

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		UNAUDITED CURRENT YEAR QUARTER	AUDITED PRECEDING YEAR QUARTER	Changes %	UNAUDITED CURRENT YEAR TO DATE	AUDITED PRECEDING YEAR TO DATE	Changes %
		31 DECEMBER 2022 RM'000	31 DECEMBER 2021 RM'000		31 DECEMBER 2022 RM'000	31 DECEMBER 2021 RM'000	
Revenue	B1	307,249	370,391	-17%	1,182,214	913,195	29%
Operating expenses		(282,206)	(231,053)	22%	(1,013,650)	(703,352)	44%
Other operating income		(1,559)	1,151	-235%	4,148	3,989	4%
Profit from operations		23,484	140,489	-83%	172,712	213,832	-19%
Finance costs		(5,181)	(5,541)	-6%	(21,455)	(20,239)	6%
Profit before tax		18,303	134,948	-86%	151,257	193,593	-22%
Taxation	B5	(8,207)	(27,714)	-70%	(33,059)	(40,818)	-19%
Profit for the period		10,096	107,234	-91%	118,198	152,775	-23%
Profit attributable to :							
Owners of the Company		10,096	107,234	-91%	118,198	152,775	-23%
Non-controlling interest		-	-		-	-	
Profit for the period		10,096	107,234	-91%	118,198	152,775	-23%
Basic earnings per share (sen)	B10 (a)	0.86	10.29	-92%	10.02	14.66	-32%
Diluted earnings per share (sen)	B10 (b)	0.66	6.98	-91%	7.69	9.95	-23%

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	UNAUDITED CURRENT YEAR QUARTER 31 DECEMBER 2022 RM'000	AUDITED PRECEDING YEAR QUARTER 31 DECEMBER 2021 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 31 DECEMBER 2022 RM'000	AUDITED PRECEDING YEAR TO DATE 31 DECEMBER 2021 RM'000	Changes %
Profit for the period	10,096	107,234	-91%	118,198	152,775	-23%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	(1,858)	(96)	1835%	2,253	1,293	74%
Cash flow hedge	24,086	2,057	1071%	(3,580)	(4,535)	-21%
Total comprehensive income for the period	<u>32,324</u>	<u>109,195</u>	<u>-70%</u>	<u>116,871</u>	<u>149,533</u>	<u>-22%</u>
Total comprehensive income attributable to :						
Owners of the Company	32,324	109,195	-70%	116,871	149,533	-22%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>32,324</u>	<u>109,195</u>	<u>-70%</u>	<u>116,871</u>	<u>149,533</u>	<u>-22%</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31-DEC-22 RM'000 UNAUDITED	AS AT 31-DEC-21 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	865,031	712,247
Investment properties	4,374	4,474
Right-of-use assets	93,111	72,194
Land held for property development	-	32,961
Goodwill	792	792
Derivative financial assets	2,386	3,634
Deferred tax assets	1,811	2,923
Trade receivables	39,062	25,383
	<u>1,006,567</u>	<u>854,608</u>
Current assets		
Inventories and contract assets	302,384	330,221
Trade receivables	99,756	112,707
Other receivables, deposits and prepayments	153,529	62,674
Amount due from related companies	27,190	10,039
Tax recoverable	3,019	1,974
Derivative financial assets	879	2,142
Cash and bank balances	127,977	83,052
	<u>714,734</u>	<u>602,809</u>
TOTAL ASSETS	<u>1,721,301</u>	<u>1,457,417</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	359,883	230,096
Foreign currency translation reserve	6,693	4,440
ICULS equity	136,889	152,310
Warrant reserve	3,588	28,222
Hedging reserve	1,780	5,360
Retained profit	408,643	306,656
Treasury shares, at cost	(2,220)	(2,220)
	<u>915,256</u>	<u>724,864</u>
Non-controlling interest	-	-
Total equity	<u>915,256</u>	<u>724,864</u>
Non-current liabilities		
Loans and borrowings	174,673	220,774
Liability component of ICULS	5,349	11,392
Lease liabilities	11,980	11,206
Deferred taxation	67,034	41,211
	<u>259,036</u>	<u>284,583</u>
Current Liabilities		
Trade payables	121,489	127,845
Contract liabilities	8,338	2,905
Other payables and accruals	40,895	22,999
Loans and borrowings	355,618	278,240
Amount due to related companies	9,871	9,000
Lease liabilities	8,228	6,085
Derivative financial liabilities	467	-
Taxations	2,103	896
	<u>547,009</u>	<u>447,970</u>
Total liabilities	<u>806,045</u>	<u>732,553</u>
TOTAL EQUITY AND LIABILITIES	<u>1,721,301</u>	<u>1,457,417</u>
Net assets per share attributable to the owners of the company (RM) *	0.78	0.70

* Adjusted for the effect of bonus issue completed in April 2022

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

PMB Technology Berhad

Registration No. 200201016594 (584257-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company							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	Non-distributable Equity Component of ICULS RM'000	Warrant Reserve RM'000	Hedging Reserve RM'000	Distributable Retained Profits RM'000			
At 1 January 2022	230,096	(2,220)	4,440	152,310	28,222	5,360	306,656	724,864	-	724,864
Total comprehensive income for the period	-	-	2,253	-	-	(3,580)	118,198	116,871	-	116,871
Conversion of ICULS and Exercise of Warrants	129,787	-	-	(15,421)	(24,634)	-	(4,521)	85,211	-	85,211
Dividend - First interim dividend for the financial year ended 31 Dec 2021	-	-	-	-	-	-	(11,690)	(11,690)	-	(11,690)
At 31 December 2022	359,883	(2,220)	6,693	136,889	3,588	1,780	408,643	915,256	-	915,256
	-	-	-	-	-	-	-	-	-	-
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	-	-	1,293	-	-	(4,535)	152,775	149,533	-	149,533
Conversion of ICULS and exercise of Warrant	26,822	-	-	(1,147)	(5,699)	-	(373)	19,603	-	19,603
Dividend - First interim dividend for the financial year ended 31 Dec 2020	-	-	-	-	-	-	(2,058)	(2,058)	-	(2,058)
At 31 December 2021	230,096	(2,220)	4,440	152,310	28,222	5,360	306,656	724,864	-	724,864

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

PMB Technology Berhad

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED FOR THE 12 MONTHS ENDED 31-DECEMBER-22 RM'000	AUDITED FOR THE 12 MONTHS ENDED 31-DECEMBER-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	151,257	193,593
Adjustments for:		
Depreciation	36,337	34,812
Finance income	(424)	(301)
Finance costs	21,455	20,239
Inventories written off	-	5,569
Net gain on disposal of property, plant and equipment, right-of-use assets and investment properties	(2)	(28)
Net impairment loss	1,412	93
Unrealised foreign exchange gain	(1,680)	(831)
Operating profit before working capital changes	208,355	253,146
Changes in working capital:		
Inventories & contract assets	60,798	(195,163)
Trade and other receivables	(107,774)	(30,297)
Trade and other payables	17,152	18,498
Cash from operations	178,531	46,184
Income taxes paid	(6,754)	(3,834)
Net cash from operating activities	171,777	42,350
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, right-of-use assets, land held for property development and investment properties	(210,230)	(69,764)
Interest received	424	301
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	2	26
Net cash used in investing activities	(209,804)	(69,437)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(11,690)	(2,058)
Interest paid on loans and borrowings	(26,648)	(25,445)
Proceeds from bank borrowings	57,659	85,011
Proceeds of Lease Liabilities	3,209	-
Repayment of Lease Liabilities	-	(5,090)
Repayment of loan	(26,382)	(15,278)
Proceeds from Warrants Exercise	84,551	19,591
Net cash from financing activities	80,699	56,731
Exchange differences on translation of the financial statements of foreign operations	2,253	1,255
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,925	30,899
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	83,052	52,153
CASH AND CASH EQUIVALENTS AT END OF PERIOD	127,977	83,052
The cash & cash equivalents comprise:		
Cash & bank balances	127,977	83,052
Bank overdraft	-	-
	127,977	83,052

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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 2021. 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 2021.

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 2021, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the 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 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)*

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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A2. Significant Accounting Policies (Cont'd)

Standards issued but not yet effective

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

-) MFRS 17, Insurance Contracts*
-) Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
-) Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
-) Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
-) Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

ii) 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 is 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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

A6. Debt and equity securities

The Group has on 29 April 2022, completed a bonus issue up to 1,296,774,800 new ordinary shares in the Company on the basis of four (4) bonus shares for every one (1) existing ordinary share. Relevant adjustments were made upon the conversion of the 5-years 3.00% Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) and the exercise of Warrants.

Conversion of ICULS and exercise of Warrants for the financial year to date are tabled below:

Issuance of new Ordinary Shares	Conversion of ICULS	Exercise of Warrants
Before bonus issue	6,713,300	15,283,084
Adjustment upon the completion of bonus issue	26,853,200	61,132,336
Total adjusted issuance	33,566,500	76,415,420
After bonus issue	4,088,674	64,249,345
Total issuance	37,655,174	140,664,765

As at 31 December 2022, a total of 25,202,000 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.

Save for the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial year to date under review.

A7. Dividend paid

The first interim single tier dividend of 5 sen per share totaling RM11,690,030.15 for the financial year ended 31 December 2021 was paid to shareholders on 5 April 2022.

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 2022

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 2022</u>				
Total revenue	192,726	122,643	(8,120)	307,249
Inter-segment revenue	(5,913)	(2,207)	8,120	-
Revenue from external customers	186,813	120,436		307,249
Segment result	17,539	5,945		23,484
Finance cost				(5,181)
Tax expense				(8,207)
Profit for the period				10,096

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>12 months ended 31 December 2022</u>				
Total revenue	836,997	373,860	(28,643)	1,182,214
Inter-segment revenue	(22,192)	(6,451)	28,643	-
Revenue from external customers	814,805	367,409		1,182,214
Segment result	158,827	13,885		172,712
Finance cost				(21,455)
Tax expense				(33,059)
Profit for the period				118,198

Segment assets	2,045,955	270,417	(595,071)	1,721,301
Segment liabilities	863,214	168,470	(225,639)	806,045

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 2022**

A10. Material events subsequent to the balance sheet date

PMB Silicon Sdn Bhd (“PMB Silicon”), a wholly-owned subsidiary of the Company has executed an Amendment No.1 (agreement) with Syarikat Sesco Berhad, to revise the Amended and Restated Power Purchase Agreement (“ARPPA”) to increase the existing supply of electricity at its current metallic silicon factory located in Samalaju Industrial Park, Sarawak (“Silicon Facility”) from 104MW to 129MW due to an expansion of PMB Silicon’s operations at the Silicon Facility. The additional power is expected to be fully drawn by April 2024, and is expected to be available for the balance duration of the supply term for the 104MW under the ARPPA. All other material terms of the ARPPA remain applicable, with the relevant changes. For details, please refer to our announcement to Bursa Malaysia Securities Berhad dated 31 October 2022.

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

On 15 March 2022, PMB Technology Berhad has entered into a Share Sale Agreement with Asia Cement Co., Ltd. for the acquisition of 40,000,000 ordinary shares, representing 100% of the total issued share capital in Asia Advanced Material Sdn. Bhd. (“AAM”) for a total cash consideration of RM17 million. The acquisition of AAM, which owns a piece of industrial land measuring approximately 124 acres in Samalaju Industrial Park, Bintulu, Sarawak will allow future expansion for the Group’s metallic silicon related business. The transfer of ownership was completed on 7 July 2022.

Save for the above, there were no changes in the composition of the Group for the current period 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 2022, the Group has the following known capital commitments:

	RM’000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>70,395</u>

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

A14. Related Party Transactions

The Group

With the affiliated companies - Press Metal Aluminium Holdings Berhad Group

	<u>Current year-to-date</u>
	RM'000
Purchase of aluminium products	<u>31,930</u>
Sale of metallic silicon and fabricated aluminium products	<u>80,425</u>

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

B1. Operating Segments Review

	<u>Year 2022</u>		<u>Year 2021</u>	
	<u>Q4/22</u>	<u>12M/22</u>	<u>Q4/21</u>	<u>12M/21</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Revenue</u>				
Manufacturing & trading	186,813	814,805	287,157	656,907
Construction & fabrication	120,436	367,409	83,234	256,288
	<u>307,249</u>	<u>1,182,214</u>	<u>370,391</u>	<u>913,195</u>
<u>Segment result</u>				
Manufacturing & trading	17,539	158,827	138,274	205,019
Construction & fabrication	5,945	13,885	2,215	8,813
	<u>23,484</u>	<u>172,712</u>	<u>140,489</u>	<u>213,832</u>
<u>Profit before tax</u>	<u>18,303</u>	<u>151,257</u>	<u>134,948</u>	<u>193,593</u>

(a) Q4/22 vs Q4/21

The Group recorded a revenue of RM307.2 million in current quarter which was 17% lower than RM370.4 million recorded in the preceding year's corresponding quarter. The decrease was mainly due to lower revenue contribution from Manufacturing and Trading segment.

In tandem with lower revenue, the Group's profit before tax ("PBT") decreased from RM135.0 million in the preceding year's corresponding quarter to RM18.3 million in the current quarter.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

B1. Operating Segments Review (Cont'd)

Manufacturing and Trading segment

The revenue from Manufacturing & Trading segment decreased by 35% from RM287.2 million to RM186.8 million, mainly attributable to the exceptional high metallic silicon price in the preceding year's corresponding quarter.

Lower selling price coupled with higher raw materials cost and foreign exchange loss, segment profit decreased from RM138.3 million to RM17.5 million in the current quarter.

Construction and Fabrication segment

Construction & Fabrication segment's revenue increased by 45% from RM83.2 million to RM120.4 million mainly due to the acceleration of progress of certain on-going projects.

In line with higher revenue, the segment profit increased by RM3.7 million in the current quarter to RM5.9 million from RM2.2 million recorded in Q4/21.

(b) 12M/22 vs 12M/21

The Group recorded a revenue of RM1,182.2 million for the year ended 31 December 2022 ("12M/22"), representing an increase of 29% from RM913.2 million recorded for the year ended 31 December 2021 ("12M/21").

However, the Group's PBT decreased from RM193.6 million to RM151.3 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment increased by 24% from RM656.9 million to RM814.8 million, mainly contributed by higher sales of metallic silicon.

However, segment profit decreased by RM46.2 million from RM205.0 million to RM158.8 million due to higher raw material costs, operating expenses and foreign exchange loss during 12M/22.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

B1. Operating Segments Review (Cont'd)

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM367.4 million for 12M/22, representing an increase of 43% compared to RM256.3 million recorded for 12M/21.

On the back of higher revenue, segment profit increased from RM8.8 million to RM13.9 million during 12M/22.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q4/22 vs Q3/22)

The Group recorded a revenue of RM307.2 million in the current quarter, representing a slight decrease by 2% as compared to RM312.8 million in the preceding quarter.

However, higher raw materials cost and foreign exchange loss, the PBT decreased by 15% from RM21.6 million to RM18.3 million.

B3. Current year prospects

The growth of the global economic is expected to be slow, grappling with challenges such as higher interest rates resulted from elevated inflation, global energy crunch and a spillover of the Russia-Ukraine war. However, the ending of zero-tolerance COVID-19 policy by China and a healthier global labour market should contribute positively to the global growth.

In 2023, metallic silicon demand in China is expected to be driven by the solar sector as the National Energy Bureau has targeted approximately 100GW of installations of new PV capacity for the year. A steady recovery in the auto and construction sectors in the second quarter of 2023 onwards is expected as the government focuses on measures to stimulate economic growth after years of Covid restrictions were completely lifted, paving the way for a gradual resumption of normal economic activity.

In the EU and the US, silicon demand remains lacklustre going into 2023, mainly due to automotive production remaining below pre-pandemic levels. Despite a subdued overall automotive market, one bright spark is the strong growth in global production of EVs in 2022. The ongoing transition to EVs should be viewed as a positive development for the demand for silicon as they are more aluminium and silicones intensive as compared to conventional cars.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

B3. Current year prospects (Cont'd)

On the supply side of silicon, production curtailment in the EU is extending into first quarter of 2023. It is expected that there will be little to no production of silicon in the EU during the quarter. Despite weak demand, prices in Europe may be supported at current levels due to the significant reduction in supply. Whether the output cuts extend beyond first quarter of 2023 will be highly dependent on the development of the energy situation in Europe.

Despite challenging environment ahead, the Group will continue to focus on strengthening its position and to improve its efficiency to stay competitive.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	<u>Quarter Ended 31/12/22</u>	<u>Current Year To-date</u>
	RM'000	RM'000
Current taxation	2,049	6,037
Deferred tax	6,158	27,022
Total tax charge	<u>8,207</u>	<u>33,059</u>

The Group's effective tax rate for the financial year-to-date under review was 21.9%, lower than the prima facie tax rate.

B6. Status of Corporate Proposals Announced but Pending Completion

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

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**
B7. Group borrowings and debt securities

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 31 December 2022</u>			
(a) (i) Current			
Overdraft	-	-	-
Revolving credit	10,000	21,314	31,314
Trade facilities	-	263,475	263,475
Term loan	60,829	-	60,829
	<u>70,829</u>	<u>284,789</u>	<u>355,618</u>
(ii) Non-current			
Term loan and bank loan	174,673	-	174,673
Total	<u>245,502</u>	<u>284,789</u>	<u>530,291</u>

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 31 December 2021</u>			
(a) (i) Current			
Overdraft	-	-	-
Revolving credit	17,500	42,615	60,115
Trade facilities	-	156,015	156,015
Term loan	62,110	-	62,110
	<u>79,610</u>	<u>198,630</u>	<u>278,240</u>
(ii) Non-current			
Term loan	220,774	-	220,774
Total	<u>300,384</u>	<u>198,630</u>	<u>499,014</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 31/12/2022</u>		<u>As at 31/12/2021</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	-	-	-	-
Revolving credit	35,890	20,314	77,639	41,615
Trade facilities	94,469	53,469	88,729	47,317
	<u>130,359</u>	<u>73,783</u>	<u>165,918</u>	<u>88,932</u>

The Group borrowings has increased by RM31.3 million from RM499.0 million to RM530.3 million mainly due to the utilization of short-term loan for working capital.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**
B8. Material Litigation

There was no material litigation against the Group as at the reporting date.

B9. Proposed Dividend

In view of the expansion plan for the metallic silicon plant, 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>31/12/22</u>	<u>31/12/21</u>	<u>31/12/22</u>	<u>31/12/21</u>
Profit attributable to Shareholders (RM'000)	10,096	107,234	118,198	152,775
Weighted average number of ordinary shares ('000)*	1,180,167	1,042,311	1,180,167	1,042,311
Basic earnings per share (sen)	0.86	10.29	10.02	14.66

(b) Diluted earnings per share

	Current Quarter		Year-to-date	
	<u>31/12/22</u>	<u>31/12/21</u>	<u>31/12/22</u>	<u>31/12/21</u>
Profit attributable to Shareholders (RM'000)	10,096	107,234	118,198	152,775
Weighted average number of ordinary shares ('000)*	1,536,381	1,535,267	1,536,381	1,535,267
Diluted earnings per share (sen)	0.66	6.98	7.69	9.95

* Adjusted for the effect of bonus issue completed in April 2022.

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

B11. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2021 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	(161)	(424)
b)	Other income including investment income	(302)	(1,171)
c)	Interest expense	5,181	21,455
d)	Depreciation and amortization	9,328	36,337
e)	(Reversal)/Provision for and write off of receivables	-	-
f)	Provision for and write off of inventories	7,879	7,879
g)	(Gain) and loss on disposal of quoted or unquoted Investments or properties	83	(2)
h)	Impairment of assets	-	-
i)	Foreign exchange (gain) or loss	8,743	16,362
j)	(Gain) or loss on derivatives	(24,961)	2,705
k)	Exceptional items	-	-

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

B13. Derivative Financial Instruments

As at 31 December 2022, 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	255,107	(434)
- 1 year to 3 years	192,432	1,014
- More than 3 years	173,811	1,200

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 2021.

B14. Fair Value Changes of Financial Liabilities

There were no fair value changes of financial liabilities during the current year to date ended 31 December 2022.

On behalf of the Board

Koon Poh Ming
Chief Executive Officer

27 February 2023