

**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 %
		30 JUNE 2024 RM'000	30 JUNE 2023 RM'000		30 JUNE 2024 RM'000	30 JUNE 2023 RM'000	
Revenue	B1	253,373	223,852	13%	517,646	498,775	4%
Operating expenses		(241,887)	(214,096)	13%	(502,362)	(472,464)	6%
Other operating income		836	687	22%	5,457	3,988	37%
Profit from operations		12,322	10,443	18%	20,741	30,299	-32%
Finance costs		(7,338)	(6,622)	11%	(13,205)	(12,487)	6%
Profit before tax		4,984	3,821	30%	7,536	17,812	-58%
Taxation	B5	(1,148)	(1,709)	-33%	(2,523)	(5,958)	-58%
Profit for the period		3,836	2,112	82%	5,013	11,854	-58%
Profit attributable to :							
Owners of the Company		3,836	2,112	82%	5,013	11,854	-58%
Non-controlling interest		-	-		-	-	
Profit for the period		3,836	2,112	82%	5,013	11,854	-58%
Basic earnings per share (sen)	B10 (a)	0.24	0.17	41%	0.31	0.95	-67%
Diluted earnings per share (sen)	B10 (b)	0.24	0.15	60%	0.31	0.84	-63%

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	UNAUDITED CURRENT YEAR QUARTER 30 JUNE 2024 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 JUNE 2023 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 30 JUNE 2024 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 JUNE 2023 RM'000	Changes %
Profit for the period	3,836	2,112	82%	5,013	11,854	-58%
<i>Other comprehensive income/(expense), net of tax</i>						
Foreign currency translation differences for foreign operations	-	3,243	-100%	1,282	2,932	-56%
Cash flow hedge	2,451	(19,661)	-112%	(1,440)	(21,169)	-93%
Total comprehensive income/(loss) for the period	<u>6,287</u>	<u>(14,306)</u>	<u>-144%</u>	<u>4,855</u>	<u>(6,383)</u>	<u>-176%</u>
Total comprehensive income/(loss) attributable to :						
Owners of the Company	6,287	(14,306)	-144%	4,855	(6,383)	-176%
Non-controlling interest	-	-		-	-	
Total comprehensive income/(loss) for the period	<u>6,287</u>	<u>(14,306)</u>	<u>-144%</u>	<u>4,855</u>	<u>(6,383)</u>	<u>-176%</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT FINANCIAL QUARTER END 30-JUNE-24 RM'000 UNAUDITED	AS AT 31-DEC-23 RM'000 AUDITED
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,210,316	1,211,918
Right-of-use assets	88,423	120,003
Investment properties	4,281	4,332
Goodwill	792	792
Deferred tax assets	899	867
	<u>1,304,711</u>	<u>1,337,912</u>
<b>Current assets</b>		
Inventories and contract assets	457,284	415,400
Trade receivables	156,247	138,395
Other receivables, deposits and prepayments	217,337	110,782
Amount due from related companies	2,221	9,719
Tax recoverable	4,829	3,324
Cash and bank balances	70,168	98,069
	<u>908,086</u>	<u>775,689</u>
Non-current asset held for sale	21,630	-
	<u>929,716</u>	<u>775,689</u>
<b>TOTAL ASSETS</b>	<u>2,234,427</u>	<u>2,113,601</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	512,937	512,937
Foreign currency traslation reserve	9,831	8,549
Hedging reserve	(11,650)	(10,210)
Retained profit	450,260	445,247
Treasury shares, at cost	(2,220)	(2,220)
	<u>959,158</u>	<u>954,303</u>
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<u>959,158</u>	<u>954,303</u>
<b>Non-current liabilities</b>		
Loans and borrowings	251,640	288,155
Lease liabilities	12,077	16,043
Other payables	8,251	9,902
Derivative financial liabilities	5,681	4,741
Deferred taxation	71,778	71,890
	<u>349,427</u>	<u>390,731</u>
<b>Current Liabilities</b>		
Trade payables	100,478	112,153
Contract liabilities	1,305	8,013
Other payables and accruals	61,092	53,569
Loans and borrowings	731,804	560,965
Amount due to related companies	10,297	13,779
Lease liabilities	13,489	13,794
Derivative financial liabilities	6,872	6,261
Taxations	505	33
	<u>925,842</u>	<u>768,567</u>
<b>Total liabilities</b>	<u>1,275,269</u>	<u>1,159,298</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,234,427</u>	<u>2,113,601</u>
Net assets per share attributable to the owners of the company (RM)	0.60	0.67

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023)

**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				
<b>At 1 January 2024</b>	512,937	(2,220)	8,549	-	-	(10,210)	445,247	954,303	-	954,303
Total comprehensive income for the period	-	-	1,282	-	-	(1,440)	5,013	4,855	-	4,855
<b>At 30 June 2024</b>	<b>512,937</b>	<b>(2,220)</b>	<b>9,831</b>	<b>-</b>	<b>-</b>	<b>(11,650)</b>	<b>450,260</b>	<b>959,158</b>	<b>-</b>	<b>959,158</b>
<b>At 1 January 2023</b>	359,883	(2,220)	6,693	136,889	3,588	1,780	400,800	907,413	-	907,413
Total comprehensive income for the period	-	-	2,932	-	-	(21,169)	11,854	(6,383)	-	(6,383)
Conversion of ICULS and Exercise of Warrants	14,902	-	-	(927)	(3,087)	-	(294)	10,594	-	10,594
<b>At 30 June 2023</b>	<b>374,785</b>	<b>(2,220)</b>	<b>9,625</b>	<b>135,962</b>	<b>501</b>	<b>(19,389)</b>	<b>412,360</b>	<b>911,624</b>	<b>-</b>	<b>911,624</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023)

**PMB Technology Berhad**

Registration No. 200201016594 (584257-X)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	UNAUDITED FOR THE 6 MONTHS ENDED 30-JUNE-24 RM'000	UNAUDITED FOR THE 6 MONTHS ENDED 30-JUNE-23 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,536	17,812
Adjustments for:		
Depreciation	20,733	19,183
Unrealised foreign exchange gain	(4,935)	(3,527)
Interest income	(383)	(315)
Interest expenses	13,205	12,487
Operating profit before working capital changes	36,156	45,640
Changes in working capital:		
Inventories & contract assets	(38,495)	(145,776)
Trade and other receivables	(46,633)	17,832
Trade and other payables	(16,334)	1,364
Cash used in operations	(65,306)	(80,940)
Income taxes paid	(3,589)	(2,154)
<b>Net cash used in operating activities</b>	<b>(68,895)</b>	<b>(83,094)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment, right-of-use assets, land held for property development and investment properties	(89,936)	(143,182)
Interest received	383	315
<b>Net cash used in investing activities</b>	<b>(89,553)</b>	<b>(142,867)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expenses paid	(13,205)	(15,135)
Proceeds from bank borrowings	164,733	70,772
Proceeds of Lease Liabilities	8,146	4,909
Proceeds from loan	-	95,873
Repayment of loan	(30,409)	-
Proceeds from Warrants Exercise	-	10,577
<b>Net cash from financing activities</b>	<b>129,265</b>	<b>166,996</b>
Exchange differences on translation of the financial statements of foreign operations	1,282	2,932
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(27,901)	(56,033)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	98,069	127,977
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>70,168</b>	<b>71,944</b>
The cash & cash equivalents comprise:		
Cash & bank balances	70,168	71,944
Bank overdraft	-	-
	70,168	71,944

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023)

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**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 2023. 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 2023.

**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 2023, 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 2024.

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025.

- Amendment to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**A2. Significant Accounting Policies (Cont'd)**

- 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 30 June 2024, 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.

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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**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.

	<b>Manufacturing &amp; trading RM'000</b>	<b>Construction &amp; fabrication RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>3 months ended 30 June 2024</u></b>				
Total revenue	198,450	57,726	(2,803)	253,373
Inter-segment revenue	(2,483)	(320)	2,803	-
<b>Revenue from external customers</b>	<b>195,967</b>	<b>57,406</b>		<b>253,373</b>
<b>Segment result</b>	<b>10,018</b>	<b>2,304</b>		<b>12,322</b>
Finance cost				(7,338)
Tax expense				(1,148)
<b>Profit for the period</b>				<b>3,836</b>
<b><u>6 months ended 30 June 2024</u></b>				
Total revenue	405,558	121,000	(8,912)	517,646
Inter-segment revenue	(8,238)	(674)	8,912	-
<b>Revenue from external customers</b>	<b>397,320</b>	<b>120,326</b>		<b>517,646</b>
<b>Segment result</b>	<b>15,432</b>	<b>5,309</b>		<b>20,741</b>
Finance cost				(13,205)
Tax expense				(2,523)
<b>Profit for the period</b>				<b>5,013</b>
<b>Segment assets</b>	<b>2,636,735</b>	<b>212,509</b>	<b>(614,817)</b>	<b>2,234,427</b>
<b>Segment liabilities</b>	<b>1,275,476</b>	<b>99,070</b>	<b>(99,277)</b>	<b>1,275,269</b>



**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**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**

On 15 July 2024, PMB Carbon Sdn Bhd, a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement with a third party i.e. Knauf Sdn. Bhd. for the disposal of all that piece of a leasehold land for a total sale consideration of approximately RM79,279,000. For details, please refer to our announcement to Bursa Malaysia Securities Berhad dated 15 July 2024.

Except for the above and disclosure in note B6, there were no other 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 30 June 2024, the Group has the following known capital commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	4,941

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**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>20,183</u>
Sale of metallic silicon and fabricated aluminium products	<u>80,691</u>

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

**B1. Operating Segments Review**

	<b>Year 2024</b>		<b>Year 2023</b>	
	<b>Q2/24</b>	<b>6M/24</b>	<b>Q2/23</b>	<b>6M/23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Revenue</u></b>				
Manufacturing & trading	195,967	397,320	149,359	333,893
Construction & fabrication	57,406	120,326	74,493	164,882
	<u>253,373</u>	<u>517,646</u>	<u>223,852</u>	<u>498,775</u>
<b><u>Segment result</u></b>				
Manufacturing & trading	10,018	15,432	9,297	25,810
Construction & fabrication	2,304	5,309	1,146	4,489
	<u>12,322</u>	<u>20,741</u>	<u>10,443</u>	<u>30,299</u>
<b><u>Profit before tax</u></b>	<u>4,984</u>	<u>7,536</u>	<u>3,821</u>	<u>17,812</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**B1 Operating Segments Review (Cont'd)**

**(a) Q2/24 vs Q2/23**

The Group recorded a revenue of RM253.4 million in the current quarter which was 13% higher than RM223.9 million recorded in the preceding year's corresponding quarter. The increase was mainly due to higher revenue contribution from Manufacturing and Trading segment.

Profit before tax ("PBT") for the Group increased from RM3.8 million in the preceding year's corresponding quarter to RM5.0 million in the current quarter.

**Manufacturing and Trading segment**

Revenue from Manufacturing & Trading segment increased by 31% from RM149.4 million recorded in Q2/23 to RM196.0 million recorded in Q2/24, mainly due to higher sales volume of metallic silicon recorded in the current quarter under review.

In tandem with higher revenue, the segment profit increased by 8% from RM9.3 million recorded in Q2/23 to RM10.0 million recorded in Q2/24 after offsetting higher foreign exchange loss recorded in the current quarter.

**Construction and Fabrication segment**

Construction & Fabrication segment's revenue decreased by 23% from RM74.5 million to RM57.4 million mainly due to slower progress of certain on-going projects.

However, the segment profit increased from RM1.1 million recorded in Q2/23 to RM2.3 million in the current quarter under review mainly due to better contribution for certain projects.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**B1 Operating Segments Review (Cont'd)**

**(b) 6M/24 vs 6M/23**

The Group recorded a revenue of RM517.7 million for the six months ended 30 June 2024 ("6M/24"), representing an increase of 4% from RM498.8 million recorded for the six months ended 30 June 2023 ("6M/23").

However, the Group's PBT decreased from RM17.8 million to RM7.5 million.

**Manufacturing and Trading segment**

Revenue for Manufacturing and Trading segment increased by 19% from RM333.9 million to RM397.3 million, mainly due to higher sales volume of metallic silicon.

However, higher logistics cost coupled with higher foreign exchange loss, segment profit decreased by RM10.4 million from RM25.8 million recorded during 6M/23 to RM15.4 million during 6M/24.

**Construction and Fabrication segment**

Construction and Fabrication segment recorded a revenue of RM120.3 million during 6M/24, representing a decrease of 27% compared to RM164.9 million recorded during 6M/23.

However, segment profit increased from RM4.4 million to RM5.3 million during 6M/24 mainly due to better contribution for certain projects.

**B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q2/24 vs Q1/24)**

The Group recorded a revenue of RM253.4 million in the current quarter, representing a decrease of 4% compared to RM264.3 million in the preceding quarter. The decrease was mainly due to lower contribution from both segments in the current quarter under review.

However, the PBT increased from RM2.6 million to RM5.0 million mainly due to better contribution from metallic silicon plant recorded in the current quarter under review.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**B3. Current year prospects**

Silicon metal prices in Asia remained under pressure in Q2 2024, as challenging market conditions in China emanating from the property and construction slowdown coupled with persistently strong supply continue to weigh on price levels. In the EU, prices moderated from the preceding quarter, affected by the lower prices of imports from China which were partially offset by higher freight costs. Relative to other markets, supply conditions were tighter in the US in the quarter, causing price levels to rise further over the previous quarter.

The Group will continue to focus efforts on driving operational excellence and on strategies that enhances our competitive advantage and that differentiates us from our peers. The emerging trend where global supply chains are being reconfigured for resilience, to reduce the over dependence on any single, dominant source of supply, presents us with a unique opportunity. We believe that we provide a compelling value proposition. As a low-cost, low carbon footprint producer whose supply chain is traceable, we are well positioned to become an integral part of the future, reconstructed and more diversified supply chain.

**B4. Profit forecast**

Not applicable as no profit forecast was published.

**B5. Taxation**

	Quarter Ended 30/06/24	Current Year To-date
	RM'000	RM'000
Current taxation	1,148	2,523
Deferred tax	-	-
Total tax charge	<u>1,148</u>	<u>2,523</u>

The Group's effective tax rate for the financial year-to-date under review was 33.5%, higher than the prima facie tax rate.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**B6. Status of Corporate Proposals Announced but Pending Completion**

The Company has on 29 July 2024 announced a Corporate Proposal of a proposed renounceable rights issue of new ordinary shares (“Rights Shares”) on an entitlement date to be determined to raise gross proceeds in the region of RM300 million, subject to finalisation of the issue price and entitlement basis for the Rights Shares (“Proposed Rights Issue”). Please refer to our announcements dated 29 July 2024 and 1 August 2024 for further details on the Proposed Rights Issue.

Except for the above, 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)
<b><u>As at 30 June 2024</u></b>			
<b>(a) (i) Current</b>			
Overdraft	-	-	-
Revolving credit	103,000	26,006	129,006
Trade facilities	-	535,871	535,871
Term loan	66,927	-	66,927
	<u>169,927</u>	<u>561,877</u>	<u>731,804</u>
<b>(ii) Non-current</b>			
Term loan	251,640	-	251,640
Total	<u>421,567</u>	<u>561,877</u>	<u>983,444</u>
	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
<b><u>As at 30 June 2023</u></b>			
<b>(a) (i) Current</b>			
Overdraft	-	-	-
Revolving credit	20,000	24,078	44,078
Trade facilities	-	321,483	321,483
Term loan	60,815	-	60,815
	<u>80,815</u>	<u>345,561</u>	<u>426,376</u>
<b>(ii) Non-current</b>			
Term loan	270,561	-	270,561
Total	<u>351,376</u>	<u>345,561</u>	<u>696,937</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**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 30/06/2024</u>		<u>As at 30/06/2023</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	-	-	-	-
Revolving credit	41,401	25,006	38,657	23,078
Trade facilities	37,839	22,855	55,405	33,077
	<u>79,240</u>	<u>47,861</u>	<u>94,062</u>	<u>56,155</u>

The Group borrowings has increased by RM286.4 million from RM697.0 million to RM983.4 million mainly due to the drawdown of short-term loan for working capital 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 SECOND QUARTER ENDED 30 JUNE 2024**

**B10. Earnings Per Share**

**(a) Basic earnings per share**

	Quarter		Year-to-date	
	<u>30/06/24</u>	<u>30/06/23</u>	<u>30/06/24</u>	<u>30/06/23</u>
Profit attributable to Shareholders (RM'000)	3,836	2,112	5,013	11,854
Weighted average number of ordinary shares ('000)	1,600,699	1,244,993	1,600,699	1,244,993
Basic earnings per share (sen)	0.24	0.17	0.31	0.95

**(b) Diluted earnings per share**

	Quarter		Year-to-date	
	<u>30/06/24</u>	<u>30/06/23</u>	<u>30/06/24</u>	<u>30/06/23</u>
Profit attributable to Shareholders (RM'000)	3,836	2,112	5,013	11,854
Weighted average number of ordinary shares ('000)	1,600,699	1,414,207	1,600,699	1,414,207
Diluted earnings per share (sen)	0.24	0.15	0.31	0.84

**B11. Auditors' report**

The annual auditors' report of the audited financial statements for the year ended 31 December 2023 was not subject to any qualification.



**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**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	(208)	(383)
b)	Other income including investment income	(57)	(106)
c)	Interest expense	7,338	13,205
d)	Depreciation and amortization	10,424	20,733
e)	(Reversal)/Provision for and write off of receivables	-	-
f)	(Reversal)/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	4,553	8,928
j)	(Gain) or loss on derivatives	(2,451)	1,440
k)	Exceptional items	-	-

**B13. Derivative Financial Instruments**

As at 30 June 2024, 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	116,798	(6,378)
- Less than 1 year	126,644	(5,272)
- 1 year to 3 years	-	-
- More than 3 years	-	-

**EXPLANATORY NOTES TO THE QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

**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 2023.

**B14. Fair Value Changes of Financial Liabilities**

There were no fair value changes of financial liabilities during the current quarter ended 30 June 2024.

**On behalf of the Board**

**Koon Poh Ming**  
**Chief Executive Officer**  
28 August 2024