

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 %
		30 SEPTEMBER 2020 RM'000	30 SEPTEMBER 2019 RM'000 Represented		30 SEPTEMBER 2020 RM'000	30 SEPTEMBER 2019 RM'000 Represented	
Continuing operations							
Revenue	B1	148,573	112,742	32%	409,066	273,020	50%
Operating expenses		(138,835)	(105,283)	32%	(390,110)	(252,608)	54%
Other operating income		2,397	333	620%	2,741	556	393%
Profit from operations		12,135	7,792	56%	21,697	20,968	3%
Finance costs		(1,193)	(1,879)	-37%	(5,388)	(8,695)	-38%
Profit before tax		10,942	5,913	85%	16,309	12,273	33%
Taxation	B5	(2,799)	(2,687)	4%	(4,498)	(4,297)	5%
Profit from continuing operations		8,143	3,226	152%	11,811	7,976	48%
Discontinued operations							
Profit from discontinued operations, net of tax		-	1,247	-100%	-	2,491	-100%
Profit for the period		8,143	4,473	82%	11,811	10,467	13%
Profit attributable to :							
Owners of the Company							
- from continuing operations		8,143	3,226	152%	11,811	7,976	48%
- from discontinued operations		-	1,247	-100%	-	2,491	-100%
Non-controlling interest		-	-		-	-	
Profit for the period		8,143	4,473	82%	11,811	10,467	13%
Basic earnings per share (sen)	B10 (a)						
- from continuing operations		3.97	1.58	152%	5.76	3.90	48%
- from discontinued operations		-	0.61	-100%	-	1.22	-100%
Diluted earnings per share (sen)	B10 (b)						
- from continuing operations		3.17	1.23	159%	4.60	3.04	52%
- from discontinued operations		-	0.44	-100%	-	0.88	-100%

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	UNAUDITED CURRENT YEAR QUARTER	UNAUDITED PRECEDING YEAR QUARTER	Changes %	UNAUDITED CURRENT YEAR TO DATE	UNAUDITED PRECEDING YEAR TO DATE	Changes %
	30 SEPTEMBER 2020 RM'000	30 SEPTEMBER 2019 RM'000 Represented		30 SEPTEMBER 2020 RM'000	30 SEPTEMBER 2019 RM'000 Represented	
Profit for the period	8,143	4,473	82%	11,811	10,467	13%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	(978)	593	-265%	716	494	45%
Cash flow hedge	6,430	-	100%	(1,757)	-	100%
Total comprehensive income for the period	<u>13,595</u>	<u>5,066</u>	<u>168%</u>	<u>10,770</u>	<u>10,961</u>	<u>-2%</u>
Total comprehensive income attributable to :						
Owners of the Company						
- from continuing operations	13,595	3,819	256%	10,770	8,470	27%
- from discontinued operations	-	1,247	-100%	-	2,491	-100%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>13,595</u>	<u>5,066</u>	<u>168%</u>	<u>10,770</u>	<u>10,961</u>	<u>-2%</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 30-SEP-20 RM'000 UNAUDITED	AS AT 31-DEC-19 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	676,815	628,025
Investment properties	4,599	4,674
Right-of-use assets	68,411	73,327
Goodwill	792	792
Derivative financial assets	3,514	4,769
Deferred tax assets	3,615	4,805
	<u>757,746</u>	<u>716,392</u>
Current assets		
Inventories and contract assets	167,010	176,753
Trade receivables	70,603	115,242
Other receivables, deposits and prepayments	28,686	28,636
Amount due from related companies	11,888	17,967
Tax recoverable	534	995
Derivative financial assets	1,231	1,391
Cash and bank balances	36,168	80,383
	<u>316,120</u>	<u>421,367</u>
TOTAL ASSETS	<u>1,073,866</u>	<u>1,137,759</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	203,274	200,633
Foreign currency translation reserve	4,527	3,811
ICULS equity	153,457	155,434
Warrant reserve	33,921	33,921
Hedging reserve	4,403	6,160
Retained profit	145,413	137,094
Treasury shares, at cost	(2,220)	(2,220)
	<u>542,775</u>	<u>534,833</u>
Non-controlling interest	-	-
Total equity	<u>542,775</u>	<u>534,833</u>
Non-current liabilities		
Term loan	278,529	237,088
Liability component of ICULS	16,039	21,353
Lease liabilities	4,853	4,658
Deferred taxation	8,173	7,830
	<u>307,594</u>	<u>270,929</u>
Current Liabilities		
Trade payables	58,243	84,680
Contract liabilities	13,307	9,280
Other payables and accruals	52,156	46,952
Overdraft & short term borrowings	79,520	164,632
Amount due to related companies	13,294	15,923
Dividend payable	-	2,046
Lease liabilities	5,481	7,536
Taxations	1,496	948
	<u>223,497</u>	<u>331,997</u>
Total liabilities	<u>531,091</u>	<u>602,926</u>
TOTAL EQUITY AND LIABILITIES	<u>1,073,866</u>	<u>1,137,759</u>
Net assets per share attributable to the owners of the company (RM)		
(based on 205,104,400 ordinary shares)	2.65	
(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						Retained Profits RM'000	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 ICULS RM'000	Warrant Reserve RM'000	Hedging Reserve 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	-	-	716	-	-	(1,757)	11,811	10,770	-	10,770
Conversion of ICULS	2,641	-	-	(1,977)	-	-	(421)	243	-	243
Dividend										
- Special dividend for the financial year ended 31 Dec 2019	-	-	-	-	-	-	(3,071)	(3,071)	-	(3,071)
At 30 September 2020	203,274	(2,220)	4,527	153,457	33,921	4,403	145,413	542,775	-	542,775
At 1 January 2019	51,365	(2,220)	3,999	155,602	33,921	-	115,016	357,683	-	357,683
Private Placement I & II	149,043	-	-	-	-	-	-	149,043	-	149,043
Total comprehensive income for the period	-	-	494	-	-	-	10,467	10,961	-	10,961
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)
- First interim dividend for the financial year ended 31 Dec 2019	-	-	-	-	-	-	(2,046)	(2,046)	-	(2,046)
At 30 September 2019	200,427	(2,220)	4,493	155,588	33,921	-	121,869	514,078	-	514,078

(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 9 MONTHS ENDED 30-SEPTEMBER-20 RM'000	UNAUDITED FOR THE 9 MONTHS ENDED 30-SEPTEMBER-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
Continuing operations	16,309	12,273
Discontinued operations	-	3,277
	<u>16,309</u>	<u>15,550</u>
Adjustments for:		
Depreciation	20,390	17,048
Net gain on disposal of property, plant and equipment and investment properties	-	(154)
Unrealised foreign exchange gain	-	(385)
Interest income	(191)	(376)
Interest expenses	5,388	10,446
	<u>41,896</u>	<u>42,129</u>
Operating profit before working capital changes		
Changes in working capital:		
Inventories & contract assets	9,743	(62,592)
Trade and other receivables	50,668	(87,609)
Trade and other payables	(19,835)	28,553
	<u>82,472</u>	<u>(79,519)</u>
Cash from/(used in) operations		
Income taxes paid	(2,368)	(3,252)
	<u>80,104</u>	<u>(82,771)</u>
Net cash from/ (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, right-of-use assets and investment properties	(65,119)	(172,104)
Interest received	191	376
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	-	907
	<u>(64,928)</u>	<u>(170,821)</u>
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(5,117)	(1,565)
Interest expenses paid	(10,389)	(10,446)
Proceeds from bank borrowings	-	44,621
Repayment of bank borrowings	(88,756)	-
Repayment of Lease Liabilities	(930)	(906)
Proceeds from loan	45,911	92,541
Proceeds from Placement I	-	149,043
	<u>(59,281)</u>	<u>273,288</u>
Net cash (used in)/ from financing activities		
Exchange differences on translation of the financial statements of foreign operations	<u>716</u>	<u>494</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(43,389)	20,190
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	79,555	55,932
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>36,166</u>	<u>76,122</u>
The cash & cash equivalents comprise:		
Cash & bank balances	36,168	80,055
Bank overdraft	(2)	(3,933)
	<u>36,166</u>	<u>76,122</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 THIRD QUARTER ENDED 30 SEPTEMBER 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*
-) *Amendments to MFRS 16 Leases - Covid-19 - Related Rent Concessions*

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 THIRD QUARTER ENDED 30 SEPTEMBER 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

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 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2020</u>				
Total revenue	95,588	69,938	(16,953)	148,573
Inter-segment revenue	(9,937)	(7,016)	16,953	-
Revenue from external customers	85,651	62,922		148,573
Segment result	7,172	4,963		12,135
Finance cost				(1,193)
Tax expense				(2,799)
Profit for the period				8,143

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

A8. Segmental information (Cont'd)

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>9 months ended 30 September 2020</u>				
Total revenue	262,926	186,087	(39,947)	409,066
Inter-segment revenue	(23,919)	(16,028)	39,947	-
Revenue from external customers	<u>239,007</u>	<u>170,059</u>		<u>409,066</u>
Segment result	<u>14,089</u>	<u>7,608</u>		21,697
Finance cost				(5,388)
Tax expense				(4,498)
Profit for the period				<u>11,811</u>
Segment assets	1,413,020	208,011	(547,165)	1,073,866
Segment liabilities	702,062	125,939	(296,910)	531,091

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

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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

A13. Capital commitments

As at 30 September 2020, the Group has the following known capital commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>1,698</u>

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>13,612</u>
Sale of metallic silicon, fabricated aluminium products, building materials and construction work	<u>58,619</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**
**PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
B1. Operating Segments Review

	Year 2020		Year 2019					
	Continuing operations		Continuing operations (Represented)		Discontinued operations		Total	
	Q3/20 RM'000	9M/2020 RM'000	Q3/19 RM'000	9M/2019 RM'000	Q3/19 RM'000	9M/2019 RM'000	Q3/19 RM'000	9M/2019 RM'000
Revenue								
Manufacturing & trading	85,651	239,007	47,122	105,710	39,659	117,211	86,781	222,921
Construction & fabrication	62,922	170,059	65,620	167,310	-	-	65,620	167,310
	<u>148,573</u>	<u>409,066</u>	<u>112,742</u>	<u>273,020</u>	<u>39,659</u>	<u>117,211</u>	<u>152,401</u>	<u>390,231</u>
Segment result								
Manufacturing & trading	7,172	14,089	3,682	10,653	2,225	5,028	5,907	15,681
Construction & fabrication	4,963	7,608	4,110	10,315	-	-	4,110	10,315
	<u>12,135</u>	<u>21,697</u>	<u>7,792</u>	<u>20,968</u>	<u>2,225</u>	<u>5,028</u>	<u>10,017</u>	<u>25,996</u>
Profit before tax	<u>10,942</u>	<u>16,309</u>	<u>5,913</u>	<u>12,273</u>	<u>1,642</u>	<u>3,277</u>	<u>7,555</u>	<u>15,550</u>

(a) Q3/20 vs Q3/19

The Group's revenue was higher at RM148.6 million, representing an increase of RM35.9 million from RM112.7 million recorded in Q3/19. The increase was mainly due to higher revenue contribution from Manufacturing and Trading segment during the current quarter under review.

In line with higher revenue, the Group's profit before tax ("PBT") increased from RM5.9 million to RM10.9 million.

Manufacturing and Trading segment (Exclusive of Discontinued Operations)

The revenue from Manufacturing and Trading segment increased from RM47.1 million to RM85.7 million, mainly contributed by higher sales from the metallic silicon plant.

Higher revenue coupled with better product mix in Q3/20, the segment profit increased from RM3.7 million to RM7.2 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

B1. Operating Segments Review (Cont'd)

(a) Q3/20 vs Q3/19 (Cont'd)

Construction and Fabrication segment

Revenue from Construction and Fabrication segment decreased from RM65.6 million to RM62.9 million mainly due the slower progress of certain on-going projects in Q3/20.

However, segment profit increased from RM4.1 million to RM5.0 million, mainly due to the improved contribution from some of the on-going projects.

(b) 9M/2020 vs 9M/2019

The Group recorded a revenue of RM409.1 million for the nine months ended 30 September 2020 ("9M/2020"), representing an increase of 50% from RM273.0 million recorded for the nine months ended 30 September 2019 ("9M/2019"). With higher revenue, the Group's PBT increased from RM12.3 million to RM16.3 million.

Manufacturing and Trading segment (Exclusive of Discontinued operations)

Revenue for Manufacturing and Trading segment increased by RM133.3 million from RM105.7 million to RM239.0 million, mainly contributed by higher sales from the metallic silicon plant. In tandem with higher revenue after offsetting higher operating expenses recorded in 9M/2020, the segment profit increased by 32% to RM14.1 million.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment increased to RM170.1 million from RM167.3 million recorded for 9M/2019. The increase was mainly due to the acceleration of the progress of certain on-going projects. However, segment profit decreased from RM10.3 million to RM7.6 million. The decrease was mainly attributable to lower contribution from some of the on-going projects recorded in 9M/2020.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q3/20 vs Q2/20)

The Group's revenue increased by 75% or RM63.7 million from RM84.9 million to RM148.6 million. The increase was mainly attributable to lower revenue recorded in Q2/20 resulted from the COVID-19 pandemic lockdown.

Better product mix coupled with improved contribution from some of the on-going projects in Q3/20, the Group's PBT increased by RM9.4 million from RM1.6 million to RM10.9 million during the current quarter under review.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

B3. Current year prospects

As the world starts to embrace the new normal of a more relaxed movement control from the gradual flattening of the infection curve, recent reports of spike in cases have compelled affected nations to tighten controls, even resorting to lockdowns. News of vaccines in its final stage of testing and efficacy have brought hope for life to go back to some semblance of what it was before.

Governments over the world appear to take a more active role in the economy, some even asserting its influence over corporate endeavours and instituting protectionism policies in their respective economies.

PMBT takes cognisance that the status quo is no longer the only option for its long-term sustainability and is continually exploring opportunities to broaden its revenue stream and optimise its cost structure. The Group is cautiously optimistic that with the appropriate business strategy, it is able to enhance shareholders' value moving forward.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	<u>Quarter Ended 30/09/20</u>	<u>Current Year To-date</u>
	RM'000	RM'000
Current taxation	2,194	3,377
Deferred tax charge	605	1,121
Total tax charge	<u>2,799</u>	<u>4,498</u>

The Group's effective tax rate for the financial year-to-date under review was 27.6% 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

There were no other Corporate Proposals announced but pending implementation during the financial quarter.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**
B7. Group borrowings and debt securities

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 30 September 2020</u>			
(a) (i) Short term			
Overdraft	-	2	2
Revolving credit	-	15,402	15,402
Trade facilities	-	39,227	39,227
Term loan	24,889	-	24,889
	<u>24,889</u>	<u>54,631</u>	<u>79,520</u>
(ii) Long term			
Term loan	278,529	-	278,529
Total	<u>303,418</u>	<u>54,631</u>	<u>358,049</u>

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 30 September 2019</u>			
<u>Continuing operations</u>			
(a) (i) Short term			
Overdraft	-	3,633	3,633
Revolving credit	-	22,325	22,325
Trade facilities	26,496	84,329	110,825
Term loan	17,914	-	17,914
	<u>44,410</u>	<u>110,287</u>	<u>154,697</u>
(ii) Long term			
Term loan	171,890	-	171,890
Total	<u>216,300</u>	<u>110,287</u>	<u>326,587</u>

Discontinued operations

(b) (i) Short term	190	41,773	41,963
(ii) Long term	66	-	66
Total	<u>256</u>	<u>41,773</u>	<u>42,029</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 30/09/2020</u>		<u>As at 30/09/2019</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	4	2	1,633	872
Revolving credit	26,820	14,402	39,934	21,325
Trade facilities	29,498	15,840	22,702	12,123
	<u>56,322</u>	<u>30,244</u>	<u>64,269</u>	<u>34,320</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**
B7. Group borrowings and debt securities (Cont'd)

The Group borrowings has increased by RM31.5 million from RM326.6 million (excluding discontinued operations) to RM358.0 million mainly due to the term loan 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

	Current Quarter		Year-to-date	
	<u>30/09/20</u>	<u>30/09/19</u>	<u>30/09/20</u>	<u>30/09/19</u>
Profit attributable to Shareholders (RM'000)				
- Continuing operations	8,143	3,226	11,811	7,976
- Discontinued operations	-	1,247	-	2,491
	<u>8,143</u>	<u>4,473</u>	<u>11,811</u>	<u>10,467</u>
Weighted average number of ordinary shares ('000)	205,104	204,555	205,104	204,555
Basic earnings per share (sen)				
- Continuing operations	3.97	1.58	5.76	3.90
- Discontinued operations	-	0.61	-	1.22
	<u>3.97</u>	<u>2.19</u>	<u>5.76</u>	<u>5.12</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**
B10. Earnings Per Share (Cont'd)
(b) Diluted earnings per share

	Current Quarter		Year-to-date	
	<u>30/09/20</u>	<u>30/09/19</u>	<u>30/09/20</u>	<u>30/09/19</u>
Profit attributable to Shareholders (RM'000)				
- Continuing operations	8,143	3,465	11,811	8,577
- Discontinued operations	-	1,247	-	2,491
	<u>8,143</u>	<u>4,712</u>	<u>11,811</u>	<u>11,068</u>
Weighted average number of ordinary shares ('000)	256,662	282,482	256,662	282,482
Diluted earnings per share (sen)				
- Continuing operations	3.17	1.23	4.60	3.04
- Discontinued operations	-	0.44	-	0.88
	<u>3.17</u>	<u>1.67</u>	<u>4.60</u>	<u>3.92</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	(40)	(191)
b)	Other income including investment income	(597)	(789)
c)	Interest expense	1,193	5,388
d)	Depreciation and amortization	6,857	20,390
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	(497)	(1,464)
j)	(Gain) or loss on derivatives	(6,430)	1,757
k)	Exceptional items	-	-

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

B13. Derivative Financial Instruments

As at 30 September 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	62,869	1,142
- 1 year to 3 years	176,634	3,275
- More than 3 years	3,256	(14)

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 no changes made to the accounting policies associated with those derivatives since the end of the previous financial year ended 31 December 2019.

B14. Fair Value Changes of Financial Liabilities

There were no fair value changes of financial liabilities during the current quarter ended 30 September 2020.

B15. Comparative figures

The prior year's financial statements have been represented to reflect the financial statements for the preceding year quarter ended 30 September 2019.

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
 26 November 2020