

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		UNAUDITED CURRENT YEAR QUARTER	UNAUDITED PRECEDING YEAR QUARTER	Changes %	UNAUDITED CURRENT YEAR TO DATE	UNAUDITED PRECEDING YEAR TO DATE	Changes %
		31 MAR 2020 RM'000	31 MAR 2019 RM'000 Represented		31 MAR 2020 RM'000	31 MAR 2019 RM'000 Represented	
Continuing operations							
Revenue	B1	175,628	58,355	201%	175,628	58,355	201%
Operating expenses		(169,522)	(55,074)	208%	(169,522)	(55,074)	208%
Other operating income		204	424	-52%	204	424	-52%
Profit from operations		6,310	3,705	70%	6,310	3,705	70%
Finance costs		(2,496)	(2,082)	20%	(2,496)	(2,082)	20%
Profit before tax		3,814	1,623	135%	3,814	1,623	135%
Taxation	B5	(1,511)	(390)	287%	(1,511)	(390)	287%
Profit from continuing operations		2,303	1,233	87%	2,303	1,233	87%
Discontinued operations							
Profit from discontinued operations, net of tax		-	429	-100%	-	429	-100%
Profit for the period		2,303	1,662	39%	2,303	1,662	39%
Profit attributable to :							
Owners of the Company							
- from continuing operations		2,303	1,233	87%	2,303	1,233	87%
- from discontinued operations		-	429	-100%	-	429	-100%
Non-controlling interest							
-		-	-	-	-	-	-
Profit for the period		2,303	1,662	39%	2,303	1,662	39%
Basic earnings per share (sen)							
- from continuing operations	B10 (a)	1.13	0.79	43%	1.13	0.79	43%
- from discontinued operations		-	0.27	-100%	-	0.27	-100%
Diluted earnings per share (sen)							
- from continuing operations	B10 (b)	1.05	0.82	28%	1.05	0.82	28%
- from discontinued operations		-	0.20	-100%	-	0.20	-100%

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

PMB Technology Berhad

Registration No. 200201016594 (584257-X)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	UNAUDITED CURRENT YEAR QUARTER 31 MAR 2020 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2019 RM'000 Represented	Changes %	UNAUDITED CURRENT YEAR TO DATE 31 MAR 2020 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2019 RM'000 Represented	Changes %
Profit for the period	2,303	1,662	39%	2,303	1,662	39%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	1,887	(656)	-388%	1,887	(656)	-388%
Cash flow hedge	(8,807)	-	100%	(8,807)	-	100%
Total comprehensive income for the period	<u>(4,617)</u>	<u>1,006</u>	<u>-559%</u>	<u>(4,617)</u>	<u>1,006</u>	<u>-559%</u>
Total comprehensive income attributable to :						
Owners of the Company						
- from continuing operations	(4,617)	577	-900%	(4,617)	577	-900%
- from discontinued operations	-	429	-100%	-	429	-100%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>(4,617)</u>	<u>1,006</u>	<u>-559%</u>	<u>(4,617)</u>	<u>1,006</u>	<u>-559%</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT FINANCIAL QUARTER END 31-MAR-20 RM'000 UNAUDITED	AS AT 31-DEC-19 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	642,090	628,025
Investment properties	4,649	4,674
Right-of-use assets	72,267	73,327
Goodwill	792	792
Derivative financial assets	-	4,769
Deferred tax assets	4,187	4,805
	<u>723,985</u>	<u>716,392</u>
Current assets		
Inventories and contract assets	122,156	176,753
Trade receivables	115,136	115,242
Other receivables, deposits and prepayments	26,711	28,636
Amount due from related companies	23,497	17,967
Tax recoverable	1,428	995
Derivative financial assets	-	1,391
Cash and bank balances	60,495	80,383
	<u>349,423</u>	<u>421,367</u>
TOTAL ASSETS	<u>1,073,408</u>	<u>1,137,759</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	200,964	200,633
Foreign currency translation reserve	5,698	3,811
ICULS equity	155,186	155,434
Warrant reserve	33,921	33,921
Hedging reserve	(2,647)	6,160
Retained profit	136,273	137,094
Treasury shares, at cost	(2,220)	(2,220)
	<u>527,175</u>	<u>534,833</u>
Non-controlling interest	-	-
Total equity	<u>527,175</u>	<u>534,833</u>
Non-current liabilities		
Term loan	266,385	237,088
Liability component of ICULS	18,595	21,353
Lease liabilities	4,838	4,658
Derivative financial liabilities	1,073	-
Deferred taxation	7,627	7,830
	<u>298,518</u>	<u>270,929</u>
Current Liabilities		
Trade payables	50,179	84,680
Contract liabilities	28,871	9,280
Other payables and accruals	32,364	46,952
Overdraft & short term borrowings	107,360	164,632
Amount due to related companies	17,311	15,923
Dividend payable	3,071	2,046
Lease liabilities	6,213	7,536
Derivative financial liabilities	1,779	-
Taxations	567	948
	<u>247,715</u>	<u>331,997</u>
Total liabilities	<u>546,233</u>	<u>602,926</u>
TOTAL EQUITY AND LIABILITIES	<u>1,073,408</u>	<u>1,137,759</u>
Net assets per share attributable to the owners of the company (RM)		
(based on 204,638,563 ordinary shares)	2.58	
(based on 204,569,528 ordinary shares)		2.61

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

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 2020	200,633	(2,220)	3,811	155,434	33,921	6,160	137,094	534,833	-	534,833
Total comprehensive income for the period	-	-	1,887	-	-	(8,807)	2,303	(4,617)	-	(4,617)
Conversion of ICULS	331	-	-	(248)	-	-	(53)	30	-	30
Dividend										
- Special dividend for the financial year ended 31 Dec 2019	-	-	-	-	-	-	(3,071)	(3,071)	-	(3,071)
At 31 March 2020	200,964	(2,220)	5,698	155,186	33,921	(2,647)	136,273	527,175	-	527,175
At 1 January 2019	51,365	(2,220)	3,999	155,602	33,921	-	115,016	357,683	-	357,683
Total comprehensive income for the period	-	-	(656)	-	-	-	1,662	1,006	-	1,006
Conversion of ICULS	19	-	-	(14)	-	-	(3)	2	-	2
Dividend										
- Second interim dividend for the financial year ended 31 Dec 2018	-	-	-	-	-	-	(1,565)	(1,565)	-	(1,565)
At 31 March 2019	51,384	(2,220)	3,343	155,588	33,921	-	115,110	357,126	-	357,126

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

PMB Technology Berhad

Registration No. 200201016594 (584257-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-20 RM'000	UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
Continuing operations	3,814	1,623
Discontinued operations	-	564
	<u>3,814</u>	<u>2,187</u>
Adjustments for:		
Depreciation	6,774	4,431
Net gain on disposal of property, plant and equipment and investment properties	-	(113)
Interest income	(97)	(38)
Interest expenses	2,496	2,650
	<u>12,987</u>	<u>9,117</u>
Operating profit before working capital changes		
Changes in working capital:		
Inventories & contract assets	54,597	(29,162)
Trade and other receivables	(3,499)	(10,613)
Trade and other payables	(28,110)	(1,356)
	<u>35,975</u>	<u>(32,014)</u>
Cash from/(used in) operations		
Income taxes paid	(1,705)	(852)
Net cash from/ (used in) operating activities	<u>34,270</u>	<u>(32,866)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, right-of-use assets and investment properties	(19,452)	(38,786)
Interest received	97	38
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	-	833
Net cash used in investing activities	<u>(19,355)</u>	<u>(37,915)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(2,046)	-
Interest expenses paid	(5,224)	(2,650)
Proceeds from bank borrowings	-	5,873
Repayment of bank borrowings	(61,355)	-
Repayment of Lease Liabilities	(1,445)	(247)
Proceeds from loan	31,835	32,909
Net cash (used in)/ from financing activities	<u>(38,235)</u>	<u>35,885</u>
Exchange differences on translation of the financial statements of foreign operations	<u>1,887</u>	<u>(656)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(21,433)	(35,552)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	79,555	55,932
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>58,122</u>	<u>20,380</u>
The cash & cash equivalents comprise:		
Cash & bank balances	60,495	27,483
Bank overdraft	(2,373)	(7,103)
	<u>58,122</u>	<u>20,380</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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 2019. 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 2019.

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 2019, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the 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*

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

Standards issued but not yet effective

- i) ***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 FIRST QUARTER ENDED 31 MARCH 2020**

A2. Significant Accounting Policies (Cont'd)

Standards issued but not yet effective (Cont'd)

ii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

-) Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

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 the 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

Other than disclosed in Note A10, 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.

A6. Debt and equity securities

As at 31 March 2020, 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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

A7. Dividend paid

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.

The special single tier dividend of 1.5 sen per share totaling RM3,071,268.73 for the financial year ended 31 December 2019 was paid to shareholders on 16 April 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, marketing and trading of other related 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 31 March 2020</u>				
Total revenue	120,010	74,017	(18,399)	175,628
Inter-segment revenue	(9,475)	(8,924)	18,399	-
Revenue from external customers	110,535	65,093		175,628
Segment result	4,313	1,997		6,310
Finance cost				(2,496)
Tax expense				(1,511)
Profit for the period				2,303
Segment assets	1,400,184	211,823	(538,599)	1,073,408
Segment liabilities	702,456	132,599	(288,822)	546,233

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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 events subsequent to the current quarter ended 31 March 2020 other than the COVID-19 pandemic which has resulted in disruptions to businesses and various macro-economic impacts.

The impact of COVID-19 on the Group's financial and operating performance is still being assessed at this time.

A11. Changes in the composition of the Group

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 March 2020, the Group has the following known capital commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	5,739

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>4,039</u>
Sale of metallic silicon, fabricated aluminium products, building materials and construction work	<u>43,814</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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

B1. Operating Segments Review

	Q1/20 Continuing operations (Total) RM'000	Q1/19 Continuing operations (Represented) RM'000	Q1/19 Discontinued operations RM'000	Q1/19 Total RM'000
<u>Revenue</u>				
Manufacturing & trading	110,535	14,412	38,414	52,826
Construction & Fabrication	65,093	43,943	-	43,943
	<u>175,628</u>	<u>58,355</u>	<u>38,414</u>	<u>96,769</u>
<u>Segment result</u>				
Manufacturing & trading	4,313	1,155	1,132	2,287
Construction & Fabrication	1,997	2,550	-	2,550
	<u>6,310</u>	<u>3,705</u>	<u>1,132</u>	<u>4,837</u>
Profit before tax	<u>3,814</u>	<u>1,623</u>	<u>564</u>	<u>2,187</u>

(a) Q1/20 vs Q1/19

The Group's revenue was higher at RM175.6 million, representing an increase of RM117.3 million from RM58.4 million recorded in Q1/19. The increase was mainly due to higher revenue contribution from both segments.

In line with higher revenue, the Group's profit before tax ("PBT") increased from RM1.6 million to RM3.8 million.

Manufacturing and Trading segment (Exclusive of Discontinued operations)

The revenue from Manufacturing and Trading segment increased by RM96.1 million to RM110.5 million, mainly contributed by the metallic silicon plant.

With the contribution from the metallic silicon plant, the segment profit increased from RM1.2 million to RM4.3 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

B1. Operating Segments Review (Cont'd)

(a) Q1/20 vs Q1/19 (Cont'd)

Construction and Fabrication segment

Revenue from Construction and Fabrication segment increased from RM43.9 million to RM65.1 million. The increase was mainly due to the acceleration of the progress of certain on-going projects during the current quarter under review.

However, segment profit decreased from RM2.6 million to RM2.0 million. The decrease was mainly attributable to lower contribution from some of the on-going projects.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q1/20 vs Q4/19)

The Group's revenue increased by 39% or RM48.9 million from RM126.7 million to RM175.6 million. The increase was mainly attributable to higher revenue contributed by the metallic silicon plant.

However, the Group's PBT decreased by RM4.3 million from RM8.1 million to RM3.8 million. It was mainly due to lower contribution from Manufacturing and Trading segment resulted from higher operating expenses.

B3. Current year prospects

The world economy is going through its toughest test in modern times. The untimely emergence of Covid-19 plunged the fragility of the economy into deeper turmoil, causing mass unemployment and public health concerns.

The economic effects of the pandemic have already been felt the world over with slower growth and many going into recession from the curb in business activities as a result of movement control order imposed by governments.

Operating in the current uncertain environment, efficiency is essential for the Group to weather through this difficult period. The Group's customers, particularly manufacturers of aluminium-silicon alloy, solar photovoltaic and electronics as well as those in the chemical industries were adversely affected by the pandemic. Fluctuating prices along with foreign currency exchanges and demand for metallic silicon remain key challenges of the Group. Nevertheless, the Group will endeavour to capitalise on opportunities to strengthen its operating capabilities and improve efficiency to remain competitive.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	<u>Quarter Ended 31/03/20</u>	<u>Current Year To-date</u>
	RM'000	RM'000
Current taxation	902	902
Deferred tax charge	609	609
Total tax charge	<u>1,511</u>	<u>1,511</u>

The Group's effective tax rate for the financial year-to-date under review was 39.6% higher than the prevailing statutory tax rate, mainly due to the deferred tax charge relating to the Irredeemable Convertible Unsecured Loan Stock.

B6. Status of Corporate Proposals Announced

(A) Disposals

As at 31 March 2020, the status of utilisation of proceeds from the Disposals 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	25,616	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	29,147	

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

B7. Group borrowings and debt securities

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 31 March 2020</u>			
<u>Continuing operations</u>			
(a) (i) Short term			
Overdraft	-	2,373	2,373
Revolving credit	-	1,000	1,000
Trade facilities	-	81,030	81,030
Term loan	22,957	-	22,957
	<u>22,957</u>	<u>84,403</u>	<u>107,360</u>
(ii) Long term			
Term loan	266,385	-	266,385
Total	<u>289,342</u>	<u>84,403</u>	<u>373,745</u>
	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 31 March 2019</u>			
<u>Continuing operations</u>			
(a) (i) Short term			
Overdraft	-	6,926	6,926
Revolving credit	-	14,230	14,230
Trade facilities	-	79,772	79,772
Term loan	7,924	-	7,924
	<u>7,924</u>	<u>100,928</u>	<u>108,852</u>
(ii) Long term			
Term loan	122,157	-	122,157
Total	<u>130,081</u>	<u>100,928</u>	<u>231,009</u>
<u>Discontinued operations</u>			
(b) (i) Short term	184	42,050	42,234
(ii) Long term	163	-	163
Total	<u>347</u>	<u>42,050</u>	<u>42,397</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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 31/03/2020</u>		<u>As at 31/03/2019</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	153	85	3,593	1,868
Revolving credit	-	-	25,442	13,230
Trade facilities	21,240	11,788	29,689	15,439
	<u>21,393</u>	<u>11,873</u>	<u>58,724</u>	<u>30,537</u>

The Group borrowings has increased by RM142.7 million from RM231.0 million (excluding discontinued operations) to RM373.7 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

There was no dividend proposed during the current financial year-to-date.

B10. Earnings Per Share

(a) Basic earnings per share

	<u>Current Quarter</u>		<u>Year-to-date</u>	
	<u>31/03/20</u>	<u>31/03/19</u>	<u>31/03/20</u>	<u>31/03/19</u>
Profit attributable to Shareholders (RM'000)				
- Continuing operations	2,303	1,233	2,303	1,233
- Discontinued operations	-	429	-	429
	<u>2,303</u>	<u>1,662</u>	<u>2,303</u>	<u>1,662</u>
Weighted average number of ordinary shares ('000)	204,639	156,581	204,639	156,581
Basic earnings per share (sen)				
- Continuing operations	1.13	0.79	1.13	0.79
- Discontinued operations	-	0.27	-	0.27
	<u>1.13</u>	<u>1.06</u>	<u>1.13</u>	<u>1.06</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

B10. Earnings Per Share (Cont'd)

(b) Diluted earnings per share

	Current Quarter		Year-to-date	
	<u>31/03/20</u>	<u>31/03/19</u>	<u>31/03/20</u>	<u>31/03/19</u>
Profit attributable to Shareholders (RM'000)				
- Continuing operations	2,303	1,763	2,303	1,763
- Discontinued operations	-	429	-	429
	<u>2,303</u>	<u>2,192</u>	<u>2,303</u>	<u>2,192</u>
Weighted average number of ordinary shares ('000)	219,840	214,747	219,840	214,747
Diluted earnings per share (sen)				
- Continuing operations	1.05	0.82	1.05	0.82
- Discontinued operations	-	0.20	-	0.20
	<u>1.05</u>	<u>1.02</u>	<u>1.05</u>	<u>1.02</u>

B11. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2019 was not subject to any qualification.

B12. Notes to the Condensed Consolidated Income Statement

PBT and other comprehensive income are arrived at after charging and (crediting) the following items:

		Current Quarter RM'000	Current Financial To-date RM'000
a)	Interest income	(97)	(97)
b)	Other income including investment income	(107)	(107)
c)	Interest expense	2,496	2,496
d)	Depreciation and amortization	6,774	6,774
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	(1,410)	(1,410)
j)	(Gain) or loss on derivatives	8,807	8,807
k)	Exceptional items	-	-

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

B13. Derivative Financial Instruments

As at 31 March 2020, the Group has the following outstanding derivative financial instrument:

Type of Derivative	Contract/Notional value RM'000	Fair value assets/(liabilities) RM'000
Foreign Exchange Forward Contract		
- Less than 1 year	65,578	(1,073)
- 1 year to 3 years	179,957	(1,639)
- More than 3 years	29,453	(140)

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.

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 March 2020.

B15. Comparative figures

The prior year's financial statements have been represented to reflect the financial statements for the preceding year quarter ended 31 March 2019.

On behalf of the Board

Koon Poh Ming
Chief Executive Officer

4 June 2020