.12	4.38
- Discontinued operations	0.23	0.39	1.45	1.57
	<u>8.45</u>	<u>1.33</u>	<u>13.57</u>	<u>5.95</u>

(b) Diluted earnings per share

	Current Quarter		Year-to-date	
	<u>31/12/19</u>	<u>31/12/18</u>	<u>31/12/19</u>	<u>31/12/18</u>
Profit attributable to Shareholders (RM'000)				
- Continuing operations	17,296	1,478	26,426	6,853
- Discontinued operations	478	610	2,969	2,466
	<u>17,774</u>	<u>2,088</u>	<u>29,395</u>	<u>9,319</u>
Weighted average number of ordinary shares ('000)	282,075	197,640	282,075	197,640
Diluted earnings per share (sen)				
- Continuing operations	6.13	0.75	9.37	3.47
- Discontinued operations	0.17	0.31	1.05	1.25
	<u>6.30</u>	<u>1.06</u>	<u>10.42</u>	<u>4.72</u>

EXPLANATORY NOTES TO THE QUARTERLY REPORT
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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	(122)	(456)
b)	Other income including investment income	(2,466)	(2,619)
c)	Interest expense	2,875	11,569
d)	Depreciation and amortization	7,694	24,178
e)	(Reversal)/Provision for and write off of receivables	-	-
f)	Provision for and write off of inventories	472	472
g)	(Gain) and loss on disposal of quoted or unquoted Investments or properties	(9,956)	(9,956)
h)	Impairment of assets	-	-
i)	Foreign exchange (gain) or loss	(995)	(273)
j)	(Gain) or loss on derivatives	390	-
k)	Exceptional items	-	-

B13. Derivative Financial Instruments

As at 31 December 2019, the Group has the following outstanding derivative financial instrument:

Type of Derivative	Contract/Notional value RM'000	Fair value assets RM'000
Foreign Exchange Forward Contract		
- Less than 1 year	50,814	1,391
- 1 year to 3 years	156,233	3,884
- More than 3 years	35,596	885

The Group entered into the forward exchange contracts to hedge its highly probable forecast transactions denominated in foreign currency expected to occur in the future. Such contracts have maturity dates that match the expected occurrence of these transactions. These financial instruments are stated at fair value based on the financial institution's quote.

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B13. Derivative Financial Instruments (Cont'd)

All the derivatives were contracted with creditworthy financial institutions to mitigate the credit risk, market risk and liquidity risk associated with the derivatives.

There is no cash requirement for these derivatives other than the repayment obligation for the bank borrowings.

There have been changes made to the accounting policies associated with those derivatives since the end of the previous financial period.

B14. Fair Value Changes of Financial Liabilities

There were no fair value changes of financial liabilities during the current quarter ended 31 December 2019.

B15. Comparative figures

The prior year's financial statements have been restated to reflect the audit financial statements for the financial year ended 31 December 2018.

On behalf of the Board

Koon Poh Ming
Chief Executive Officer

24 February 2020