



GREATECH TECHNOLOGY BERHAD
(Company No. 201801008633 (1270647-H))
(Incorporated in Malaysia under the Companies Act 2016)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

GREATECH TECHNOLOGY BERHAD
(Company No. 201801008633 (1270647-H))

(Incorporated in Malaysia under the Companies Act 2016)

Interim Financial Report For The Second Quarter Ended 30 June 2020



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2020 ⁽¹⁾**

	Unaudited As at 30/06/2020 RM'000	Audited As at 31/12/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,301	37,548
Right-of-use assets	28,188	29,131
	<u>65,489</u>	<u>66,679</u>
Current assets		
Inventories	26,353	2,865
Trade and other receivables	22,151	30,240
Contract assets	54,043	26,409
Derivative assets	-	9
Current tax assets	506	506
Short term funds	174,714	176,528
Cash and bank balances	18,524	41,404
	<u>296,291</u>	<u>277,961</u>
TOTAL ASSETS	<u>361,780</u>	<u>344,640</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	111,951	111,951
Reserves	119,748	83,639
Total equity	<u>231,699</u>	<u>195,590</u>
Non-current liabilities		
Borrowings	17,919	18,128
Lease liabilities	1,505	2,186
Deferred tax liabilities	3,139	3,139
Government grant	592	659
	<u>23,155</u>	<u>24,112</u>
Current liabilities		
Trade and other payables	28,715	29,147
Contract liabilities	34,036	56,189
Provision for warranties	41,280	37,124
Derivative liabilities	3	-
Borrowings	1,388	1,001
Lease liabilities	1,367	1,331
Government grant	133	133
Current tax liability	4	13
	<u>106,926</u>	<u>124,938</u>
Total liabilities	<u>130,081</u>	<u>149,050</u>
TOTAL EQUITY AND LIABILITIES	<u>361,780</u>	<u>344,640</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2020 ⁽¹⁾**

	Unaudited As at 30/06/2020	Audited As at 31/12/2019
Number of ordinary shares in issue ('000)	626,000	626,000
Net assets per share attributable to owners of the parent (RM)	0.37	0.31

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2020 ⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	56,222	51,004	108,960	109,731
Cost of sales	<u>(34,411)</u>	<u>(37,069)</u>	<u>(66,224)</u>	<u>(76,672)</u>
Gross profit	21,811	13,935	42,736	33,059
Other income	2,887	3,364	7,816	4,883
Administrative and marketing expenses	(6,638)	(6,218)	(13,460)	(14,130)
Finance costs	<u>(230)</u>	<u>(155)</u>	<u>(461)</u>	<u>(257)</u>
Profit before tax	17,830	10,926	36,631	23,555
Tax expenses	<u>(201)</u>	<u>(122)</u>	<u>(515)</u>	<u>(203)</u>
Profit for the financial period	17,629	10,804	36,116	23,352
Other comprehensive income, net of tax				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translations	<u>*</u>	<u>*</u>	<u>(7)</u>	<u>*</u>
Total comprehensive income for the financial period attributable to owners of the parent	<u>17,629</u>	<u>10,804</u>	<u>36,109</u>	<u>23,352</u>
Earnings per share attributable to owners of the parent (sen)				
- Basic/Diluted ⁽²⁾	<u>2.82</u>	<u>2.03</u>	<u>5.77</u>	<u>7.84</u>

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

(2) Based on weighted average number of ordinary shares in issue during the financial period under review.

* Less than RM1,000

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2020 ⁽¹⁾

	----- Attributable to Owners of the Parent -----					Total equity RM'000
	----- Non-distributable -----			Distributable		
	Share capital RM'000	Exchange translation reserve RM'000	Reorganisation debit reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2020	111,951	7	(39,500)	5,464	117,668	195,590
Profit for the financial period	-	-	-	-	36,116	36,116
Realisation of revaluation surplus	-	-	-	(87)	87	-
Other comprehensive income, net of tax	-	(7)	-	-	-	(7)
Total comprehensive income	-	(7)	-	(87)	36,203	36,109
Balance as at 30 June 2020	111,951	*	(39,500)	5,377	153,871	231,699
Balance as at 1 January 2019	1,000	*	-	3,605	65,261	69,866
Profit for the financial period	-	-	-	-	23,352	23,352
Realisation of revaluation surplus	-	-	-	(55)	55	-
Other comprehensive income, net of tax	-	*	-	-	-	*
Total comprehensive income	-	*	-	(55)	23,407	23,352
Transactions with owners:						
Acquisition of subsidiaries in business combination under common control	39,500	-	(39,500)	-	-	-
Issuance of shares	73,048	-	-	-	-	73,048
Share issue expenses	(1,597)	-	-	-	-	(1,597)
Total transactions with owners	110,951	-	(39,500)	-	-	71,451
Balance as at 30 June 2019	111,951	*	(39,500)	3,550	88,668	164,669

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

* Less than RM1,000

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2020 ⁽¹⁾

	6 months ended	
	30/06/2020	30/06/2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	36,631	23,555
Adjustments for:		
Amortisation of government grant	(67)	(66)
COVID-19 related rent concessions	(22)	-
Depreciation of property, plant and equipment	1,751	1,331
Depreciation of right-of-use assets	959	-
Fair value adjustment on derivative	12	-
Impairment losses on contract assets	3,458	-
Impairment losses on trade receivables	419	555
Interest expense	461	257
Interest income	(358)	(276)
Property, plant and equipment written off	-	2
Provision for warranties	7,623	7,565
Reversal of impairment losses on trade receivables	(180)	(523)
Reversal of unused provision for warranties	(3,467)	-
Unrealised (gain)/loss on foreign exchange	(161)	1,484
	<hr/>	<hr/>
Operating profit before changes in working capital	47,059	33,884
(Increase)/Decrease in inventories	(23,488)	1,958
Decrease in trade and other receivables	8,012	24,274
Increase in contract assets	(31,092)	-
Decrease in trade and other payables	(357)	(10,863)
Decrease in contract liabilities	(22,153)	-
Warranties paid	-	(35)
	<hr/>	<hr/>
Cash (used in)/generated from operations	(22,019)	49,218
Interest paid	(393)	(257)
Interest received	358	276
Tax paid	(524)	(252)
Tax refunded	-	283
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(22,578)	49,268

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2020 ⁽¹⁾

	6 months ended	
	30/06/2020	30/06/2019
	RM'000	RM'000
Cash flows from investing activities		
Net changes in deposits pledged with licensed banks	(42)	(21)
Purchase of property, plant and equipment	(1,504)	(19,707)
Purchase of right-of-use assets	(16)	-
	<u>(1,562)</u>	<u>(19,728)</u>
Net cash used in investing activities	(1,562)	(19,728)
Cash flows from financing activities		
Proceeds from:		
- hire purchase creditors	-	300
- issuance of ordinary shares	-	73,048
- term loans	490	19,181
Share issue expenses	-	(1,597)
Repayment of:		
- hire purchase creditors	-	(852)
- lease liabilities	(691)	-
- term loans	(312)	(376)
Net cash (used in)/from financing activities	<u>(513)</u>	<u>89,704</u>
Net changes in cash and cash equivalents	(24,653)	119,244
Effect of exchange rate changes on cash and cash equivalents	(83)	(1,427)
Cash and cash equivalents at beginning of financial period	<u>215,108</u>	<u>62,273</u>
Cash and cash equivalents at end of financial period	<u><u>190,372</u></u>	<u><u>180,090</u></u>
Cash and cash equivalents comprise the following at end of financial period:		
Cash and bank balances	15,530	78,857
Deposits with licensed banks	2,994	2,845
Short term funds	174,714	101,129
	<u>193,238</u>	<u>182,831</u>
Less: Deposits pledged to licensed banks	(2,866)	(2,741)
	<u><u>190,372</u></u>	<u><u>180,090</u></u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2020 ⁽¹⁾

Reconciliation of liabilities arising from financing activities

	Lease liabilities RM'000	Term loans RM'000
Balance as at 1 January 2020	3,517	19,129
Cash flows	(691)	178
Non-cash flows		
- COVID-19 related rent concessions	(22)	-
- unwinding of interest	68	-
Balance as at 30 June 2020	<u>2,872</u>	<u>19,307</u>

	Hire purchase creditors RM'000	Term loans RM'000
Balance as at 1 January 2019	3,047	5,096
Cash flows	(552)	18,805
Balance as at 30 June 2019	<u>2,495</u>	<u>23,901</u>

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

Part A - Explanatory Notes Pursuant To MFRS 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial report of Greatech Technology Berhad (“Company” or “Greatech”) and its subsidiaries (collectively known as “the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRSs”) 134 *Interim Financial Reporting* and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited financial statements, except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC interpretations.

a) New and revised MFRSs, Amendments to MFRSs and IC interpretations adopted during the financial period

Title	Effective date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendments to MFRS 16 Covid-19-Related Rent Concessions</i>	1 June 2020

The adoption of the above accounting standards and interpretations have no impact on the financial statements of the Group upon their initial application.

b) New and revised MFRSs, Amendments to MFRSs and IC interpretations, but only effective for annual periods beginning on or after 1 January 2021

The following are standards of the MFRSs Framework that have been issued by the Malaysian Accounting Standards Board but have not been early adopted by the Group:

Title	Effective date
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018–2020”</i>	1 January 2022
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A2. Significant Accounting Policies (Cont'd)

b) New and revised MFRSs, Amendments to MFRSs and IC interpretations, but only effective for annual periods beginning on or after 1 January 2021 (Cont'd)

Amendments to MFRS 116 <i>Property, Plant and Equipment—Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts—Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

A3. Audit Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2019.

A4. Seasonal or Cyclical Factors

The Group did not experience any material seasonality or cyclicity in the business as the demand for the products and services are neither subject to seasonal fluctuations nor cyclical variations.

A5. Material Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect in the current financial quarter under review.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. Dividend Paid

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

A9. Segmental Reporting

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the sale of automated equipment together with provision of parts and services.

No provision of parts and services segment information is presented as the Chief Executive Officer ("CEO") views the Group as a single reportable segment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A10. Valuations of Property, Plant and Equipment and Right-Of-Use Assets

The valuations of buildings and leasehold land classified under Property, Plant and Equipment and Right-Of-Use Assets is performed by an independent professional valuer using the open market value basis on 31 December 2019.

A11. Material Events Subsequent to the end of the Interim Financial Period

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A12. Changes in Group's Composition

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

A13. Contingent Assets and Contingent Liabilities

There were no material contingent assets or contingent liabilities to be disclosed as at the date of this interim financial report.

A14. Capital Commitments

Save as disclosed below, as at 30 June 2020, the Group does not have any material capital commitments:

	RM'000
- Approved and contracted for	<u>27,620</u>

Capital commitments of the Group relate to the construction of new operational facility at Batu Kawan, Penang, computer systems, plant and machinery, electrical installations and motor vehicles.

A15. Significant Related Party Transactions

There were no significant related party transactions during the current financial quarter under review.

A16. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current financial quarter under review.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

Part B - Additional Information Required by the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Group's Performance

Comparison with prior year corresponding quarter results

The Group's revenue of RM56.22 million were 10.24% or RM5.22 million higher than that of prior year corresponding quarter. The increase was attributable to the revenue generated from single automated equipment of energy storage and medical device where none were recorded in the prior year corresponding quarter and the increase in revenue of production line systems and provision of parts and services for the existing sectors. The Group showed a better performance in the current quarter as compared to that of prior year corresponding quarter. The Group's energy storage and medical device sector have contributed positively to the revenue during the first half ended 30 June 2020.

The Group has recorded a higher gross profit ("GP") of RM21.81 million or 38.79% as compared to 27.33% in the prior year corresponding quarter. The increase was in line with the previously announced optimisation of processes to boost production efficiency.

The Group's profit before tax ("PBT") for the current financial quarter was RM17.83 million or 31.71% of revenue, an increase of RM6.90 million or 63.13% as compared to the prior year corresponding quarter. The increase is primarily due to the improvement in GP margin and the increase in dividend income from short term funds, despite a drop in gain on realised and unrealised foreign exchange arising mainly from the fluctuation of USD against MYR and offset by higher impairment of contract assets in accordance with MFRS 9.

Comparison with prior year cumulative quarter results

For the first half ended 30 June 2020, the Group's cumulative revenue has decreased marginally by 0.70% from RM109.73 million in 2019 to RM108.96 million in 2020. This is primarily attributable to the lower revenue recorded from the provision of parts and services in first quarter of 2020.

Despite the drop in revenue, PBT has increased by 55.48% from RM23.56 million in 2019 to RM36.63 million in 2020. This is in line with the higher GP as explained earlier as well as the increase in other income.

B2. Comparison with Immediate Preceding Quarter's Results

The Group's revenue for the current financial quarter ended 30 June 2020 increased by RM3.48 million or 6.60% to RM56.22 million as compared to RM52.74 million in the preceding financial quarter ended 31 March 2020. The Group's positive second quarter result is driven by the shipment of single automated equipment and provision of parts and services.

PBT of the Group for the current financial quarter was RM17.83 million, compared to preceding financial quarter of RM18.80 million. Despite the decrease in administrative and marketing expenses, the drop in PBT was due to the decrease in other income for this quarter by RM2.04 million attributable mainly to the decrease in realised and unrealised gains on foreign exchange from the fluctuation of USD against MYR as compared to the stable increase in USD against MYR during the first quarter of 2020 and a higher impairment of contract assets in accordance with MFRS 9.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B3. Commentary on Prospects

The unforeseen challenges caused by COVID-19 has continued to weigh global markets with negative health and economic effects. Despite challenging market conditions posed by COVID-19 through the reporting quarter, the Group was able to navigate the situation well and achieved a solid performance in the second quarter and first half ended 30 June 2020. The Group's solar business was not materially impacted by the pandemic. This reflects the Group's strong competitive position and has been very resilient in the current economic tough times. Despite the weakening global demand in automotive industry and continuous COVID-19 related restrictions and challenges, the Group's energy storage business developed very positively. The Group has secured new orders from a new customer recently and recorded a notably increase in the order book with orders totalling RM295 million as of today.

In operations, the Group is continuing to take the necessary steps to protect the safety and health of the employees, aligned with customers and regulatory requirements.

While progressing to commission the ongoing projects as planned, the Group remained in regular contact with customers for promising new project orders and focused on driving adoption of new energy storage and medical device offerings across the region.

Going forward the markets continue to be characterised by a level of uncertainty around the worsening US-China trade tension and the extent of reimposition of lockdowns, government action to revive the economy and the speed of economy recovery. The Group believes the challenging environment continues to offer a unique opportunity in the emerging market and prospect for the Group as a leading automation solutions provider is favourable.

B4. Profit Forecast

The Group did not issue any profit forecast during the financial quarter under review.

B5. Status of Corporate Proposals

There were no corporate proposals for the current financial quarter under review.

B6. Tax Expenses

	Unaudited			
	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current tax	(181)	(122)	(390)	(203)
- Deferred tax liabilities	-	-	-	-
Foreign withholding tax	(20)	-	(125)	-
	<u>(201)</u>	<u>(122)</u>	<u>(515)</u>	<u>(203)</u>
Effective tax rates	1.13%	1.12%	1.41%	0.86%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B6. Tax Expenses (Cont'd)

The overall effective tax rate for the financial period of the Group was lower than the statutory tax rate of 24% as the subsidiary, Greatech Integration (M) Sdn. Bhd., was granted pioneer status by Ministry of International Trade and Industry of Malaysia under the Promotion of Investments Act, 1986 on 29 March 2013, for a period of five (5) years up to 28 March 2018, which was subsequently extended for another five (5) years to 28 March 2023. As such, its statutory income during this period is exempted from income tax.

Foreign withholding tax is related to withholding tax liability from sales of production line systems and provision of engineering services to a customer in certain jurisdiction. Due to complexity of the tax law, significant judgement is required in evaluating the tax positions, including uncertainties. There is no assurance of refundability. Thus, the Group has decided to expense the withholding tax to the profit or loss.

B7. Use of Proceeds from the Initial Public Offering (“IPO”)

The gross proceeds of RM73.05 million raised from the Public Issue and status of utilisation as at 30 June 2020 is disclosed in the following manner:

Purposes	Estimated time frame for utilisation upon Listing	Proposed utilisation RM'000	Actual utilisation RM'000	Percentage utilised %
Business expansion and development, and marketing activities	Within 48 months	18,000	1,050	6%
Capital expenditure	Within 24 months	5,000	4,718	94%
R&D expenditure	Within 24 months	5,000	1,999	40%
Working capital	Within 30 months	36,548	36,548	100%
Repayment of bank borrowings	Within 3 months	4,500	4,500	100%
Estimated listing expenses	Immediately	4,000	4,000	100%
Total		73,048	52,815	72%

The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 May 2019.

B8. Borrowings and Debt Securities

The details of the Group's borrowings are as follows:

	Unaudited	
	30/06/2020 RM'000	30/06/2019 RM'000
Secured:		
Current liabilities		
Hire purchase creditors	-	1,817
Term loans	1,388	1,176
	<u>1,388</u>	<u>2,993</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B8. Borrowings and Debt Securities (Cont'd)

Non-current liabilities	
Hire purchase creditors	- 678
Term loans	17,919 22,725
	<u>17,919 23,403</u>
Total liabilities	
Hire purchase creditors	- 2,495
Term loans	19,307 23,901
	<u>19,307 26,396</u>

B9. Derivative Liabilities

The details of outstanding derivative instruments as at 30 June 2020 are as follow:

	Contract amount	Liability
	RM'000	RM'000
Forward Foreign Exchange Contracts:		
- Less than 1 year	854	3
	<u>854</u>	<u>3</u>

The Group's derivative liabilities at the end of the current financial quarter comprise forward foreign exchange contracts which are used to manage the foreign currency exposures arising from the Group's receivables denominated in USD. The fair value of the forward foreign exchange contracts is based on the difference between the contracted forward rates and the mark-to-market rates.

B10. Material Litigation

As at the date of this interim financial report, there were no material litigations involving the Group.

B11. Proposed Dividend

The Board of Directors did not declare or recommend any dividend for the current financial quarter under review.

B12. Earnings Per Share ("EPS")

	Unaudited			
	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Profit after tax attributable to owners of the parent (RM'000)	17,629	10,804	36,116	23,352
Weighted average number of ordinary shares in issue ('000)	626,000	531,253	626,000	297,860
Basic EPS (sen) ⁽¹⁾	2.82	2.03	5.77	7.84
Diluted EPS (sen) ⁽²⁾	2.82	2.03	5.77	7.84

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B12. Earnings Per Share (“EPS”) (Cont’d)

- (1) Basic EPS is calculated based on the profit after tax attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the financial period under review.
- (2) Diluted EPS equals basic EPS, as the Company does not have any convertible options at the end of the interim financial period.

B13. Profit Before Tax

Included in profit before tax for the financial period are the following income/(expense) items:

	Unaudited			
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30/06/2020 RM’000	30/06/2019 RM’000	30/06/2020 RM’000	30/06/2019 RM’000
Amortisation of government grant	33	33	67	66
COVID-19 related rent concessions	22	-	22	-
Depreciation of property, plant and equipment	(876)	(692)	(1,751)	(1,331)
Depreciation of right-of-use assets	(481)	-	(959)	-
Fair value adjustment on derivative	241	-	(12)	-
Impairment losses on contract assets	(3,458)	-	(3,458)	-
Impairment losses on trade receivables	(419)	(555)	(419)	(555)
Interest expense	(230)	(155)	(461)	(257)
Interest income	147	265	358	276
Property, plant and equipment written off	-	(2)	-	(2)
Provision for warranties	(4,125)	(3,564)	(7,623)	(7,565)
Realised gain on foreign exchange	944	2,542	3,312	3,181
Reversal of impairment losses on contract assets	732	-	732	-
Reversal of impairment losses on trade receivables	159	387	180	523
Reversal of unused provision for warranties	2,864	-	3,467	-
Unrealised gain/(loss) on foreign exchange	(369)	(1,052)	161	(1,484)