

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 SEPTEMBER 2024 RM'000	30 SEPTEMBER 2023 RM'000		30 SEPTEMBER 2024 RM'000	30 SEPTEMBER 2023 RM'000	
Revenue	B1	209,835	296,685	-29%	727,481	795,460	-9%
Operating expenses		(197,101)	(288,544)	-32%	(699,463)	(761,008)	-8%
Other operating income		3,613	1,602	126%	9,070	5,590	62%
Profit from operations		16,347	9,743	68%	37,088	40,042	-7%
Finance costs		(6,612)	(5,420)	22%	(19,817)	(17,907)	11%
Profit before tax		9,735	4,323	125%	17,271	22,135	-22%
Taxation	B5	(1,843)	(2,683)	-31%	(4,366)	(8,641)	-49%
Profit for the period		7,892	1,640	381%	12,905	13,494	-4%
Profit attributable to :							
Owners of the Company		7,892	1,640	381%	12,905	13,494	-4%
Non-controlling interest		-	-		-	-	
Profit for the period		7,892	1,640	381%	12,905	13,494	-4%
Basic and diluted earnings per share (sen)	B10	0.49	0.12	298%	0.81	1.02	-21%

(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 SEPTEMBER 2024 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30 SEPTEMBER 2023 RM'000	Changes %	UNAUDITED CURRENT YEAR TO DATE 30 SEPTEMBER 2024 RM'000	UNAUDITED PRECEDING YEAR TO DATE 30 SEPTEMBER 2023 RM'000	Changes %
Profit for the period	7,892	1,640	381%	12,905	13,494	-4%
<i>Other comprehensive income/(expense), net of tax</i>						
Foreign currency translation differences for foreign operations	(2,776)	(253)	997%	(1,494)	2,679	-156%
Cash flow hedge	21,287	2,478	759%	19,847	(18,691)	-206%
Total comprehensive income/(loss) for the period	<u>26,403</u>	<u>3,865</u>	<u>583%</u>	<u>31,258</u>	<u>(2,518)</u>	<u>-1341%</u>
Total comprehensive income/(loss) attributable to :						
Owners of the Company	26,403	3,865	583%	31,258	(2,518)	-1341%
Non-controlling interest	-	-		-	-	
Total comprehensive income/(loss) for the period	<u>26,403</u>	<u>3,865</u>	<u>583%</u>	<u>31,258</u>	<u>(2,518)</u>	<u>-1341%</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-SEP-24 RM'000 UNAUDITED	AS AT 31-DEC-23 RM'000 AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	1,219,183	1,211,918
Right-of-use assets	100,844	120,003
Investment properties	4,255	4,332
Goodwill	792	792
Derivative financial assets	6,227	-
Deferred tax assets	896	867
	<u>1,332,197</u>	<u>1,337,912</u>
Current assets		
Inventories and contract assets	475,354	415,400
Trade receivables	116,515	138,395
Other receivables, deposits and prepayments	234,683	110,782
Amount due from related companies	1,610	9,719
Tax recoverable	5,676	3,324
Derivative financial assets	4,158	-
Cash and bank balances	130,348	98,069
	<u>968,344</u>	<u>775,689</u>
Non-current asset held for sale	23,090	-
	<u>991,434</u>	<u>775,689</u>
TOTAL ASSETS	<u>2,323,631</u>	<u>2,113,601</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	568,316	512,937
Foreign currency translation reserve	7,055	8,549
Hedging reserve	9,637	(10,210)
Retained profit	458,152	445,247
Treasury shares, at cost	(2,220)	(2,220)
	<u>1,040,940</u>	<u>954,303</u>
Non-controlling interest	-	-
Total equity	<u>1,040,940</u>	<u>954,303</u>
Non-current liabilities		
Loans and borrowings	221,231	288,155
Lease liabilities	9,624	16,043
Other payables	8,251	9,902
Derivative financial liabilities	-	4,741
Deferred taxation	73,431	71,890
	<u>312,537</u>	<u>390,731</u>
Current Liabilities		
Trade payables	105,992	112,153
Contract liabilities	845	8,013
Other payables and accruals	73,777	53,569
Loans and borrowings	761,638	560,965
Amount due to related companies	13,859	13,779
Lease liabilities	12,501	13,794
Derivative financial liabilities	-	6,261
Taxations	1,542	33
	<u>970,154</u>	<u>768,567</u>
Total liabilities	<u>1,282,691</u>	<u>1,159,298</u>
TOTAL EQUITY AND LIABILITIES	<u>2,323,631</u>	<u>2,113,601</u>
Net assets per share attributable to the owners of the company (RM)	0.65	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							Total Equity RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Foreign currency translation reserve RM'000	Equity Component of ICULS RM'000	Warrant Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000			
At 1 January 2024	512,937	(2,220)	8,549	-	-	(10,210)	445,247	954,303	-	954,303
Total comprehensive income for the period	-	-	(1,494)	-	-	19,847	12,905	31,258	-	31,258
Private Placement	55,379							55,379	-	55,379
At 30 September 2024	568,316	(2,220)	7,055	-	-	9,637	458,152	1,040,940	-	1,040,940
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	-	-	2,679	-	-	(18,691)	13,494	(2,518)	-	(2,518)
Conversion of ICULS and Exercise of Warrants	153,054	-	-	(136,889)	(3,588)	-	(306)	12,271	-	12,271
At 30 September 2023	512,937	(2,220)	9,372	-	-	(16,911)	413,988	917,166	-	917,166

(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 9 MONTHS ENDED 30-SEPTEMBER-24 RM'000	UNAUDITED FOR THE 9 MONTHS ENDED 30-SEPTEMBER-23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	17,271	22,135
Adjustments for:		
Depreciation	31,324	29,152
Unrealised foreign exchange gain	(18,306)	(4,892)
Interest income	(621)	(498)
Interest expenses	19,817	17,907
Operating profit before working capital changes	49,485	63,804
Changes in working capital:		
Inventories & contract assets	(83,044)	(129,346)
Trade and other receivables	(5,937)	42,416
Trade and other payables	20,639	40,309
Cash (used in)/from operations	(18,857)	17,183
Income taxes paid	(5,237)	(3,846)
Net cash (used in)/from operating activities	(24,094)	13,337
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, right-of-use assets, land held for property development and investment properties	(122,997)	(276,717)
Interest received	621	498
Proceeds from disposal of property, plant and equipment, investment properties and assets classified as held for sale	5,549	-
Net cash used in investing activities	(116,827)	(276,219)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest expenses paid	(19,817)	(23,234)
Proceeds from bank borrowings	178,969	110,267
Proceeds of Lease Liabilities	5,383	145
Proceeds from loan	-	114,170
Repayment of loan	(45,614)	-
Proceeds from Private Placement	55,379	-
Proceeds from Warrants Exercise	-	12,254
Net cash from financing activities	174,300	213,602
Exchange differences on translation of the financial statements of foreign operations	(1,494)	2,679
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	31,885	(46,601)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	98,069	127,977
CASH AND CASH EQUIVALENTS AT END OF PERIOD	129,954	81,376
The cash & cash equivalents comprise:		
Cash & bank balances	130,348	81,376
Bank overdraft	(394)	-
	129,954	81,376

(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 THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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.

On 30 September 2024, a total of 24,000,000 new shares were issued with the issued price of RM2.3177 each pertaining to the private placement in accordance with a general mandate pursuant to Section 75 and 76 of the Companies Act 2016. Please refer to Note B6 for further details.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

A6. Debt and equity securities (Cont'd)

Except for the above and disclosure in Note B6, 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 : Manufacturing 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 30 September 2024</u>				
Total revenue	166,187	53,122	(9,474)	209,835
Inter-segment revenue	(9,253)	(221)	9,474	-
Revenue from external customers	<u>156,934</u>	<u>52,901</u>		<u>209,835</u>
Segment result	<u>14,996</u>	<u>1,351</u>		<u>16,347</u>
Finance cost				(6,612)
Tax expense				(1,843)
Profit for the period				<u>7,892</u>

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

A8. Segmental information (Cont'd)

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>9 months ended 30 September 2024</u>				
Total revenue	571,745	174,122	(18,386)	727,481
Inter-segment revenue	(17,491)	(895)	18,386	-
Revenue from external customers	<u>554,254</u>	<u>173,227</u>		<u>727,481</u>
Segment result	<u>30,428</u>	<u>6,660</u>		<u>37,088</u>
Finance cost				(19,817)
Tax expense				(4,366)
Profit for the period				<u>12,905</u>
Segment assets	2,725,724	222,651	(624,744)	2,323,631
Segment liabilities	1,282,188	111,726	(111,223)	1,282,691

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, the transaction was completed on 2 October 2024. For details, please refer to our announcement to Bursa Malaysia Securities Berhad dated 2 October 2024.

On 22 November 2024, the Company has completed the Renounceable Rights Issue with the listing of and quotation for 243,704,826 Rights Shares with issued price of RM1.27 each. Please refer to Note B6 for details.

Save for the above, 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.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

A11. Changes in the composition of the Group

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

A12. Contingent liabilities

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

A13. Capital commitments

As at 30 September 2024, the Group has the following known capital commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>6,773</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>36,729</u>
Sale of metallic silicon and fabricated aluminium products	<u>114,411</u>

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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

B1. Operating Segments Review

	Year 2024		Year 2023	
	Q3/24	9M/24	Q3/23	9M/23
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Manufacturing & trading	156,934	554,254	200,406	534,299
Construction & fabrication	52,901	173,227	96,279	261,161
	<u>209,835</u>	<u>727,481</u>	<u>296,685</u>	<u>795,460</u>
<u>Segment result</u>				
Manufacturing & trading	14,996	30,428	6,737	32,547
Construction & fabrication	1,351	6,660	3,006	7,495
	<u>16,347</u>	<u>37,088</u>	<u>9,743</u>	<u>40,042</u>
Profit before tax	<u>9,735</u>	<u>17,271</u>	<u>4,323</u>	<u>22,135</u>

(a) Q3/24 vs Q3/23

The Group recorded a revenue of RM209.8 million in the current quarter which was 29% lower than RM296.7 million recorded in the preceding year's corresponding quarter. The decrease was mainly due to lower revenue contribution from both segments.

However, profit before tax ("PBT") for the Group increased from RM4.3 million in the preceding year's corresponding quarter to RM9.7 million in the current quarter.

Manufacturing and Trading segment

Revenue from Manufacturing & Trading segment decreased by 22% from RM200.4 million recorded in Q3/23 to RM156.9 million recorded in Q3/24, mainly due to lower sales volume of metallic silicon recorded in the current quarter under review.

However, the segment profit increased from RM6.7 million recorded in Q3/23 to RM15.0 million recorded in Q3/24 mainly due to higher foreign exchange gain recorded in the current quarter.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

B1 Operating Segments Review (Cont'd)

(a) Q3/24 vs Q3/23 (Cont'd)

Construction and Fabrication segment

Construction & Fabrication segment's revenue decreased from RM96.3 million to RM52.9 million mainly due to slower progress of certain on-going projects.

In tandem with the lower revenue, the segment profit decreased from RM3.0 million recorded in Q3/23 to RM1.4 million in the current quarter under review.

(b) 9M/24 vs 9M/23

The Group recorded a revenue of RM727.5 million for the nine months ended 30 September 2024 ("9M/24"), representing a decrease of 9% from RM795.5 million recorded for the nine months ended 30 September 2023 ("9M/23").

In tandem with the lower revenue, the Group's PBT decreased from RM22.1 million to RM17.3 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment increased by 4% from RM534.3 million to RM554.3 million, mainly due to higher sales volume of metallic silicon recorded in 9M/24.

However, segment profit decreased by RM2.1 million from RM32.5 million recorded during 9M/23 to RM30.4 million during 9M/24 due to lower selling price transacted during 9M/24.

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM173.2 million during 9M/24, representing a decrease of 34% compared to RM261.2 million recorded during 9M/23. In tandem with lower revenue, segment profit decreased by 11% from RM7.5 million to RM6.7 million.

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter (Q3/24 vs Q2/24)

The Group recorded a revenue of RM209.8 million in the current quarter, representing a decrease of 17% compared to RM253.4 million in the preceding quarter. The decrease was mainly due to lower contribution from silicon metal plant in the current quarter under review.

However, the PBT increased from RM5.0 million to RM9.7 million mainly due to higher foreign exchange gain recorded in the current quarter under review.

B3. Current year prospects

The global economy is expected to experience a low-growth period, mainly due to ongoing tight financial conditions and a slowing Chinese economy, while facing ongoing downside risks such as rising geopolitical tensions, trade protectionist policy and the possibility of debt distress in developing economies.

The silicon metal indices in Asia were fairly stable in Q3 2024, a possible signal that price levels are close to bottoming out after several quarters of decline. Market conditions in China are expected to gradually recover as the recently introduced measures by the government to stem the downturn in the property sector are beginning to produce positive indications that a turnaround is underway. Q3 price levels in Europe were marginally lower over the previous quarter which could be due to lower freight costs and more importantly, the succession of negative headlines that hit the automotive sector during the quarter. The US index dropped considerably in the most recent quarter from a historically high level as competitors adopt a more aggressive pricing strategy. However, a wide gap still remains between price levels in the US and other markets.

The group will stay the course and continue to strengthen our position as a low-cost and low emission producer while maintaining a high degree of traceability in our entire supply chain. We remain optimistic on our long-term prospects due to the essential role silicon metal plays in tackling one of the toughest challenges facing the world- the decarbonisation of the global energy supply.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	<u>Quarter Ended 30/09/24</u>	<u>Current Year To-date</u>
	RM'000	RM'000
Current taxation	843	3,366
Deferred tax	1,000	1,000
Total tax charge	<u>1,843</u>	<u>4,366</u>

The Group's effective tax rate for the financial year-to-date under review was 25.3%, slightly higher than the prima facie tax rate.

B6. Status of Corporate Proposals Announced

a) Private Placement

On 1 October 2024, the Company has completed Private Placement with the listing of and quotation for 24,000,000 new Placement Shares with issued price of RM 2.3177 each. The total proceeds raised was RM 55,624,800.00. For details, please refer to our announcement on Bursa Malaysia Securities Berhad dated 1 October 2024.

b) Rights Issue

On 22 November 2024, the Company has completed the Renounceable Rights Issue with the listing of and quotation for 243,704,826 Rights Shares with issued price of RM1.27 each on the basis of three (3) Rights Shares for every twenty (20) existing PMBT Shares. The total proceeds raised was RM309,505,129.00 million. For details, please refer to our announcement on Bursa Malaysia Securities Berhad dated 22 November 2024.

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

B6. Status of Corporate Proposals Announced (Cont'd)

At the date of this report, the status of utilisation of proceeds from the Private Placement and Rights Issue are as follows:

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Estimated Timeframe for utilisation
Private Placement			
Repayment of bank borrowings	33,375	33,375	Within 3 months
Working Capital	22,004	22,004	Within 3 months
Estimated expenses in relation to the Private Placement	246	246	Within 1 month
	55,625	55,625	
Rights Issue			
Repayment of bank borrowings	308,305	-	Within 6 months
Defrayment of estimated expenses for the Rights Issue	1,200	128	Within 3 months
	309,505	1,328	

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)
<u>As at 30 September 2024</u>			
(a) (i) Current			
Overdraft	-	394	394
Revolving credit	108,500	26,403	134,903
Trade facilities	-	544,210	544,210
Term loan	82,131	-	82,131
	<u>190,631</u>	<u>571,007</u>	<u>761,638</u>
(ii) Non-current			
Term loan	221,231	-	221,231
	<u>411,862</u>	<u>571,007</u>	<u>982,869</u>

EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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

	<u>Secured</u> (RM'000)	<u>Unsecured</u> (RM'000)	<u>Total</u> (RM'000)
<u>As at 30 September 2023</u>			
(a) (i) Current			
Overdraft	-	-	-
Revolving credit	20,000	7,532	27,532
Trade facilities	-	377,525	377,525
Term loan	60,818	-	60,818
	<u>80,818</u>	<u>385,057</u>	<u>465,875</u>
(ii) Non-current			
Term loan	288,854	-	288,854
Total	<u>369,672</u>	<u>385,057</u>	<u>754,729</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 30/09/2024</u>		<u>As at 30/09/2023</u>	
	HK'000	RM'000 Equivalent	HK'000	RM'000 Equivalent
Overdraft	691	394	-	-
Revolving credit	44,568	25,403	10,905	6,532
Trade facilities	40,215	22,923	51,461	30,825
	<u>85,474</u>	<u>48,720</u>	<u>62,366</u>	<u>37,357</u>

The Group borrowings has increased by RM228.2 million from RM754.7 million to RM982.9 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 THIRD QUARTER ENDED 30 SEPTEMBER 2024**

B10. Basic and Diluted Earnings Per Share (“EPS”)

	Quarter		Year-to-date	
	<u>30/09/24</u>	<u>30/09/23</u>	<u>30/09/24</u>	<u>30/09/23</u>
Profit attributable to Shareholders (RM’000)	7,892	1,640	12,905	13,494
Weighted average number of ordinary shares (’000)	1,600,962	1,325,297	1,600,962	1,325,297
Basic and diluted EPS (sen)	0.49	0.12	0.81	1.02

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.

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	(237)	(621)
b)	Other income including investment income	(70)	(176)
c)	Interest expense	6,612	19,817
d)	Depreciation and amortization	10,590	31,324
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	(7,767)	1,161
j)	(Gain) or loss on derivatives	(21,287)	(19,847)
k)	Exceptional items	-	-

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

B13. Derivative Financial Instruments

As at 30 September 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		
- Less than 1 year	80,396	3,858
- 1 year to 3 years	107,824	5,779
- More than 3 years	-	-

The Group entered into the forward exchange contracts to hedge its highly probable forecast transactions denominated in foreign currency expected to occur in the future. Such contracts have maturity dates that match the expected occurrence of these transactions. These financial instruments are stated at fair value based on the financial institution's quote.

All the derivatives were contracted with creditworthy financial institutions to mitigate the credit risk, market risk and liquidity risk associated with the derivatives.

There is no cash requirement for these derivatives other than the repayment obligation for the bank borrowings.

There have been no changes made to the accounting policies associated with those derivatives since the end of the previous financial year ended 31 December 2023.

B14. Fair Value Changes of Financial Liabilities

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

On behalf of the Board

Datuk Koon Poh Ming
Chief Executive Officer
28 November 2024