

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 DECEMBER 2020 RM'000	31 DECEMBER 2019 RM'000 Represented		31 DECEMBER 2020 RM'000	31 DECEMBER 2019 RM'000 Represented	
Continuing operations							
Revenue	B1	195,745	126,726	54%	604,811	399,746	51%
Operating expenses		(183,975)	(118,840)	55%	(574,085)	(371,449)	55%
Other operating income		2,543	3,266	-22%	5,284	3,822	38%
Profit from operations		14,313	11,152	28%	36,010	32,119	12%
Finance costs		(5,978)	(3,028)	97%	(11,366)	(11,722)	-3%
Profit before tax		8,335	8,124	3%	24,644	20,397	21%
Taxation	B5	2,565	(1,254)	-305%	(1,933)	(5,551)	-65%
Profit from continuing operations		10,900	6,870	59%	22,711	14,846	53%
Discontinued operations							
Profit from discontinued operations, net of tax		-	10,434	-100%	-	12,925	-100%
Profit for the period		10,900	17,304	-37%	22,711	27,771	-18%
Profit attributable to :							
Owners of the Company							
- from continuing operations		10,900	6,870	59%	22,711	14,846	53%
- from discontinued operations		-	10,434	-100%	-	12,925	-100%
Non-controlling interest							
Profit for the period		10,900	17,304	-37%	22,711	27,771	-18%
Basic earnings per share (sen)	B10 (a)						
- from continuing operations		5.31	3.36	58%	11.06	7.26	52%
- from discontinued operations		-	5.10	-100%	-	6.32	-100%
Diluted earnings per share (sen)	B10 (b)						
- from continuing operations		3.71	2.44	53%	7.74	5.26	47%
- from discontinued operations		-	3.70	-100%	-	4.58	-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 31 DECEMBER 2020 RM'000	PRECEDING YEAR QUARTER 31 DECEMBER 2019 RM'000 Represented	Changes %	UNAUDITED CURRENT YEAR TO DATE 31 DECEMBER 2020 RM'000	AUDITED PRECEDING YEAR TO DATE 31 DECEMBER 2019 RM'000 Represented	Changes %
Profit for the period	10,900	17,304	-37%	22,711	27,771	-18%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	(1,380)	(682)	102%	(664)	(188)	253%
Cash flow hedge	5,491	6,160	100%	3,734	6,160	100%
Total comprehensive income for the period	<u>15,011</u>	<u>22,782</u>	<u>-34%</u>	<u>25,781</u>	<u>33,743</u>	<u>-24%</u>
Total comprehensive income attributable to :						
Owners of the Company						
- from continuing operations	15,011	12,348	22%	25,781	20,818	24%
- from discontinued operations	-	10,434	-100%	-	12,925	-100%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>15,011</u>	<u>22,782</u>	<u>-34%</u>	<u>25,781</u>	<u>33,743</u>	<u>-24%</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-DEC-20 RM'000 UNAUDITED	AS AT 31-DEC-19 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	702,068	628,025
Investment properties	4,574	4,674
Right-of-use assets	67,180	73,327
Goodwill	792	792
Derivative financial assets	7,581	4,769
Deferred tax assets	4,044	4,805
	<u>786,239</u>	<u>716,392</u>
Current assets		
Inventories and contract assets	140,627	176,753
Trade receivables	137,243	115,242
Other receivables, deposits and prepayments	32,295	28,636
Amount due from related companies	10,014	17,967
Tax recoverable	1,770	995
Derivative financial assets	3,081	1,391
Cash and bank balances	52,558	80,383
	<u>377,588</u>	<u>421,367</u>
TOTAL ASSETS	<u>1,163,827</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	3,147	3,811
ICULS equity	153,457	155,434
Warrant reserve	33,921	33,921
Hedging reserve	9,894	6,160
Retained profit	156,312	137,094
Treasury shares, at cost	(2,220)	(2,220)
	<u>557,785</u>	<u>534,833</u>
Non-controlling interest	-	-
Total equity	<u>557,785</u>	<u>534,833</u>
Non-current liabilities		
Term loan	264,136	237,088
Liability component of ICULS	16,407	21,353
Lease liabilities	4,650	4,658
Deferred taxation	6,327	7,830
	<u>291,520</u>	<u>270,929</u>
Current Liabilities		
Trade payables	74,800	84,680
Contract liabilities	4,105	9,280
Other payables and accruals	55,387	46,952
Overdraft & short term borrowings	165,550	164,632
Amount due to related companies	9,743	15,923
Dividend payable	-	2,046
Lease liabilities	4,874	7,536
Taxations	63	948
	<u>314,522</u>	<u>331,997</u>
Total liabilities	<u>606,042</u>	<u>602,926</u>
TOTAL EQUITY AND LIABILITIES	<u>1,163,827</u>	<u>1,137,759</u>
Net assets per share attributable to the owners of the company (RM) (based on 205,347,406 ordinary shares)	2.72	
(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							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	Retained Profits 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	-	-	(664)	-	-	3,734	22,711	25,781	-	25,781
Conversion of ICULS	2,641	-	-	(1,977)	-	-	(422)	242	-	242
Dividend										
- Special dividend for the financial year ended 31 Dec 2019	-	-	-	-	-	-	(3,071)	(3,071)	-	(3,071)
At 31 December 2020	203,274	(2,220)	3,147	153,457	33,921	9,894	156,312	557,785	-	557,785
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

(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 YEAR ENDED 31-DECEMBER-20 RM'000	AUDITED FOR THE YEAR ENDED 31-DECEMBER-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
Continuing operations	24,644	20,397
Discontinued operations	-	14,030
	<u>24,644</u>	<u>34,427</u>
Adjustments for:		
Depreciation	29,449	25,128
Net gain on disposal of subsidiaries	-	(9,956)
Net gain on disposal of property, plant and equipment and investment properties	(38)	(183)
Inventories written off	-	472
Property, plant and equipment written off	-	2
Unrealised foreign exchange gain	(569)	(804)
Interest income	(236)	(2,610)
Interest expenses	11,366	13,949
	<u>64,616</u>	<u>60,425</u>
Operating profit before working capital changes		
Changes in working capital:		
Inventories & contract assets	36,126	(55,933)
Trade and other receivables	(17,878)	(92,744)
Trade and other payables	(12,060)	53,127
	<u>70,804</u>	<u>(35,125)</u>
Cash from/(used in) operations		
Income taxes paid	(5,173)	(2,544)
	<u>65,631</u>	<u>(37,669)</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	(98,251)	(299,049)
Interest received	236	515
Proceeds from disposal of subsidiaries net of cash and cash equivalents disposed of	-	33,967
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	38	933
	<u>(97,977)</u>	<u>(263,634)</u>
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(5,117)	(3,611)
Interest expenses paid	(16,000)	(19,208)
Proceeds from bank borrowings	-	49,016
Repayment of bank borrowings	(12,266)	-
Repayment of Lease Liabilities	(1,664)	(10,119)
Proceeds from loan	40,655	159,988
Proceeds from issue of shares	-	149,043
	<u>5,608</u>	<u>325,109</u>
Net cash from financing activities		
Exchange differences on translation of the financial statements of foreign operations	(664)	(183)
	<u>(27,402)</u>	<u>23,623</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	79,555	55,932
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>52,153</u>	<u>79,555</u>
The cash & cash equivalents comprise:		
Cash & bank balances	52,558	80,383
Bank overdraft	(405)	(828)
	<u>52,153</u>	<u>79,555</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 FOURTH QUARTER ENDED 31 DECEMBER 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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

Standards issued but not yet effective

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

-) Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

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

-) Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
-) Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
-) Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
-) Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
-) Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
-) Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
-) Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

iii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

-) MFRS 17, *Insurance Contracts*
-) Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

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

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

The Group plans to apply the abovementioned accounting standards, interpretations and amendments when effective. 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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

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 31 December 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.

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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**
A8. Segmental information (Cont'd)

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 31 December 2020</u>				
Total revenue	139,250	86,987	(30,492)	195,745
Inter-segment revenue	(7,809)	(22,683)	30,492	-
Revenue from external customers	131,441	64,304		195,745
Segment result	13,012	1,301		14,313
Finance cost				(5,978)
Tax expense				2,565
Profit for the period				10,900

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>12 months ended 31 December 2020</u>				
Total revenue	402,176	273,074	(70,439)	604,811
Inter-segment revenue	(31,728)	(38,711)	70,439	-
Revenue from external customers	370,448	234,363		604,811
Segment result	27,101	8,909		36,010
Finance cost				(11,366)
Tax expense				(1,933)
Profit for the period				22,711

Segment assets	1,485,741	236,621	(558,535)	1,163,827
Segment liabilities	757,966	154,623	(306,547)	606,042

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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

A10. Material events subsequent to the balance sheet date

PMB Land (Sg. Besi) Sdn Bhd (previously known as Everlast System Builder Sdn Bhd), a wholly-owned subsidiary of the Company had completed the acquisition of the development land on 5 January 2021. For details, please refer to our announcement to Bursa Malaysia Securities Berhad dated 12 November 2020.

Save for the above, 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.

A13. Capital commitments

As at 31 December 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>1,279</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>17,255</u>
Sale of metallic silicon, fabricated aluminium products, building materials and construction work	<u>71,780</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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	
	Q4/20 RM'000	FYE 2020 RM'000	Q4/19 RM'000	FYE 2019 RM'000	Q4/19 RM'000	FYE 2019 RM'000	Q4/19 RM'000	FYE 2019 RM'000
Revenue								
Manufacturing & trading	131,441	370,448	55,102	160,812	36,224	153,435	91,326	314,247
Construction & fabrication	64,304	234,363	71,624	238,934	-	-	71,624	238,934
	<u>195,745</u>	<u>604,811</u>	<u>126,726</u>	<u>399,746</u>	<u>36,224</u>	<u>153,435</u>	<u>162,950</u>	<u>553,181</u>
Segment result								
Manufacturing & trading	13,012	27,101	8,979	19,631	1,272	6,302	10,251	25,933
Construction & fabrication	1,301	8,909	2,173	12,488	-	-	2,173	12,488
	<u>14,313</u>	<u>36,010</u>	<u>11,152</u>	<u>32,119</u>	<u>1,272</u>	<u>6,302</u>	<u>12,424</u>	<u>38,421</u>
Profit before tax	8,335	24,644	8,124	20,397	797	4,074	8,921	24,471

(a) Q4/20 vs Q4/19

The Group's revenue was higher at RM195.7 million, representing an increase of RM69.0 million from RM126.7 million recorded in Q4/19. The increase was mainly due to higher revenue contribution from Manufacturing and Trading segment during the current quarter under review.

Despite the significant increase in revenue, excluding the gain on disposal of the subsidiaries and the discontinued operations totalling RM10.4 million recorded in Q4/19, the Group's profit before tax ("PBT") increased slightly from RM8.1 million to RM8.3 million, mainly due to higher ocean freight cost, higher raw material costs especially aluminium and higher finance cost resulted from the cessation of the capitalization upon the commencement of operation of its second phase of metallic silicon plant during the current quarter under review.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

B1. Operating Segments Review (Cont'd)

(a) Q4/20 vs Q4/19 (Cont'd)

Manufacturing and Trading segment (Exclusive of Discontinued Operations and gain on disposal of subsidiaries recorded in Q4/19)

The revenue from Manufacturing and Trading segment increased by 139% from RM55.1 million to RM131.4 million, mainly due to higher sales of metallic silicon, partly contributed by the commencement of operation of its second phase in Q4/20.

In line with higher revenue after offsetting higher operating expenses recorded in Q4/20, the segment profit increased from RM9.0 million to RM13.0 million.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment decreased from RM71.6 million to RM64.3 million mainly due to the slower progress of certain on-going projects in Q4/20.

Lower revenue coupled with higher raw material costs especially aluminium which was not fully passed on to the customers, segment profit decreased from RM2.2 million to RM1.3 million.

(b) FYE 2020 vs FYE 2019

The Group recorded a revenue of RM604.8 million for the year ended 31 December 2020 ("FYE 2020"), representing an increase of 51% from RM399.7 million recorded for the year ended 31 December 2019 ("FYE 2019"). With higher revenue, excluding the gain on disposal of the subsidiaries and the discontinued operations totalling RM12.9 million recorded in FYE 2019, the Group's PBT increased from RM20.4 million to RM24.6 million.

Manufacturing and Trading segment (Exclusive of Discontinued Operations and gain on disposal of subsidiaries recorded in FYE 2019)

Revenue for Manufacturing and Trading segment increased by RM209.6 million from RM160.8 million to RM370.4 million, mainly contributed by higher sales from the metallic silicon plant. In tandem with higher revenue after offsetting higher operating expenses recorded in FYE 2020, the segment profit increased by 38% to RM27.1 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

B1. Operating Segments Review (Cont'd)

(b) FYE 2020 vs FYE 2019 (Cont'd)

Construction and Fabrication segment

Revenue from Construction and Fabrication segment decreased to RM234.4 million from RM238.9 million recorded for FYE 2019. The decrease was mainly due to the slower progress of certain on-going projects. Lower revenue coupled with higher raw material costs especially aluminium which was not fully passed on to the customers, segment profit decreased from RM12.5 million to RM8.9 million.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q4/20 vs Q3/20)

The Group's revenue increased by 32% or RM47.2 million from RM148.6 million to RM195.7 million. The increase was mainly attributable to higher sales from the metallic silicon plant, partly contributed by the commencement of operation of its second phase in Q4/20.

However, the Group's PBT decreased by RM2.6 million from RM10.9 million to RM8.3 million, mainly due to higher ocean freight cost, higher raw material costs especially aluminium which was not fully passed on to the customers and higher finance cost resulted from the cessation of the capitalization upon the commencement of operation of its second phase of metallic silicon plant during the current quarter under review.

B3. Current year prospects

Rollout of the World Health Organisation approved Covid-19 vaccines with more in the pipeline provides a breath of optimism for some form of normalcy around the world. Reported number of cases on the other hand have risen partly due to increase in the number of testing and also loosening of movement controls by governments under public pressure. A delicate balance between flattening the infection curve and stimulating economic activities would be crucial so as not to compromise one at the expense of the other.

Multilateral ties are expected to improve with more amiable leadership coming into power in certain major economies, providing new impetus to stimulate international trade. Closer collaboration among trading partners is imperative to expedite the recovery of the global economy adversely impacted by the pandemic.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**
B3. Current year prospects (Cont'd)

As the Group trades in the global arena, it is imperative that it takes cognisance and anticipate the stance adopted by its trading partners which will inevitably impact the securing of raw materials and sales of its products. The Group is constantly exploring ways to strengthen its position in the value chain of its existing and prospective products. With the appropriate business strategy, the Group is cautiously optimistic of its ability to enhance shareholders' value moving forward.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter Ended 31/12/20	Current Year To-date
	RM'000	RM'000
Current taxation	-	3,377
Deferred tax income	(2,565)	(1,444)
Total (tax income)/ tax charge	<u>(2,565)</u>	<u>1,933</u>

The Group's effective tax rate for the financial year-to-date under review was 7.8% lower than the prevailing statutory tax rate, mainly due to the utilization of capital allowance and revision of deferred tax credit carried forward.

B6. Status of Corporate Proposals Announced

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

B7. Group borrowings and debt securities

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 31 December 2020</u>			
(a) (i) Short term			
Overdraft	-	405	405
Revolving credit	-	36,349	36,349
Trade facilities	-	94,770	94,770
Term loan	34,026	-	34,026
	<u>34,026</u>	<u>131,524</u>	<u>165,550</u>
(ii) Long term			
Term loan	264,136	-	264,136
Total	<u>298,162</u>	<u>131,524</u>	<u>429,686</u>

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

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 31 December 2019</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>

(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 31/12/2020</u>		<u>As at 31/12/2019</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	781	405	1,574	828
Revolving credit	48,937	25,349	17,934	9,433
Trade facilities	36,893	19,110	41,521	21,840
	<u>86,611</u>	<u>44,864</u>	<u>61,029</u>	<u>32,101</u>

The Group borrowings has increased by RM28.0 million from RM401.7 million (excluding discontinued operations) to RM429.7 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.

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B9. Proposed Dividend

The Directors declared a First interim single tier dividend of 1 sen per share for the financial year ended 31 December 2020 and will be payable to shareholders on 13 April 2021. The entitlement date for the said dividend shall be 18 March 2021.

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 18 March 2021 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to Rules of Bursa Malaysia Securities Berhad.

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

	Current Quarter		Year-to-date	
	<u>31/12/20</u>	<u>31/12/19</u>	<u>31/12/20</u>	<u>31/12/19</u>
Profit attributable to Shareholders (RM'000)				
- Continuing operations	10,900	6,870	22,711	14,846
- Discontinued operations	-	10,434	-	12,925
	<u>10,900</u>	<u>17,304</u>	<u>22,711</u>	<u>27,771</u>
Weighted average number of ordinary shares ('000)	205,347	204,570	205,347	204,570
Basic earnings per share (sen)				
- Continuing operations	5.31	3.36	11.06	7.26
- Discontinued operations	-	5.10	-	6.32
	<u>5.31</u>	<u>8.46</u>	<u>11.06</u>	<u>13.58</u>

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B10. Earnings Per Share (Cont'd)
(b) Diluted earnings per share

	Current Quarter		Year-to-date	
	<u>31/12/20</u>	<u>31/12/19</u>	<u>31/12/20</u>	<u>31/12/19</u>
Profit attributable to Shareholders (RM'000)				
- Continuing operations	10,900	6,870	22,711	14,846
- Discontinued operations	-	10,434	-	12,925
	<u>10,900</u>	<u>17,304</u>	<u>22,711</u>	<u>27,771</u>
Weighted average number of ordinary shares ('000)	293,446	282,075	293,446	282,075
Diluted earnings per share (sen)				
- Continuing operations	3.71	2.44	7.74	5.26
- Discontinued operations	-	3.70	-	4.58
	<u>3.71</u>	<u>6.14</u>	<u>7.74</u>	<u>9.84</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	(45)	(236)
b)	Other income including investment income	(1,479)	(2,268)
c)	Interest expense	5,978	11,366
d)	Depreciation and amortization	9,060	29,449
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	(1,119)	(2,583)
j)	(Gain) or loss on derivatives	(5,491)	(3,734)
k)	Exceptional items	-	-

EXPLANATORY NOTES TO THE QUARTERLY REPORT
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B13. Derivative Financial Instruments

As at 31 December 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	83,636	2,859
- 1 year to 3 years	163,764	7,016
- More than 3 years	1,300	19

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 31 December 2020.

B15. Comparative figures

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

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
 23 February 2021