

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 JUNE 2021 RM'000	30 JUNE 2020 RM'000		30 JUNE 2021 RM'000	30 JUNE 2020 RM'000	
Revenue	B1	178,251	84,865	110%	340,078	260,493	31%
Operating expenses		(158,218)	(81,753)	94%	(307,318)	(251,275)	22%
Other operating income		(583)	140	-516%	1,387	344	303%
Profit from operations		19,450	3,252	498%	34,147	9,562	257%
Finance costs		(4,912)	(1,699)	189%	(9,832)	(4,195)	134%
Profit before tax		14,538	1,553	836%	24,315	5,367	353%
Taxation	B5	(2,959)	(188)	1474%	(6,109)	(1,699)	260%
Profit for the period		11,579	1,365	748%	18,206	3,668	396%
Profit attributable to :							
Owners of the Company		11,579	1,365	748%	18,206	3,668	396%
Non-controlling interest		-	-		-	-	
Profit for the period		11,579	1,365	748%	18,206	3,668	396%
Basic earnings per share (sen)	B10 (a)	5.62	0.67	744%	8.84	1.79	394%
Diluted earnings per share (sen)	B10 (b)	4.49	0.57	686%	7.06	1.54	360%

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

PMB Technology Berhad

Registration No. 200201016594 (584257-X)

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 JUNE 2021 RM'000	30 JUNE 2020 RM'000		30 JUNE 2021 RM'000	30 JUNE 2020 RM'000	
Profit for the period	11,579	1,365	748%	18,206	3,668	396%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	4	(193)	-102%	1,218	1,694	-28%
Cash flow hedge	258	620	-58%	(5,247)	(8,187)	-36%
Total comprehensive income for the period	<u>11,841</u>	<u>1,792</u>	<u>561%</u>	<u>14,177</u>	<u>(2,825)</u>	<u>-602%</u>
Total comprehensive income attributable to :						
Owners of the Company	11,841	1,792	561%	14,177	(2,825)	-602%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>11,841</u>	<u>1,792</u>	<u>561%</u>	<u>14,177</u>	<u>(2,825)</u>	<u>-602%</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT FINANCIAL QUARTER END 30-JUNE-21 RM'000 UNAUDITED	AS AT 31-DEC-20 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	704,523	702,067
Investment properties	4,524	4,574
Right-of-use assets	65,536	67,181
Goodwill	792	792
Derivative financial assets	3,350	7,581
Deferred tax assets	3,499	4,044
	<u>782,224</u>	<u>786,239</u>
Current assets		
Inventories and contract assets	235,554	140,627
Trade receivables	115,850	137,166
Other receivables, deposits and prepayments	45,454	32,417
Amount due from related companies	17,341	9,969
Tax recoverable	2,128	1,879
Derivative financial assets	1,659	3,082
Cash and bank balances	49,423	52,558
	<u>467,409</u>	<u>377,698</u>
TOTAL ASSETS	<u>1,249,633</u>	<u>1,163,937</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	219,301	203,274
Foreign currency translation reserve	4,365	3,147
ICULS equity	153,094	153,457
Warrant reserve	30,418	33,921
Hedging reserve	4,648	9,895
Retained profit	172,337	156,312
Treasury shares, at cost	(2,220)	(2,220)
	<u>581,943</u>	<u>557,786</u>
Non-controlling interest	-	-
Total equity	<u>581,943</u>	<u>557,786</u>
Non-current liabilities		
Term loan	228,684	261,636
Liability component of ICULS	13,976	16,408
Lease liabilities	4,852	4,650
Deferred taxation	10,451	6,435
	<u>257,963</u>	<u>289,129</u>
Current Liabilities		
Trade payables	61,335	73,692
Contract liabilities	10,103	4,105
Other payables and accruals	55,623	56,495
Overdraft & short term borrowings	267,261	168,050
Amount due to related companies	10,836	9,743
Lease liabilities	4,500	4,874
Taxations	69	63
	<u>409,727</u>	<u>317,022</u>
Total liabilities	<u>667,690</u>	<u>606,151</u>
TOTAL EQUITY AND LIABILITIES	<u>1,249,633</u>	<u>1,163,937</u>
Net assets per share attributable to the owners of the company (RM)		
(based on 205,885,165 ordinary shares)	2.83	
(based on 205,347,406 ordinary shares)		2.72

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company						Distributable	Total Equity 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 2021	203,274	(2,220)	3,147	153,457	33,921	9,895	156,312	557,786	-	557,786
Total comprehensive income for the period	-	-	1,218	-	-	(5,247)	18,206	14,177	-	14,177
Conversion of ICULS and Exercise of Warrants	16,027	-	-	(363)	(3,503)	-	(123)	12,038	-	12,038
Dividend - First interim dividend for the financial year ended 31 Dec 2020	-	-	-	-	-	-	(2,058)	(2,058)	-	(2,058)
At 30 June 2021	219,301	(2,220)	4,365	153,094	30,418	4,648	172,337	581,943	-	581,943
	-	-	-	-	-	-	-	-	-	-
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	-	-	1,694	-	-	(8,187)	3,668	(2,825)	-	(2,825)
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 June 2020	203,274	(2,220)	5,505	153,457	33,921	(2,027)	137,270	529,180	-	529,180

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

PMB Technology Berhad

Registration No. 200201016594 (584257-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED FOR THE 6 MONTHS ENDED 30-JUNE-21 RM'000	UNAUDITED FOR THE 6 MONTHS ENDED 30-JUNE-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,315	5,367
Adjustments for:		
Depreciation	17,872	13,533
Net gain on disposal of property, plant and equipment and investment properties	(26)	-
Unrealised foreign exchange gain	(45)	-
Interest income	(102)	(151)
Interest expenses	9,832	4,195
Operating profit before working capital changes	<u>51,846</u>	<u>22,944</u>
Changes in working capital:		
Inventories & contract assets	(94,927)	42,244
Trade and other receivables	1,183	63,477
Trade and other payables	(6,369)	(56,367)
Cash (used in)/ from operations	<u>(48,267)</u>	<u>72,298</u>
Income taxes paid	(1,419)	(2,329)
Net cash (used in)/ from operating activities	<u>(49,686)</u>	<u>69,969</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, right-of-use assets and investment properties	(18,236)	(35,117)
Interest received	102	151
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	26	-
Net cash used in investing activities	<u>(18,108)</u>	<u>(34,966)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(2,058)	(5,117)
Interest expenses paid	(12,231)	(6,498)
Proceeds from bank borrowings	77,633	-
Repayment of bank borrowings	-	(102,744)
Repayment of Lease Liabilities	(569)	(2,035)
Proceeds from loan	-	46,762
Repayment of loan	(13,660)	-
Proceeds from Warrants Exercise	12,040	-
Net cash from/(used in) financing activities	<u>61,155</u>	<u>(69,632)</u>
Exchange differences on translation of the financial statements of foreign operations	<u>1,218</u>	<u>1,694</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,421)	(32,935)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	52,153	79,555
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>46,732</u>	<u>46,620</u>
The cash & cash equivalents comprise:		
Cash & bank balances	49,423	46,728
Bank overdraft	(2,691)	(108)
	<u>46,732</u>	<u>46,620</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

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 2020. 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 2020.

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 2020, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2021.

-) Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 7 *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*
-) Amendments to MFRS 16 *Leases - Covid-19 - Related Rent Concessions beyond 30 June 2021*

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

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

Standards issued but not yet effective

i) 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)*

ii) 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*
-) Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

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

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

The Group plans to 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.

A3. Seasonal or cyclical of operations

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

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

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

Except for the Movement Control Order 3.0 (MCO 3.0) implemented by the government in response to the COVID-19 pandemic, 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 June 2021, 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 first interim single tier dividend of 1 sen per share totaling RM2,057,612.50 for the financial year ended 31 December 2020 was paid to shareholders on 13 April 2021.

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 SECOND QUARTER ENDED 30 JUNE 2021**
A8. Segmental information (Cont'd)

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 30 June 2021</u>				
Total revenue	126,573	62,057	(10,379)	178,251
Inter-segment revenue	(7,037)	(3,342)	10,379	-
Revenue from external customers	119,536	58,715		178,251
Segment result	18,358	1,092		19,450
Finance cost				(4,912)
Tax expense				(2,959)
Profit for the period				11,579
	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>6 months ended 30 June 2021</u>				
Total revenue	247,905	113,063	(20,890)	340,078
Inter-segment revenue	(13,274)	(7,616)	20,890	-
Revenue from external customers	234,631	105,447		340,078
Segment result	31,175	2,972		34,147
Finance cost				(9,832)
Tax expense				(6,109)
Profit for the period				18,206
Segment assets	1,545,738	299,289	(595,394)	1,249,633
Segment liabilities	799,501	211,672	(343,483)	667,690

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 SECOND QUARTER ENDED 30 JUNE 2021**

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.

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 30 June 2021, the Group has the following known capital commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>8,900</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>9,239</u>
Sale of metallic silicon, fabricated aluminium products and building materials	<u>9,478</u>

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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

B1. Operating Segments Review

	Year 2021		Year 2020	
	Q2/21	6M/2021	Q2/20	6M/2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
Manufacturing & trading	119,536	234,631	42,821	153,356
Construction & fabrication	58,715	105,447	42,044	107,137
	<u>178,251</u>	<u>340,078</u>	<u>84,865</u>	<u>260,493</u>
Segment result				
Manufacturing & trading	18,358	31,175	2,604	6,917
Construction & fabrication	1,092	2,972	648	2,645
	<u>19,450</u>	<u>34,147</u>	<u>3,252</u>	<u>9,562</u>
Profit before tax	<u>14,538</u>	<u>24,315</u>	<u>1,553</u>	<u>5,367</u>

(a) Q2/21 vs Q2/20

The Group's revenue soared by 110% from RM84.9 million to RM178.3 million recorded in the current quarter. The increase was mainly due to higher revenue contribution from both segments.

In tandem with higher revenue, the Group's profit before tax ("PBT") increased from RM1.6 million to RM14.5 million. The increase of PBT was mainly contributed by the improved contribution from the metallic silicon plant during the current quarter under review.

Manufacturing and Trading segment

The revenue from Manufacturing and Trading segment increased by 179% from RM42.8 million to RM119.5 million, mainly due to higher sales from the metallic silicon plant during the current quarter under review.

With higher selling price of metallic silicon after offsetting higher operating expenses, the segment profit increased from RM2.6 million to RM18.4 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

B1. Operating Segments Review (Cont'd)

(a) Q2/21 vs Q2/20 (Cont'd)

Construction and Fabrication segment

Revenue from Construction and Fabrication segment increased by 40% from RM42.0 million to RM58.7 million mainly due to the acceleration of progress of certain on-going projects during the current quarter under review.

Accordingly, segment profit increased from RM0.6 million to RM1.1 million.

(b) 6M/2021 vs 6M/2020

The Group recorded a revenue of RM340.1 million for the six months ended 30 June 2021 ("6M/2021"), representing an increase of 31% from RM260.5 million recorded for the six months ended 30 June 2020 ("6M/2020").

In tandem with higher revenue, the Group's PBT increased from RM5.4 million to RM24.3 million. The increase of PBT was mainly due to the improved contribution from the metallic silicon plant during 6M/2021.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment increased by 53% from RM153.4 million to RM234.6 million, mainly contributed by higher sales of metallic silicon.

Segment profit increased sharply by RM24.3 million from RM6.9 million to RM31.2 million on the back of higher metallic silicon price after offsetting higher operating expenses during 6M/2021.

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM105.4 million for 6M/2021, representing a slight decrease of 2% compared to RM107.1 million recorded for 6M/2020.

However, segment profit increased from RM2.6 million to RM3.0 million. The increase was mainly attributable to better contribution from some of the on-going projects.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q2/21 vs Q1/21)

The Group's revenue increased by 10% from RM161.8 million to RM178.3 million. The increase was mainly attributable to the acceleration of progress of certain on-going projects and higher sales from the metallic silicon plant during the current quarter under review.

The Group's PBT increased from RM9.8 million to RM14.5 million, mainly due to higher metallic silicon price after offsetting higher operating expenses.

B3. Current year prospects

The economic recovery has been muted by the nationwide lockdown to suppress the resurgence in COVID-19 cases. While movement restrictions will continue to weigh down on growth, the progress of the national vaccination program provides optimism for a broader opening of the economy.

In other parts of the world where herd immunity is perceived to have been achieved, life is seen to be returning back to some form of normalcy as the pandemic becomes endemic. Economic activities, including manufacturing and production have surged resulting in higher consumption of raw materials. This has inevitably pushed commodity and primary-industry product prices up to unprecedented levels and so has logistics costs to meet demand.

As the Group benefitted from the upward trend of metallic silicon prices, operating costs have also increased in tandem. The Group will continue to focus on production efficiency and to undertake appropriate austerity measures.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	<u>Quarter Ended 30/06/21</u>	<u>Current Year To-date</u>
	RM'000	RM'000
Current taxation	452	1,132
Deferred tax	2,507	4,977
Total tax charge	<u>2,959</u>	<u>6,109</u>

The Group's effective tax rate for the financial year-to-date under review was approximately the prevailing statutory tax rate of 24%.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**
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 30 June 2021</u>			
(a) (i) Short term			
Overdraft	-	2,691	2,691
Revolving credit	19,500	24,172	43,672
Trade facilities	-	165,080	165,080
Term loan	55,818	-	55,818
	<u>75,318</u>	<u>191,943</u>	<u>267,261</u>
(ii) Long term			
Term loan	228,684	-	228,684
Total	<u>304,002</u>	<u>191,943</u>	<u>495,945</u>
	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 30 June 2020</u>			
(a) (i) Short term			
Overdraft	-	108	108
Revolving credit	-	7,591	7,591
Trade facilities	-	33,050	33,050
Term loan	21,162	-	21,162
	<u>21,162</u>	<u>40,749</u>	<u>61,911</u>
(ii) Long term			
Term loan	283,107	-	283,107
Total	<u>304,269</u>	<u>40,749</u>	<u>345,018</u>

(b) Foreign currency bank borrowings

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

	<u>As at 30/06/2021</u>		<u>As at 30/06/2020</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	-	-	178	98
Revolving credit	43,311	23,171	11,940	6,591
Trade facilities	69,256	37,052	15,777	8,709
	<u>112,567</u>	<u>60,223</u>	<u>27,895</u>	<u>15,398</u>

The Group borrowings has increased by RM150.9 million from RM345.0 million to RM495.9 million mainly due to the utilization of short-term loan for working capital.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

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>30/06/21</u>	<u>30/06/20</u>	<u>30/06/21</u>	<u>30/06/20</u>
Profit attributable to Shareholders (RM'000)	11,579	1,365	18,206	3,668
Weighted average number of ordinary shares ('000)	205,885	204,861	205,885	204,861
Basic earnings per share (sen)	5.62	0.67	8.84	1.79

(b) Diluted earnings per share

	Current Quarter		Year-to-date	
	<u>30/06/21</u>	<u>30/06/20</u>	<u>30/06/21</u>	<u>30/06/20</u>
Profit attributable to Shareholders (RM'000)	11,579	1,365	18,206	3,668
Weighted average number of ordinary shares ('000)	257,722	238,659	257,722	238,659
Diluted earnings per share (sen)	4.49	0.57	7.06	1.54

B11. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2020 was not subject to any qualification.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**
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	(50)	(102)
b)	Other income including investment income	(151)	(276)
c)	Interest expense	4,912	9,832
d)	Depreciation and amortization	8,466	17,872
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	754	(810)
j)	(Gain) or loss on derivatives	(258)	5,247
k)	Exceptional items	-	-

B13. Derivative Financial Instruments

As at 30 June 2021, 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	92,586	1,539
- 1 year to 3 years	135,275	3,109
- More than 3 years	-	-

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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

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 no changes made to the accounting policies associated with those derivatives since the end of the previous financial year ended 31 December 2020.

B14. Fair Value Changes of Financial Liabilities

There were no fair value changes of financial liabilities during the current quarter ended 30 June 2021.

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
23 August 2021