

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 2021 RM'000	30 SEPTEMBER 2020 RM'000		30 SEPTEMBER 2021 RM'000	30 SEPTEMBER 2020 RM'000	
Revenue	B1	202,726	148,573	36%	542,804	409,066	33%
Operating expenses		(164,981)	(138,835)	19%	(472,299)	(390,110)	21%
Other operating income		1,451	2,397	-39%	2,838	2,741	4%
Profit from operations		39,196	12,135	223%	73,343	21,697	238%
Finance costs		(4,866)	(1,193)	308%	(14,698)	(5,388)	173%
Profit before tax		34,330	10,942	214%	58,645	16,309	260%
Taxation	B5	(6,995)	(2,799)	150%	(13,104)	(4,498)	191%
Profit for the period		27,335	8,143	236%	45,541	11,811	286%
Profit attributable to :							
Owners of the Company		27,335	8,143	236%	45,541	11,811	286%
Non-controlling interest		-	-		-	-	
Profit for the period		27,335	8,143	236%	45,541	11,811	286%
Basic earnings per share (sen)	B10 (a)	13.21	3.97	233%	22.01	5.76	282%
Diluted earnings per share (sen)	B10 (b)	9.47	3.17	198%	15.78	4.60	243%

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	UNAUDITED CURRENT YEAR QUARTER 30 SEPTEMBER 2021 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 SEPTEMBER 2020 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 30 SEPTEMBER 2021 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 SEPTEMBER 2020 RM'000	Changes %
Profit for the period	27,335	8,143	236%	45,541	11,811	286%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	171	(978)	-117%	1,389	716	94%
Cash flow hedge	(1,345)	6,430	-121%	(6,592)	(1,757)	275%
Total comprehensive income for the period	<u>26,161</u>	<u>13,595</u>	<u>92%</u>	<u>40,338</u>	<u>10,770</u>	<u>275%</u>
Total comprehensive income attributable to :						
Owners of the Company	26,161	13,595	92%	40,338	10,770	275%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>26,161</u>	<u>13,595</u>	<u>92%</u>	<u>40,338</u>	<u>10,770</u>	<u>275%</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-SEP-21 RM'000 UNAUDITED	AS AT 31-DEC-20 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	708,579	702,067
Investment properties	4,496	4,574
Right-of-use assets	64,452	67,181
Land held for property development	31,823	-
Goodwill	792	792
Derivative financial assets	2,271	7,581
Deferred tax assets	2,876	4,044
	<u>815,289</u>	<u>786,239</u>
Current assets		
Inventories and contract assets	295,862	140,627
Trade receivables	109,079	137,166
Other receivables, deposits and prepayments	38,977	32,417
Amount due from related companies	9,992	9,969
Tax recoverable	1,611	1,879
Derivative financial assets	1,288	3,082
Cash and bank balances	49,571	52,558
	<u>506,380</u>	<u>377,698</u>
TOTAL ASSETS	<u>1,321,669</u>	<u>1,163,937</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	219,363	203,274
Foreign currency translation reserve	4,536	3,147
ICULS equity	153,057	153,457
Warrant reserve	30,415	33,921
Hedging reserve	3,303	9,895
Retained profit	199,663	156,312
Treasury shares, at cost	(2,220)	(2,220)
	<u>608,117</u>	<u>557,786</u>
Non-controlling interest	-	-
Total equity	<u>608,117</u>	<u>557,786</u>
Non-current liabilities		
Term loan	214,983	261,636
Liability component of ICULS	11,191	16,408
Lease liabilities	3,842	4,650
Deferred taxation	15,961	6,435
	<u>245,977</u>	<u>289,129</u>
Current Liabilities		
Trade payables	70,092	73,692
Contract liabilities	9,668	4,105
Other payables and accruals	53,662	56,495
Overdraft & short term borrowings	324,230	168,050
Amount due to related companies	5,238	9,743
Lease liabilities	4,287	4,874
Taxations	398	63
	<u>467,575</u>	<u>317,022</u>
Total liabilities	<u>713,552</u>	<u>606,151</u>
TOTAL EQUITY AND LIABILITIES	<u>1,321,669</u>	<u>1,163,937</u>
Net assets per share attributable to the owners of the company (RM)		
(based on 206,938,157 ordinary shares)	2.94	
(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	-	-	1,389	-	-	(6,592)	45,541	40,338	-	40,338
Conversion of ICULS and Exercise of Warrants	16,089	-	-	(400)	(3,506)	-	(132)	12,051	-	12,051
Dividend - First interim dividend for the financial year ended 31 Dec 2020	-	-	-	-	-	-	(2,058)	(2,058)	-	(2,058)
At 30 September 2021	219,363	(2,220)	4,536	153,057	30,415	3,303	199,663	608,117	-	608,117
	-	-	-	-	-	-	-	-	-	-
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

(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 9 MONTHS ENDED 30-SEPTEMBER-21 RM'000	UNAUDITED FOR THE 9 MONTHS ENDED 30-SEPTEMBER-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,645	16,309
Adjustments for:		
Depreciation	26,176	20,390
Net gain on disposal of property, plant and equipment and investment properties	(26)	-
Unrealised foreign exchange gain	(374)	-
Interest income	(140)	(191)
Interest expenses	14,698	5,388
Operating profit before working capital changes	<u>98,979</u>	<u>41,896</u>
Changes in working capital:		
Inventories & contract assets	(155,235)	9,743
Trade and other receivables	21,908	50,668
Trade and other payables	(5,405)	(19,835)
Cash (used in)/ from operations	<u>(39,753)</u>	<u>82,472</u>
Income taxes paid	(1,324)	(2,368)
Net cash (used in)/ from operating activities	<u>(41,077)</u>	<u>80,104</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, right-of-use assets, land held for property development and investment properties	(61,399)	(65,119)
Interest received	140	191
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>(61,233)</u>	<u>(64,928)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(2,058)	(5,117)
Interest expenses paid	(19,880)	(10,389)
Proceeds from bank borrowings	127,400	-
Repayment of bank borrowings	-	(88,756)
Repayment of Lease Liabilities	(1,700)	(930)
Proceeds from loan	-	45,911
Repayment of loan	(19,657)	-
Proceeds from Warrants Exercise	12,045	-
Net cash from/(used in) financing activities	<u>96,150</u>	<u>(59,281)</u>
Exchange differences on translation of the financial statements of foreign operations	<u>1,389</u>	<u>716</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(4,771)</u>	<u>(43,389)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>52,153</u>	<u>79,555</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>47,382</u></u>	<u><u>36,166</u></u>
The cash & cash equivalents comprise:		
Cash & bank balances	49,571	36,168
Bank overdraft	(2,189)	(2)
	<u><u>47,382</u></u>	<u><u>36,166</u></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 THIRD QUARTER ENDED 30 SEPTEMBER 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
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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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2021</u>				
Total revenue	138,864	72,607	(8,745)	202,726
Inter-segment revenue	(3,745)	(5,000)	8,745	-
Revenue from external customers	135,119	67,607		202,726
Segment result	35,570	3,626		39,196
Finance cost				(4,866)
Tax expense				(6,995)
Profit for the period				27,335

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>9 months ended 30 September 2021</u>				
Total revenue	386,769	185,670	(29,635)	542,804
Inter-segment revenue	(17,019)	(12,616)	29,635	-
Revenue from external customers	369,750	173,054		542,804
Segment result	66,745	6,598		73,343
Finance cost				(14,698)
Tax expense				(13,104)
Profit for the period				45,541

Segment assets	1,608,953	307,252	(594,536)	1,321,669
Segment liabilities	839,220	217,003	(342,671)	713,552

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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>11,155</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>11,518</u>
Sale of metallic silicon and fabricated aluminium products	<u>11,209</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	
	Q3/21	9M/2021	Q3/20	9M/2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
Manufacturing & trading	135,119	369,750	85,651	239,007
Construction & fabrication	67,607	173,054	62,922	170,059
	<u>202,726</u>	<u>542,804</u>	<u>148,573</u>	<u>409,066</u>
Segment result				
Manufacturing & trading	35,570	66,745	7,172	14,089
Construction & fabrication	3,626	6,598	4,963	7,608
	<u>39,196</u>	<u>73,343</u>	<u>12,135</u>	<u>21,697</u>
Profit before tax	<u>34,330</u>	<u>58,645</u>	<u>10,942</u>	<u>16,309</u>

(a) Q3/21 vs Q3/20

The Group's revenue was higher at RM202.7 million, representing an increase of RM54.1 million from RM148.6 million recorded in Q3/20. The increase was mainly due to higher revenue contribution from Manufacturing & Trading segment.

In tandem with higher revenue and the improved contribution from the metallic silicon plant, the Group's profit before tax ("PBT") increased from RM10.9 million to RM34.3 million.

Manufacturing and Trading segment

The revenue from Manufacturing and Trading segment increased by 58% from RM85.7 million to RM135.1 million, mainly due to higher sales from metallic silicon during the current quarter under review.

With higher selling price of metallic silicon after offsetting higher raw materials cost and operating expenses, the segment profit increased from RM7.2 million to RM35.6 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

B1. Operating Segments Review (Cont'd)

(a) Q3/21 vs Q3/20 (Cont'd)

Construction and Fabrication segment

Revenue from Construction and Fabrication segment increased by 7% from RM62.9 million to RM67.6 million mainly due to the acceleration of progress of certain on-going projects during the current quarter under review.

However, segment profit decreased from RM5.0 million to RM3.6 million, mainly due to higher raw materials cost which was not fully passed on to the customers during the current quarter under review.

(b) 9M/2021 vs 9M/2020

The Group recorded a revenue of RM542.8 million for the nine months ended 30 September 2021 ("9M/2021"), representing an increase of 33% from RM409.1 million recorded for the nine months ended 30 September 2020 ("9M/2020").

Higher revenue coupled with the improved contribution from the metallic silicon plant, the Group's PBT increased from RM16.3 million to RM58.6 million recorded in 9M/2021.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment increased by 55% from RM239.0 million to RM369.8 million, mainly contributed by higher sales of metallic silicon.

Segment profit increased sharply by RM52.6 million from RM14.1 million to RM66.7 million on the back of higher metallic silicon price after offsetting higher raw materials cost and operating expenses during 9M/2021.

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM173.1 million for 9M/2021, representing a slight increase of 2% compared to RM170.1 million recorded for 9M/2020.

With higher raw materials cost which was not fully passed on to the customers, segment profit decreased from RM7.6 million to RM6.6 million.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q3/21 vs Q2/21)

The Group's revenue increased by 14% from RM178.3 million to RM202.7 million. The increase was mainly attributable to the acceleration of progress of certain on-going projects and higher metallic silicon sales during the current quarter under review.

The Group's PBT increased from RM14.5 million to RM34.3 million, mainly due to higher metallic silicon price after offsetting higher raw materials cost and operating expenses.

B3. Current year prospects

As the world economy is fast recovering from the effects of the pandemic, the commodity market has reacted positively and price of metallic silicon have risen to record high.

The recent surge in the silicon price was primarily caused by the initiative of the Chinese Government to cut back on the power supply to the silicon industries as well as tightening of environmental control in China. However, we are of the opinion that the record high price of the metallic silicon will correct by itself and stabilize in the near future.

With the recent encouraging commodities market, the Group is expected to benefit from the positive movement in the price of metallic silicon after offsetting higher logistics, raw material and operating cost. Meanwhile, the Group's other aluminium related businesses are gradually moving in the positive position.

The Group acknowledges the market risks and challenges such as volatility of selling price, currency exchange rate and the increasing raw material and operating cost and will continue to focus on production efficiency and to undertake appropriate austerity measures at all time.

B4. Profit forecast

Not applicable as no profit forecast was published.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**
B5. Taxation

	<u>Quarter Ended 30/09/21</u>	<u>Current Year To-date</u>
	RM'000	RM'000
Current taxation	759	1,891
Deferred tax	6,236	11,213
Total tax charge	<u>6,995</u>	<u>13,104</u>

The Group's effective tax rate for the financial year-to-date under review was 22.3% which is slightly lower than the prima facie tax rate.

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

	<u>Secured (RM'000)</u>	<u>Unsecured (RM'000)</u>	<u>Total (RM'000)</u>
<u>As at 30 September 2021</u>			
(a) (i) Short term			
Overdraft	-	2,189	2,189
Revolving credit	19,500	31,766	51,266
Trade facilities	-	207,253	207,253
Term loan	63,522	-	63,522
	<u>83,022</u>	<u>241,208</u>	<u>324,230</u>
(ii) Long term			
Term loan	214,983	-	214,983
Total	<u>298,005</u>	<u>241,208</u>	<u>539,213</u>
	<u>Secured (RM'000)</u>	<u>Unsecured (RM'000)</u>	<u>Total (RM'000)</u>
<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>

EXPLANATORY NOTES TO THE QUARTERLY REPORT
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B7. Group borrowings and debt securities (Cont'd)

(b) Foreign currency bank borrowings

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

	<u>As at 30/09/2021</u>		<u>As at 30/09/2020</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	-	-	4	2
Revolving credit	57,187	30,767	26,820	14,402
Trade facilities	85,744	46,130	29,498	15,840
	<u>142,931</u>	<u>76,897</u>	<u>56,322</u>	<u>30,244</u>

The Group borrowings has increased by RM181.2 million from RM358.0 million to RM539.2 million mainly due to the utilization of short-term loan for working capital.

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>30/09/21</u>	<u>30/09/20</u>	<u>30/09/21</u>	<u>30/09/20</u>
Profit attributable to Shareholders (RM'000)	27,335	8,143	45,541	11,811
Weighted average number of ordinary shares ('000)	206,938	205,104	206,938	205,104
Basic earnings per share (sen)	13.21	3.97	22.01	5.76

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B10. Earnings Per Share (Cont'd)

(b) Diluted earnings per share

	Current Quarter		Year-to-date	
	<u>30/09/21</u>	<u>30/09/20</u>	<u>30/09/21</u>	<u>30/09/20</u>
Profit attributable to Shareholders (RM'000)	27,335	8,143	45,541	11,811
Weighted average number of ordinary shares ('000)	288,675	256,662	288,675	256,662
Diluted earnings per share (sen)	9.47	3.17	15.78	4.60

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.

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	(38)	(140)
b)	Other income including investment income	(464)	(740)
c)	Interest expense	4,866	14,698
d)	Depreciation and amortization	8,304	26,176
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	(1,199)	(2,009)
j)	(Gain) or loss on derivatives	1,345	6,592
k)	Exceptional items	-	-

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B13. Derivative Financial Instruments

As at 30 September 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	85,187	1,196
- 1 year to 3 years	120,307	2,107
- 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.

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 September 2021.

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
 25 November 2021