

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 2023 RM'000	31 DECEMBER 2022 RM'000 Restated		31 DECEMBER 2023 RM'000	31 DECEMBER 2022 RM'000 Restated	
Revenue	B1	194,129	308,146	-37%	989,589	1,183,111	-16%
Operating expenses		(191,084)	(283,591)	-33%	(952,092)	(1,018,535)	-7%
Other operating income	A4	31,656	(1,557)	-2133%	37,246	4,150	797%
Profit from operations		34,701	22,998	51%	74,743	168,726	-56%
Finance costs		(3,669)	(5,179)	-29%	(21,576)	(21,453)	1%
Profit before tax		31,032	17,819	74%	53,167	147,273	-64%
Taxation	B5	635	(8,674)	-107%	(8,006)	(36,918)	-78%
Profit for the period		31,667	9,145	246%	45,161	110,355	-59%
Profit attributable to :							
Owners of the Company		31,667	9,145	246%	45,161	110,355	-59%
Non-controlling interest		-	-		-	-	
Profit for the period		31,667	9,145	246%	45,161	110,355	-59%
Basic earnings per share (sen)	B10 (a)	2.24	0.77	189%	3.19	9.35	-66%
Diluted earnings per share (sen)	B10 (b)	2.24	0.87	158%	3.19	7.45	-57%

(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 DECEMBER 2023 RM'000	AUDITED PRECEDING YEAR QUARTER 31 DECEMBER 2022 RM'000 Restated	Changes %	UNAUDITED CURRENT YEAR TO DATE 31 DECEMBER 2023 RM'000	AUDITED PRECEDING YEAR TO DATE 31 DECEMBER 2022 RM'000 Restated	Changes %
Profit for the period	31,667	9,145	246%	45,161	110,355	-59%
<i>Other comprehensive income, net of tax</i>						
Foreign currency translation differences for foreign operations	(823)	(1,858)	-56%	1,856	2,253	-18%
Cash flow hedge	6,701	24,086	-72%	(11,990)	(3,580)	235%
Total comprehensive income for the period	<u>37,545</u>	<u>31,373</u>	<u>20%</u>	<u>35,027</u>	<u>109,028</u>	<u>-68%</u>
Total comprehensive income attributable to :						
Owners of the Company	37,545	31,373	20%	35,027	109,028	-68%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	<u>37,545</u>	<u>31,373</u>	<u>20%</u>	<u>35,027</u>	<u>109,028</u>	<u>-68%</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 31-DEC-23 RM'000 UNAUDITED	AS AT 31-DEC-22 RM'000 AUDITED
<small>Restated</small>		
ASSETS		
Non-current assets		
Property, plant and equipment	1,198,055	865,617
Right-of-use assets	120,197	93,111
Investment properties	4,331	4,433
Goodwill	792	792
Derivative financial assets	-	2,386
Deferred tax assets	867	1,844
	<u>1,324,242</u>	<u>968,183</u>
Current assets		
Inventories and contract assets	415,401	301,784
Trade receivables	138,395	138,819
Other receivables, deposits and prepayments	124,879	148,110
Amount due from related companies	9,719	27,190
Tax recoverable	2,823	3,222
Derivative financial assets	-	879
Cash and bank balances	98,069	127,977
	<u>789,286</u>	<u>747,981</u>
TOTAL ASSETS	<u>2,113,528</u>	<u>1,716,164</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	512,937	359,883
Foreign currency translation reserve	8,549	6,693
ICULS equity	-	136,889
Warrant reserve	-	3,588
Hedging reserve	(10,210)	1,780
Retained profit	445,655	400,800
Treasury shares, at cost	(2,220)	(2,220)
	<u>954,711</u>	<u>907,413</u>
Non-controlling interest	-	-
Total equity	<u>954,711</u>	<u>907,413</u>
Non-current liabilities		
Loans and borrowings	288,155	174,674
Lease liabilities	16,043	11,979
Other payables and accruals	9,902	-
Derivative financial liabilities	4,741	-
Deferred taxation	71,409	71,418
	<u>390,250</u>	<u>258,071</u>
Current Liabilities		
Trade payables	112,340	121,905
Contract liabilities	8,013	8,338
Other payables and accruals	53,382	39,092
ICULS liabilities	-	5,349
Loans and borrowings	560,965	355,618
Amount due to related companies	13,779	9,871
Lease liabilities	13,794	8,228
Derivative financial liabilities	6,261	467
Taxations	33	1,812
	<u>768,567</u>	<u>550,680</u>
Total liabilities	<u>1,158,817</u>	<u>808,751</u>
TOTAL EQUITY AND LIABILITIES	<u>2,113,528</u>	<u>1,716,164</u>
Net assets per share attributable to the owners of the company (RM)	0.67	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

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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	-	-	1,856	-	-	(11,990)	45,161	35,027	-	35,027
Conversion of ICULS and Exercise of Warrants	153,054	-	-	(136,889)	(3,588)	-	(306)	12,271	-	12,271
At 31 December 2023	512,937	(2,220)	8,549	-	-	(10,210)	445,655	954,711	-	954,711
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)	110,355	109,028	-	109,028
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	400,800	907,413	-	907,413
							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)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED FOR THE 12 MONTHS ENDED 31-DECEMBER-23 RM'000	AUDITED FOR THE 12 MONTHS ENDED 31-DECEMBER-22 RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	53,167	147,273
Adjustments for:		
Depreciation	39,572	36,426
Net gain on disposal of property, plant and equipment, right-of-use assets and investment properties	(25,826)	(9)
Net impairment loss	-	1,322
Inventories written off/(reversal)	(3,222)	6,612
Unrealised foreign exchange gain	(5,337)	(1,679)
Interest income	(685)	(424)
Interest expenses	21,576	21,453
Operating profit before working capital changes	79,245	210,974
Changes in working capital:		
Inventories & contract assets	(110,395)	54,786
Trade and other receivables	45,247	(106,868)
Trade and other payables	19,426	17,144
Cash generated from operations	33,523	176,036
Income taxes paid	(6,613)	(6,751)
Net cash from operating activities	26,910	169,285
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, right-of-use assets, land held for property development and investment properties	(409,149)	(180,454)
Acquisition of a subsidiary, net of cash acquired	-	(17,042)
Interest received	685	424
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	36,308	2
Net cash used in investing activities	(372,156)	(197,070)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(11,690)
Interest expenses paid	(26,903)	(28,878)
Proceeds from bank borrowings	205,354	78,660
Proceeds of Lease Liabilities	9,303	-
Repayment of Lease Liabilities	-	(7,965)
Proceeds from loan	113,474	-
Repayment of loan	-	(47,382)
Proceeds from Warrants Exercise	12,254	84,551
Net cash from financing activities	313,482	67,296
Exchange differences on translation of the financial statements of foreign operations	1,856	5,414
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(29,908)	44,925
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	127,977	83,052
CASH AND CASH EQUIVALENTS AT END OF PERIOD	98,069	127,977
The cash & cash equivalents comprise:		
Cash & bank balances	98,069	127,977
Bank overdraft	-	-
	98,069	127,977

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



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



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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

Included in the other operating income for the current quarter and the financial year to-date, there was a gain of RM25.8 million arising from the disposal of a leasehold land in PMB Cabon Sdn Bhd, a wholly-owned subsidiary of the Company for a total sale consideration of approximately RM36.6 million. For details, please refer to our announcement to Bursa Malaysia Securities Berhad dated 16 October 2023 and 20 December 2023.

Save for the above, 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.



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A6. Debt and equity securities

Upon the maturity date on 12 July 2023, all ICULS were mandatorily converted into ordinary shares and all unexercised Warrants became null and void and ceased to be exercisable. The issued and fully paid-up share capital of the Company was increased by way of:

- (i) Issuance of 338,644,592 new ordinary shares pursuant to the conversion of 66,741,150 units of 5-years 3.00% Irredeemable Convertible Unsecured Loan Stocks (“ICULS”); and
- (ii) Issuance of 20,424,965 new ordinary shares pursuant to the exercise of Warrants.

As at 31 December 2023, 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

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.



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EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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 2023</u>				
Total revenue	150,430	50,008	(6,309)	194,129
Inter-segment revenue	(4,885)	(1,424)	6,309	-
Revenue from external customers	145,545	48,584		194,129
Segment result	6,003	2,891		8,894
Add: Gain on disposal of a leasehold land (A4)				25,807
				34,701
Finance cost				(3,669)
Tax expense				635
Profit for the period				31,667

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>12 months ended 31 December 2023</u>				
Total revenue	705,731	312,853	(28,995)	989,589
Inter-segment revenue	(25,887)	(3,108)	28,995	-
Revenue from external customers	679,844	309,745		989,589
Segment result	38,550	10,386		48,936
Add: Gain on disposal of a leasehold land (A4)				25,807
				74,743
Finance cost				(21,576)
Tax expense				(8,006)
Profit for the period				45,161

Segment assets	2,516,003	201,505	(603,980)	2,113,528
Segment liabilities	1,151,519	92,066	(84,768)	1,158,817

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.



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EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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 December 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>41,635</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>33,761</u>
Sale of metallic silicon and fabricated aluminium products	<u>93,658</u>



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EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 (restated)	
	Q4/23	12M/23	Q4/22	12M/22
	RM'000	RM'000	RM'000	RM'000
Revenue				
Manufacturing & trading	145,545	679,844	186,813	814,805
Construction & fabrication	48,584	309,745	121,333	368,306
	<u>194,129</u>	<u>989,589</u>	<u>308,146</u>	<u>1,183,111</u>
Segment result				
Manufacturing & trading	6,003	38,550	17,715	154,841
Construction & fabrication	2,891	10,386	5,283	13,885
	<u>8,894</u>	<u>48,936</u>	<u>22,998</u>	<u>168,726</u>
Gain on disposal of a leasehold land	25,807	25,807	-	-
	<u>34,701</u>	<u>74,743</u>	<u>22,998</u>	<u>168,726</u>
Profit before tax	5,225	27,360	17,819	147,273
Gain on disposal of a leasehold land	25,807	25,807	-	-
Profit before tax	<u>31,032</u>	<u>53,167</u>	<u>17,819</u>	<u>147,273</u>

(a) Q4/23 vs Q4/22

The Group recorded a revenue of RM194.1 million in the current quarter which was 37% lower than RM308.1 million recorded in the preceding year's corresponding quarter.

With the gain arising from the disposal of a leasehold land, profit before tax ("PBT") for the Group increased from RM17.9 million in the preceding year's corresponding quarter to RM31.0 million in the current quarter.

Manufacturing and Trading segment

Revenue from Manufacturing & Trading segment decreased by 22% from RM186.8 million recorded in Q4/22 to RM145.5 million recorded in Q4/23, mainly due to lower sales volumes in view of weak selling price in Q4/23.

Excluding the gain on disposal of a leasehold land, lower sales volumes coupled with higher operating costs, the segment profit decreased from RM17.7 million to RM6.0 million in the current quarter.



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B1 Operating Segments Review (Cont'd)

(a) Q4/23 vs Q4/22 (Cont'd)

Construction and Fabrication segment

Construction & Fabrication segment's revenue decreased by 60% from RM121.3 million to RM48.6 million mainly due to slower progress of certain on-going projects.

In tandem with lower revenue, the segment profit decreased from RM5.3 million recorded in Q4/22 to RM2.9 million in the current quarter under review.

(b) 12M/23 vs 12M/22

The Group recorded a revenue of RM989.6 million for the year ended 31 December 2023 ("12M/23"), representing a decrease of 16% from RM1,183.1 million recorded for the year ended 31 December 2022 ("12M/22"). With the gain arising from the disposal of a leasehold land, the Group's PBT stood at RM53.2 million compared to RM147.3 million recorded in 12M/22.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment decreased by 17% from RM814.8 million to RM679.8 million, mainly due to the exceptional high selling price of metallic silicon recorded in the first quarter of year 2022, lower sales volumes and lower selling price of the metallic silicon sold in 12M/23.

Excluding the gain on disposal of a leasehold land, lower selling price coupled with higher operating costs, segment profit decreased by RM116.3 million from RM154.8 million recorded during 12M/22 to RM38.6 million during 12M/23.

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM309.7 million during 12M/23, representing a decrease of 16% compared to RM368.3 million recorded in 12M/22.

Segment profit decreased by 25% from RM13.9 million to RM10.4 million mainly due to lower revenue and higher operating costs recorded in 12M/23.



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EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q4/23 vs Q3/23)

The Group recorded a revenue of RM194.1 million in the current quarter, representing a decrease of 35% compared to RM296.7 million in the preceding quarter. The decrease was mainly due to lower contribution from both segments during the current quarter under review.

Excluding the gain on disposal of a leasehold land, the PBT increased by 21% from RM4.3 million to RM5.2 million mainly due to lower finance cost recorded in the quarter under review.

B3. Current year prospects

Q4 2023 saw mixed results in the silicon metal market, with Asian indexes little changed over the preceding quarter, while prices on Western market indexes, especially in the EU, rallied towards the end of the quarter amidst supply constraints stemming from an unforeseen reduction in domestic output and the disruption to trade caused by the militant attacks in the Red Sea.

In spite of the near-term headwinds, the Group maintains its optimism on the long-term prospects of the company as it stands to benefit greatly from the global push towards a cleaner and more sustainable future. Our overarching focus, in meeting the current challenging market conditions, has been to double our efforts in our pursuit of operational excellence and cost leadership, and to deliver measurable results. Continuous improvement in the key aspects of our business strengthens the company's position, enabling it to thrive and fully capitalise when market conditions eventually improve.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	<u>Quarter Ended 31/12/23</u>	<u>Current Year To-date</u>
	RM'000	RM'000
Current taxation	1,853	6,117
Deferred tax	(2,488)	1,889
Total tax charge	<u>(635)</u>	<u>8,006</u>

Excluding the gain on disposal of a leasehold land stated in A4, the Group's effective tax rate for the financial year-to-date under review was 29.3%, higher than the prima facie tax rate.



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EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<u>As at 31 December 2023</u>			
(a) (i) Current			
Overdraft	-	-	-
Revolving credit	30,000	9,145	39,145
Trade facilities	-	460,999	460,999
Term loan	60,821	-	60,821
	<u>90,821</u>	<u>470,144</u>	<u>560,965</u>
(ii) Non-current			
Term loan	288,155	-	288,155
Total	<u>378,976</u>	<u>470,144</u>	<u>849,120</u>

	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	174,674	-	174,674
Total	<u>245,503</u>	<u>284,789</u>	<u>530,292</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 31/12/2023</u>		<u>As at 31/12/2022</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	-	-	-	-
Revolving credit	13,852	8,145	35,890	20,314
Trade facilities	52,284	30,743	94,469	53,469
	<u>66,136</u>	<u>38,888</u>	<u>130,359</u>	<u>73,783</u>



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EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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

The Group borrowings has increased by RM318.8 million from RM530.3 million to RM849.1 million mainly due to the drawdown of short-term loan for working capital and term loan 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.

B10. Earnings Per Share

(a) Basic earnings per share

	Quarter		Year-to-date	
	<u>31/12/23</u>	<u>31/12/22</u> Restated	<u>31/12/23</u>	<u>31/12/22</u> Restated
Profit attributable to Shareholders (RM'000)	31,667	9,145	45,161	110,355
Weighted average number of ordinary shares ('000)	1,415,802	1,180,168	1,415,802	1,180,168
Basic earnings per share (sen)	2.24	0.77	3.19	9.35

(b) Diluted earnings per share

	Quarter		Year-to-date	
	<u>31/12/23</u>	<u>31/12/22</u> Restated	<u>31/12/23</u>	<u>31/12/22</u> Restated
Profit attributable to Shareholders (RM'000)	31,667	13,314	45,161	114,524
Weighted average number of ordinary shares ('000)	1,415,802	1,536,381	1,415,802	1,536,381
Diluted earnings per share (sen)	2.24	0.87	3.19	7.45



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EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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.

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)	(685)
b)	Other income including investment income	(2,145)	(2,420)
c)	Interest expense	3,669	21,576
d)	Depreciation and amortization	10,420	39,572
e)	(Reversal)/Provision for and write off of receivables	-	-
f)	(Reversal)/Provision for and write off of inventories	(3,222)	(3,222)
g)	(Gain) and loss on disposal of quoted or unquoted Investments or properties	(25,807)	(25,807)
h)	Impairment of assets	-	-
i)	Foreign exchange (gain) or loss	3,857	9,745
j)	(Gain) or loss on derivatives	(6,726)	12,896
k)	Exceptional items	-	-

B13. Derivative Financial Instruments

As at 31 December 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	151,064	(5,811)
- 1 year to 3 years	151,680	(4,324)
- More than 3 years	13,799	(75)



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EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B13. Derivative Financial Instruments (Cont'd)

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 2022.

B14. Fair Value Changes of Financial Liabilities

There were no fair value changes of financial liabilities during the current quarter ended 31 December 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
26 February 2024