

PMB Technology Berhad

Registration No. 200201016594 (584257-X)

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 % |
| | | 31 MAR 2023 RM'000 | 31 MAR 2022 RM'000 Restated | | 31 MAR 2023 RM'000 | 31 MAR 2022 RM'000 Restated | |
| Revenue | B1 | 274,923 | 301,971 | -9% | 274,923 | 301,971 | -9% |
| Operating expenses | | (258,368) | (230,591) | 12% | (258,368) | (230,591) | 12% |
| Other operating income | | 3,301 | 404 | 717% | 3,301 | 404 | 717% |
| Profit from operations | | 19,856 | 71,784 | -72% | 19,856 | 71,784 | -72% |
| Finance costs | | (5,865) | (4,981) | 18% | (5,865) | (4,981) | 18% |
| Profit before tax | | 13,991 | 66,803 | -79% | 13,991 | 66,803 | -79% |
| Taxation | B5 | (4,249) | (15,493) | -73% | (4,249) | (15,493) | -73% |
| Profit for the period | | 9,742 | 51,310 | -81% | 9,742 | 51,310 | -81% |
| Profit attributable to : | | | | | | | |
| Owners of the Company | | 9,742 | 51,310 | -81% | 9,742 | 51,310 | -81% |
| Non-controlling interest | | - | - | | - | - | |
| Profit for the period | | 9,742 | 51,310 | -81% | 9,742 | 51,310 | -81% |
| Basic earnings per share (sen) | B10 (a) | 0.78 | 4.80 | -84% | 0.78 | 4.80 | -84% |
| Diluted earnings per share (sen) | B10 (b) | 0.73 | 4.23 | -83% | 0.73 | 4.23 | -83% |

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | | CUMULATIVE QUARTER | | |
|--|---|---|--------------|---|---|--------------|
| | UNAUDITED CURRENT YEAR QUARTER 31 MAR 2023 RM'000 | UNAUDITED PRECEDING YEAR QUARTER 31 MAR 2022 RM'000 Restated | Changes % | UNAUDITED CURRENT YEAR TO DATE 31 MAR 2023 RM'000 | UNAUDITED PRECEDING YEAR TO DATE 31 MAR 2022 RM'000 Restated | Changes % |
| Profit for the period | 9,742 | 51,310 | -81% | 9,742 | 51,310 | -81% |
| <i>Other comprehensive income, net of tax</i> | | | | | | |
| Foreign currency translation differences for foreign operations | (311) | 74 | -520% | (311) | 74 | -520% |
| Cash flow hedge | (1,508) | 2,096 | -172% | (1,508) | 2,096 | -172% |
| Total comprehensive income for the period | <u>7,923</u> | <u>53,480</u> | <u>-85%</u> | <u>7,923</u> | <u>53,480</u> | <u>-85%</u> |
| Total comprehensive income attributable to : | | | | | | |
| Owners of the Company | 7,923 | 53,480 | -85% | 7,923 | 53,480 | -85% |
| Non-controlling interest | - | - | | - | - | |
| Total comprehensive income for the period | <u>7,923</u> | <u>53,480</u> | <u>-85%</u> | <u>7,923</u> | <u>53,480</u> | <u>-85%</u> |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | AS AT CURRENT FINANCIAL QUARTER END 31-MAR-23 RM'000 UNAUDITED | AS AT 31-DEC-22 RM'000 AUDITED |
|---|--|---|
| | | <small>Restated</small> |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 917,245 | 865,617 |
| Right-of-use assets | 93,816 | 93,111 |
| Investment properties | 4,408 | 4,433 |
| Goodwill | 792 | 792 |
| Derivative financial assets | 1,478 | 2,386 |
| Deferred tax assets | 1,233 | 1,844 |
| | <u>1,018,972</u> | <u>968,183</u> |
| Current assets | | |
| Inventories and contract assets | 354,865 | 301,784 |
| Trade receivables | 137,591 | 138,819 |
| Other receivables, deposits and prepayments | 136,787 | 148,110 |
| Amount due from related companies | 18,494 | 27,190 |
| Tax recoverable | 3,047 | 3,222 |
| Derivative financial assets | - | 879 |
| Cash and bank balances | 104,453 | 127,977 |
| | <u>755,237</u> | <u>747,981</u> |
| TOTAL ASSETS | <u>1,774,209</u> | <u>1,716,164</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to Owners of the Company | | |
| Share capital | 365,926 | 359,883 |
| Foreign currency traslation reserve | 6,382 | 6,693 |
| ICULS equity | 136,089 | 136,889 |
| Warrant reserve | 2,464 | 3,588 |
| Hedging reserve | 272 | 1,780 |
| Retained profit | 410,288 | 400,800 |
| Treasury shares, at cost | (2,220) | (2,220) |
| | <u>919,201</u> | <u>907,413</u> |
| Non-controlling interest | - | - |
| Total equity | <u>919,201</u> | <u>907,413</u> |
| Non-current liabilities | | |
| Loans and borrowings | 243,261 | 174,674 |
| Lease liabilities | 11,503 | 11,979 |
| Deferred taxation | 72,203 | 71,418 |
| | <u>326,967</u> | <u>258,071</u> |
| Current Liabilities | | |
| Trade payables | 101,561 | 121,905 |
| Contract liabilities | 31,226 | 8,338 |
| Other payables and accruals | 38,245 | 39,092 |
| ICULS liabilities | 2,622 | 5,349 |
| Loans and borrowings | 337,128 | 355,618 |
| Amount due to related companies | 5,138 | 9,871 |
| Lease liabilities | 8,928 | 8,228 |
| Derivative financial liabilities | 1,212 | 467 |
| Taxations | 1,981 | 1,812 |
| | <u>528,041</u> | <u>550,680</u> |
| Total liabilities | <u>855,008</u> | <u>808,751</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,774,209</u> | <u>1,716,164</u> |
| Net assets per share attributable to the owners of the company (RM) | 0.74 | 0.77 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

PMB Technology Berhad

Registration No. 200201016594 (584257-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to Owners of the Company | | | | | | Distributable Retained Profits RM'000 | 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 | | | | |
| At 1 January 2023 | 359,883 | (2,220) | 6,693 | 136,889 | 3,588 | 1,780 | 400,800 | 907,413 | - | 907,413 |
| Total comprehensive income for the period | - | - | (311) | - | - | (1,508) | 9,742 | 7,923 | - | 7,923 |
| Conversion of ICULS and Exercise of Warrants | 6,043 | - | - | (800) | (1,124) | - | (254) | 3,865 | - | 3,865 |
| At 31 March 2023 | 365,926 | (2,220) | 6,382 | 136,089 | 2,464 | 272 | 410,288 | 919,201 | - | 919,201 |
| 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 | - | - | 74 | - | - | 2,096 | 51,310 | 53,480 | - | 53,480 |
| Conversion of ICULS and Exercise of Warrants | 75,840 | - | - | (13,116) | 13,142 | - | (3,842) | 45,740 | - | 45,740 |
| Dividend - First interim dividend for the financial year ended 31 Dec 2021 | - | - | - | - | - | - | (11,690) | (11,690) | - | (11,690) |
| At 31 March 2022 | 305,936 | (2,220) | 4,514 | 139,194 | 15,080 | 7,456 | 342,434 | 812,394 | - | 812,394 |
| | | | | | | | Restated | Restated | | Restated |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

PMB Technology Berhad

Registration No. 200201016594 (584257-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-23 RM'000 | UNAUDITED FOR THE 3 MONTHS ENDED 31-MAR-22 RM'000 Restated |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 13,991 | 66,803 |
| Adjustments for: | | |
| Depreciation | 9,517 | 8,697 |
| Net gain on disposal of property, plant and equipment, right-of-use assets and investment properties | - | (2) |
| Unrealised foreign exchange gain | (3,036) | (181) |
| Interest income | (187) | (99) |
| Interest expenses | 5,865 | 4,981 |
| Operating profit before working capital changes | 26,150 | 80,199 |
| Changes in working capital: | | |
| Inventories & contract assets | (53,081) | (60,161) |
| Trade and other receivables | 24,039 | (44,963) |
| Trade and other payables | (2,792) | (32,266) |
| Cash used in operations | (5,684) | (57,191) |
| Income taxes paid | (1,490) | (1,473) |
| Net cash used in operating activities | (7,174) | (58,664) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment, right-of-use assets, land held for property development and investment properties | (62,401) | (8,015) |
| Interest received | 187 | 99 |
| Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale | - | 2 |
| Net cash used in investing activities | (62,214) | (7,914) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest expenses paid | (8,573) | (7,868) |
| Proceeds from bank borrowings | - | 45,590 |
| Repayment of bank borrowings | (18,597) | - |
| Proceeds of Lease Liabilities | 800 | 40 |
| Proceeds from loan | 68,590 | 4,565 |
| Proceeds from Warrants Exercise | 3,851 | 45,176 |
| Net cash from financing activities | 46,071 | 87,503 |
| Exchange differences on translation of the financial statements of foreign operations | (311) | 74 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (23,628) | 20,999 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 127,977 | 83,052 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 104,349 | 104,051 |
| The cash & cash equivalents comprise: | | |
| Cash & bank balances | 104,453 | 104,051 |
| Bank overdraft | (104) | - |
| | 104,349 | 104,051 |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

PART A :EXPLANATORY NOTES

A1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”)’s 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 2022. 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 2022.

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 2022, except for the adoption of the following accounting standards, interpretations and amendments to MFRSs effective for the 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*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024.

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

A2. Significant Accounting Policies (Cont'd)

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.

A6. Debt and equity securities

As at 31 March 2023, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities except the following:

- (i) Issuance of 1,977,867 new ordinary shares pursuant to the conversion of 389,800 units of 5-years 3.00% Irredeemable Convertible Unsecured Loan Stocks (“ICULS”);
- (ii) Issuance of 6,418,355 new ordinary shares pursuant to the exercise of Warrants; and

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**
A6. Debt and equity securities (Cont'd)

- (iii) 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.

A7. Dividend paid

There was no dividend paid during the current quarter under review.

A8. Segmental information

Segmental information is presented in respect of the Group's business segments.

The Group comprises the following main business segments:

Manufacturing & trading : Manufacture of metallic silicon, aluminium access equipment, marketing and trading of other related products.

Construction & fabrication : Contracting, designing and fabrication of aluminium curtain wall, cladding system and system formwork.

| | Manufacturing & trading RM'000 | Construction & fabrication RM'000 | Elimination RM'000 | Total RM'000 |
|--|--------------------------------------|---|-----------------------|-----------------|
| <u>3 months ended 31 March 2023</u> | | | | |
| Total revenue | 190,546 | 90,958 | (6,581) | 274,923 |
| Inter-segment revenue | (6,012) | (569) | 6,581 | - |
| Revenue from external customers | 184,534 | 90,389 | | 274,923 |
| Segment result | 16,513 | 3,343 | | 19,856 |
| Finance cost | | | | (5,865) |
| Tax expense | | | | (4,249) |
| Profit for the period | | | | 9,742 |
| | | | | |
| Segment assets | 2,125,836 | 240,694 | (592,321) | 1,774,209 |
| Segment liabilities | 940,500 | 136,980 | (222,472) | 855,008 |

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

A9. Valuation of property, plant and equipment

Property, plant and equipment of the Group were not revalued during the current quarter under review. All the property, plant and equipment were stated at costs less accumulated depreciation.

A10. Material events subsequent to the balance sheet date

There were no material subsequent events since the end of the current quarter to the date of issue of this report that have not been reflected in the financial statements for the current financial year-to-date.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A12. Contingent liabilities

There were no material changes in contingent liability as at the date of this quarterly report.

A13. Capital commitments

As at 31 March 2023, the Group has the following known capital commitments:

| | |
|--|---------------|
| | RM'000 |
| Authorised property, plant and equipment expenditure not provided for in the financial statements | <u>64,396</u> |

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>4,861</u> |
| Sale of metallic silicon and fabricated aluminium products | <u>8,054</u> |

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**
**PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
B1. Operating Segments Review

| | Year 2023 | Year 2022 |
|------------------------------|-----------|-----------|
| | Q1/23 | Q1/22 |
| | RM'000 | RM'000 |
| <u>Revenue</u> | | |
| Manufacturing & trading | 184,534 | 238,428 |
| Construction & fabrication | 90,389 | 63,543 |
| | 274,923 | 301,971 |
| <u>Segment result</u> | | |
| Manufacturing & trading | 16,513 | 69,468 |
| Construction & fabrication | 3,343 | 2,316 |
| | 19,856 | 71,784 |
| Profit before tax | 13,991 | 66,803 |

(a) Q1/23 vs Q1/22

The Group recorded a revenue of RM274.9 million in current quarter which was 9% lower than RM302.0 million recorded in the preceding year's corresponding quarter. The decrease was mainly due to lower revenue contribution from Manufacturing & Trading segment.

The profit before tax ("PBT") for the Group decreased from RM66.8 million in the preceding year's corresponding quarter to RM14.0 million in current quarter.

Manufacturing and Trading segment

With lower selling price and lower tonnage sold, the revenue from Manufacturing & Trading segment decreased by 23% from RM238.4 million recorded in Q1/22 to RM184.5 million recorded in Q1/23.

Lower revenue coupled with higher raw material and operating costs, the segment profit decreased from RM69.5 million to RM16.5 million in current quarter.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

B1. Operating Segments Review (Cont'd)

Construction and Fabrication segment

Construction & Fabrication segment's revenue increased by 42% from RM63.5 million to RM90.4 million mainly due to the acceleration of progress of certain on-going projects.

In line with higher revenue, the segment profit increased to RM3.3 million in the current quarter from RM2.3 million recorded in Q1/22.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q1/23 vs Q4/22)

The Group recorded a revenue of RM274.9 million in the current quarter, representing a decrease by 11% compared to RM308.1 million in the preceding quarter. The decrease was mainly due to slower progress for certain on-going projects in Construction and Fabrication segment during the current quarter under review.

Lower revenue coupled with higher raw material and operating costs, the PBT decreased by 21% from RM17.8 million to RM14.0 million.

B3. Current year prospects

The global economic outlook is expected to be uncertain and challenging with the persistent inflationary pressures and tighter financial conditions.

Automotive production globally is projected to recover in 2023 despite the weak global economic backdrop as supply chain disruptions are easing globally. It is forecasted that there will be a mid single-digit growth in the sales of light vehicles with EV sales once again expected to outpace the overall market. The improving automotive production volume is likely to contribute to an uptick in demand for silicon metal in the coming quarters.

Growth prospects from the solar sector remains strong for the rest of the year and beyond. Global solar installations in 2023 is expected to grow by 50% to 350GW with demand in many countries expected to post strong growth, led by China which will be the largest market this year, followed by the US and India. The European region is expected to account for 20% of global installations with Germany, Spain and the Netherlands leading the way.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**
B3. Current year prospects (Cont'd)

On the supply situation, the improvement in European energy prices have spurred the restart of some capacity that was previously idled. However, most idled capacity remains offline due to persistent worries about the future direction of energy prices as they are still high on a historical basis.

Despite challenging environment ahead, the Group is cautiously optimistic that the outlook for silicon market should improve.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

| | <u>Quarter Ended 31/03/23</u> | <u>Current Year To-date</u> |
|------------------|-------------------------------|-----------------------------|
| | RM'000 | RM'000 |
| Current taxation | 2,741 | 2,741 |
| Deferred tax | 1,508 | 1,508 |
| Total tax charge | <u>4,249</u> | <u>4,249</u> |

The Group's effective tax rate for the financial year-to-date under review was 30.4%, higher 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.

B7. Group borrowings and debt securities

| | <u>Secured</u> | <u>Unsecured</u> | <u>Total</u> |
|-----------------------------------|----------------|------------------|----------------|
| | (RM'000) | (RM'000) | (RM'000) |
| <u>As at 31 March 2023</u> | | | |
| (a) (i) Current | | | |
| Overdraft | - | 104 | 104 |
| Revolving credit | 18,203 | 3,248 | 21,451 |
| Trade facilities | - | 254,742 | 254,742 |
| Term loan | 60,831 | - | 60,831 |
| | <u>79,034</u> | <u>258,094</u> | <u>337,128</u> |
| (ii) Non-current | | | |
| Term loan | 243,261 | - | 243,261 |
| Total | <u>322,295</u> | <u>258,094</u> | <u>580,389</u> |

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**
B7. Group borrowings and debt securities (Cont'd)

| | <u>Secured (RM'000)</u> | <u>Unsecured (RM'000)</u> | <u>Total (RM'000)</u> |
|-----------------------------------|-----------------------------|-------------------------------|---------------------------|
| <u>As at 31 March 2022</u> | | | |
| (a) (i) Current | | | |
| Overdraft | - | - | - |
| Revolving credit | 17,500 | 36,494 | 53,994 |
| Trade facilities | - | 228,726 | 228,726 |
| Term loan | 60,885 | - | 60,885 |
| | <u>78,385</u> | <u>265,220</u> | <u>343,605</u> |
| (ii) Non-current | | | |
| Term loan | 205,564 | - | 205,564 |
| Total | <u>283,949</u> | <u>265,220</u> | <u>549,169</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 31/03/2023</u> | | <u>As at 31/03/2022</u> | |
|------------------|-------------------------|----------------------|-------------------------|----------------------|
| | HK'000 | RM'000 Equivalent | HK'000 | RM'000 Equivalent |
| Overdraft | - | - | - | - |
| Revolving credit | 18,596 | 10,451 | 66,096 | 35,494 |
| Trade facilities | 78,606 | 44,176 | 100,796 | 54,127 |
| | <u>97,202</u> | <u>54,627</u> | <u>166,892</u> | <u>89,621</u> |

The Group borrowings has increased by RM31.2 million from RM549.2 million to RM580.4 million mainly due to the term loan drawdown for the construction of the metallic silicon plant.

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.

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023

B10. Earnings Per Share

(a) Basic earnings per share

| | Current Quarter | | Year-to-date | |
|---|-----------------|-----------------|-----------------|-----------------|
| | <u>31/03/23</u> | <u>31/03/22</u> | <u>31/03/23</u> | <u>31/03/22</u> |
| Profit attributable to Shareholders (RM'000) | 9,742 | 51,310 | 9,742 | 51,310 |
| Weighted average number of ordinary shares ('000) | 1,242,086 | 1,069,605* | 1,242,086 | 1,069,605* |
| Basic earnings per share (sen) | 0.78 | 4.80* | 0.78 | 4.80* |

(b) Diluted earnings per share

| | Current Quarter | | Year-to-date | |
|---|-----------------|-----------------|-----------------|-----------------|
| | <u>31/03/23</u> | <u>31/03/22</u> | <u>31/03/23</u> | <u>31/03/22</u> |
| Profit attributable to Shareholders (RM'000) | 9,742 | 51,310 | 9,742 | 51,310 |
| Weighted average number of ordinary shares ('000) | 1,337,214 | 1,212,938* | 1,337,214 | 1,212,938* |
| Diluted earnings per share (sen) | 0.73 | 4.23* | 0.73 | 4.23* |

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

B11. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2022 was not subject to any qualification.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**
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 | (187) | (187) |
| b) | Other income including investment income | (69) | (69) |
| c) | Interest expense | 5,865 | 5,865 |
| d) | Depreciation and amortization | 9,517 | 9,517 |
| 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 | (28) | (28) |
| j) | (Gain) or loss on derivatives | 2,408 | 2,408 |
| k) | Exceptional items | - | - |

B13. Derivative Financial Instruments

As at 31 March 2023, 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 | 239,007 | (1,099) |
| - 1 year to 3 years | 168,386 | 492 |
| - More than 3 years | 148,562 | 879 |

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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

B13. Derivative Financial Instruments (Cont'd)

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 31 March 2023.

B15. Comparative figures

The prior year's financial statements have been restated proportionately to reflect the audited financial statements for the financial year ended 31 December 2022.

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
30 May 2023