

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2020 RM '000	PRECEDING YEAR QUARTER 31/12/2019 RM '000	CURRENT YEAR TO DATE 31/12/2020 RM '000	PRECEDING YEAR TO DATE 31/12/2019 RM '000
Revenue	60,247	81,826	239,872	335,990
Interest income	359	734	1,445	2,249
Impairment gains on financial assets	-	76	-	7
Operating expenses	(72,402)	(81,688)	(283,903)	(328,515)
Other income	(7,023)	(937)	5,540	2,094
Finance costs	(500)	(748)	(2,455)	(3,305)
Share of associates' profit/(loss)	6,785	(693)	(757)	(1,424)
(Loss)/Profit before tax (Note 18)	(12,534)	(1,430)	(40,258)	7,096
Tax expense	(1,839)	(210)	(4,714)	(2,086)
(Loss)/Profit for the period/financial year	(14,373)	(1,640)	(44,972)	5,010
(Loss)/Profit for the period/financial year attributable to:				
Owners of the Company	(14,374)	(1,639)	(44,968)	5,018
Non-controlling interests	1	(1)	(4)	(8)
	(14,373)	(1,640)	(44,972)	5,010
(Loss)/Earnings per share (sen):				
(a) Basic	(5.17)	(0.59)	(16.19)	1.81
(b) Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019)

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31/12/2020 RM '000	PRECEDING YEAR QUARTER 31/12/2019 RM '000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31/12/2020 RM '000	PRECEDING YEAR TO DATE 31/12/2019 RM '000
(Loss)/Profit for the period/financial year	(14,373)	(1,640)	(44,972)	5,010
Other comprehensive income:				
Item that will not be reclassified to profit or loss:				
Remeasurement of defined benefit liability	-	(285)	-	(285)
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences for foreign operations	(673)	619	4,860	(3,472)
Reclassification adjustments on dissolution of foreign operations	1,055	-	1,055	-
Total other comprehensive income for the period/financial year	382	334	5,915	(3,757)
Comprehensive income for the period/financial year	(13,991)	(1,306)	(39,057)	1,253
Comprehensive income for the period/financial year attributable to:				
Owners of the Company	(13,992)	(1,305)	(39,053)	1,261
Non-controlling interests	1	(1)	(4)	(8)
	(13,991)	(1,306)	(39,057)	1,253

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019)

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	AS AT 31/12/2020 RM '000	AS AT 31/12/2019 RM '000
Non-Current Assets		
Property, Plant and Equipment	106,917	117,515
Investment Properties	38,352	37,886
Right-of-use Assets	26,545	27,407
Investments in Associates	5,794	15,963
Investment in Joint Venture	-	-
Other Investments	3	1
Inventories	174,537	169,678
Prepayments	750	750
Deferred Tax Assets	675	802
	<u>353,573</u>	<u>370,002</u>
Current Assets		
Inventories	108,710	120,525
Biological Assets	152	118
Contract Costs	48	116
Contract Assets	4,338	7,920
Receivables	52,461	62,593
Prepayments	1,719	3,041
Current Tax Assets	126	478
Cash and Cash Equivalents	76,327	102,366
	<u>243,881</u>	<u>297,157</u>
Current Liabilities		
Contract Liabilities	3,624	2,393
Payables	60,759	77,352
Loans and Borrowings	18,716	23,772
Lease Liabilities	311	505
Financial Guarantee Contract	1,008	-
Current Tax Liabilities	1,961	1,687
	<u>86,379</u>	<u>105,709</u>
Net Current Assets	157,502	191,448
Non-Current Liabilities		
Deferred Tax Liabilities	10,243	11,882
Loans and Borrowings	25,381	35,562
Lease Liabilities	257	498
Retirement Benefits	7,287	6,544
	<u>43,168</u>	<u>54,486</u>
Net Assets	467,907	506,964
Equity		
Share Capital	277,992	277,992
Treasury Shares	(148)	(148)
Reserves	190,078	229,131
Equity Attributable to Owners of the Company	467,922	506,975
Non-controlling Interests	(15)	(11)
Total Equity	467,907	506,964
Net Assets per Share Attributable to Owners of the Company (RM)	1.68	1.83

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Non-Distributable</u>			<u>Distributable</u>		Equity attributable to owners of the Company RM '000	Non- controlling interests RM '000	Total equity RM '000
	Share capital RM '000	Treasury shares RM '000	Capital reserve * RM '000	Currency translation reserve RM '000	Retained profits RM '000			
At 01/01/2020	277,992	(148)	13,991	30,440	184,700	506,975	(11)	506,964
Currency translation differences for foreign operations	-	-	-	4,860	-	4,860	-	4,860
Reclassification adjustments on dissolution of foreign operations	-	-	-	1,055	-	1,055	-	1,055
Total other comprehensive income for the financial year	-	-	-	5,915	-	5,915	-	5,915
Loss for the financial year	-	-	-	-	(44,968)	(44,968)	(4)	(44,972)
Comprehensive income for the financial year	-	-	-	5,915	(44,968)	(39,053)	(4)	(39,057)
Transfer from capital reserve	-	-	(31)	-	31	-	-	-
At 31/12/2020	277,992	(148)	13,960	36,355	139,763	467,922	(15)	467,907
At 01/01/2019	277,992	(4,546)	13,737	33,912	184,619	505,714	(3)	505,711
Remeasurement of defined benefit liability	-	-	-	-	(285)	(285)	-	(285)
Currency translation differences for foreign operations	-	-	-	(3,472)	-	(3,472)	-	(3,472)
Total other comprehensive income for the financial year	-	-	-	(3,472)	(285)	(3,757)	-	(3,757)
Profit/(Loss) for the financial year	-	-	-	-	5,018	5,018	(8)	5,010
Comprehensive income for the financial year	-	-	-	(3,472)	4,733	1,261	(8)	1,253
Distribution of treasury shares as share dividends (representing total transactions with owners)	-	4,398	-	-	(4,398)	-	-	-
Transfer to capital reserve	-	-	254	-	(254)	-	-	-
At 31/12/2019	277,992	(148)	13,991	30,440	184,700	506,975	(11)	506,964

* This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	CURRENT YEAR TO DATE 31/12/2020 RM '000	CURRENT YEAR TO DATE 31/12/2019 RM '000
Cash flows from operating activities		
(Loss)/Profit before tax	(40,258)	7,096
Adjustments for:		
Amortisation of financial guarantee contract	(92)	-
Depreciation	16,340	16,294
Fair value changes in biological assets	(34)	228
Fair value (gains)/losses on financial instruments	(2)	5
Fair value of financial guarantee contract	1,100	-
Gain on derecognition of contingent consideration	(2,962)	-
Gain on derecognition of right-of-use assets	(2)	-
Gain on disposal of property, plant and equipment	(28)	(21)
Impairment gains on financial assets	-	(7)
Impairment loss on investment in associate	2,100	-
Impairment loss on property, plant and equipment	2,315	-
Interest expense	2,455	3,305
Interest income	(1,445)	(2,249)
Inventories written down	4,739	565
Inventories written off	84	-
Loss on dissolution of associate	376	-
Loss on dissolution of subsidiary	614	-
Property, plant and equipment written off	10	34
Provision for retirement benefits	743	1,554
Reversal of inventories written down	(604)	(448)
Share of associates' loss	757	1,424
Unrealised (gain)/loss on foreign exchange	(80)	192
	<u>(13,874)</u>	<u>27,972</u>
Operating (loss)/profit before working capital changes	(13,874)	27,972
Changes in:		
Inventories	2,733	971
Contract costs	68	(56)
Contract assets	3,582	210
Receivables	10,000	8,217
Prepayments	1,322	(1,603)
Contract liabilities	1,231	(5,960)
Payables	(5,957)	(11,976)
Derivatives	-	(37)
Provision for onerous contract	-	(144)
Cash (absorbed by)/generated from operations	<u>(895)</u>	<u>17,594</u>
Tax paid	<u>(6,112)</u>	<u>(3,303)</u>
Tax refunded	<u>249</u>	<u>2,926</u>
	<u>(5,863)</u>	<u>(377)</u>
Net cash (used in)/from operating activities	(6,758)	17,217
Cash flows from investing activities		
Acquisition of property, plant and equipment	<u>(4,466)</u>	<u>(12,271)</u>
Acquisition of right-of-use assets	<u>(2)</u>	<u>(41)</u>
Additions of investment properties	<u>(1,296)</u>	<u>(292)</u>
Capital repayment from associate	<u>149</u>	<u>-</u>
Cost of investment properties refunded	<u>-</u>	<u>1,955</u>
Interest received	<u>1,445</u>	<u>2,249</u>
Proceeds from disposal of property, plant and equipment	<u>101</u>	<u>87</u>
Net cash used in investing activities	(4,069)	(8,313)
Cash flows from financing activities		
Changes in term deposits pledged as security	<u>(13)</u>	<u>3,177</u>
Decrease in short-term loans and borrowings (net)	<u>(7,069)</u>	<u>(1,635)</u>
Drawdown of term loans	<u>6,283</u>	<u>6,214</u>
Interest paid	<u>(2,436)</u>	<u>(3,271)</u>
Payment of lease liabilities	<u>(501)</u>	<u>(468)</u>
Repayment of term loans	<u>(14,697)</u>	<u>(12,160)</u>
Net cash used in financing activities	(18,433)	(8,143)
Currency translation differences	2,981	(2,397)
Net decrease in cash and cash equivalents	<u>(26,279)</u>	<u>(1,636)</u>
Cash and cash equivalents brought forward	<u>101,294</u>	<u>102,930</u>
Cash and cash equivalents carried forward	<u>75,015</u>	<u>101,294</u>
Note:		
Cash and cash equivalents	<u>76,327</u>	<u>102,366</u>
Bank overdraft	<u>(892)</u>	<u>(665)</u>
Term deposits pledged as security	<u>(420)</u>	<u>(407)</u>
	<u>75,015</u>	<u>101,294</u>

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Basis of Preparation

The interim financial report has been prepared in accordance with requirements of MFRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2019.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the year ended 31 December 2019 except for the adoption of the following MFRS:

	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption of the above MFRS did not have any significant impacts on the financial statements of the Group.

2. Audit Report

The preceding annual financial statements of the Group were reported on without any qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and period ended 31 December 2020 other than the negative impact of COVID-19 pandemic and workers strike at the Group's printed circuit board manufacturing plant in China.

5. Changes in Estimates

There were no changes in the estimates that have a material effect in the current year quarter and year ended 31 December 2020.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current year quarter and year ended 31 December 2020.

7. Dividend Paid

No dividend was paid during the current year quarter and year ended 31 December 2020.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. **Segmental Reporting**

Analysis by activity	Electronic	Properties			Utilities	Unallocated Non-Operating Segments RM '000	Group RM '000
	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Building Materials RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000		
Revenue							
Total revenue	213,338	14,033	874	916	10,592	44,115	283,868
Intersegment revenue	-	(49)	-	-	(1,858)	(42,089)	(43,996)
External revenue	213,338	13,984	874	916	8,734	2,026	239,872
Results							
Segment results	(29,830)	463	(884)	(676)	(3,751)	(3,813)	(38,491)
Interest income	1,187	88	6	-	-	164	1,445
Interest expense	(659)	(566)	-	-	(166)	(1,064)	(2,455)
Share of associates' loss	-	-	-	-	-	(757)	(757)
Loss before tax	(29,302)	(15)	(878)	(676)	(3,917)	(5,470)	(40,258)
Tax (expense)/income	(4,370)	(952)	(1)	-	-	609	(4,714)
Loss for the financial year	(33,672)	(967)	(879)	(676)	(3,917)	(4,861)	(44,972)
Assets							
Segment assets	223,186	273,784	1,786	18,441	33,345	40,317	590,859
Investments in associates	-	-	-	-	-	5,908	5,908
Income tax assets	-	691	3	81	26	-	801
Total assets	223,186	274,475	1,789	18,522	33,371	46,225	597,568
Liabilities							
Segment liabilities	32,999	18,021	54	44	10,408	11,152	72,678
Loans and borrowings	5,622	12,954	-	-	1,296	24,225	44,097
Lease liabilities	-	181	-	-	114	273	568
Income tax liabilities	11,136	132	7	-	-	929	12,204
Total liabilities	49,757	31,288	61	44	11,818	36,579	129,547

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Subsequent Material Events

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the year ended 31 December 2020 other than the following:

On 18 March 2020, the Company announced that GUH Electronic (Yancheng) Co., Ltd. ("GUH Yancheng"), a wholly-owned subsidiary in Yancheng, Jiangsu, China was struck off from the Register of the Chinese Authority on 11 March 2020.

GUH Yancheng has been a dormant company since its incorporation dated 10 October 2018.

The striking off of GUH Yancheng has no material effect on the earnings per share and net assets per share as well as the share capital of the Company for the financial year ended 31 December 2020.

11. Contingent Liabilities or Contingent Assets

The Group has no contingent liabilities and contingent assets as at the end of the current year quarter or last annual reporting date.

12. Significant Related Party Transactions

Significant transactions with related parties during the year ended 31 December 2020 are as follows:

	31/12/2020 RM '000
Purchase of goods from other related parties (a)/(b)	12,176
Acquisition of property, plant and equipment from other related parties (a)/(b)	320
Receiving of services from other related party (b)	142
Rental charged by other related party (a)	114
Rental charged to other related party (a)	172
Rental charged to associate	1,542
Sale of goods to other related party (a)	<u>2,866</u>

(a) Being companies in which certain directors have substantial financial interests

(b) Being company in which close family member of certain director has substantial financial interests

13. Review of the Performance

Operating Segment	Current Year Quarter 31/12/2020 RM '000	Preceding Year Quarter 31/12/2019 RM '000	Changes RM '000	Current Year To Date 31/12/2020 RM '000	Preceding Year To Date 31/12/2019 RM '000	Changes RM '000
Revenue						
Electronic						
- Manufacture of printed circuit boards	51,804	68,471	(16,667)	213,338	289,637	(76,299)
Properties						
- Property development	6,993	6,219	774	13,984	21,869	(7,885)
- Sale of building materials	-	1,184	(1,184)	874	5,477	(4,603)
- Cultivation of oil palm	168	117	51	916	818	98
Utilities						
- Water and wastewater treatment	677	5,395	(4,718)	8,734	16,430	(7,696)
Unallocated non-operating segments	605	440	165	2,026	1,759	267
Total	60,247	81,826	(21,579)	239,872	335,990	(96,118)
(Loss)/Profit before tax						
Electronic						
- Manufacture of printed circuit boards	(8,147)	598	(8,745)	(29,302)	13,349	(42,651)
Properties						
- Property development	1,806	778	1,028	(15)	1,859	(1,874)
- Sale of building materials	(282)	(71)	(211)	(878)	(129)	(749)
- Cultivation of oil palm	(166)	(239)	73	(676)	(1,075)	399
Utilities						
- Water and wastewater treatment	(1,093)	472	(1,565)	(3,917)	283	(4,200)
- Unallocated non-operating segments	(4,652)	(2,968)	(1,684)	(5,470)	(7,191)	1,721
Total	(12,534)	(1,430)	(11,104)	(40,258)	7,096	(47,354)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. **Review of the Performance (cont'd)**

a) Current Year Quarter vs Preceding Year Quarter

The Group's loss before tax of RM 12.5 million for the current year quarter ended 31 December 2020 was higher compared to RM 1.4 million for the preceding year quarter mainly due to negative contribution from Electronic Division and impairment loss on investment in associate of RM2.1 million.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 31 December 2020 compared to the preceding year quarter is as

i) **Manufacture of printed circuit boards**

The loss before tax of RM 8.1 million was in contrast to a profit before tax of RM 0.6 million mainly due to the negative repercussions of workers strike on China operation.

ii) **Property development**

Profit before tax increased to RM 1.8 million from RM 0.8 million in line with higher commercial property units sold.

iii) **Sale of building materials**

Loss before tax increased to RM 0.28 million from RM 0.07 million mainly due to the cessation of business operation.

iv) **Cultivation of oil palm**

Loss before tax decreased to RM 0.17 million from RM 0.24 million mainly helped by higher CPO prices and favourable fair value changes in biological assets.

v) **Water and wastewater treatment**

The loss before tax of RM 1.1 million was in contrast to a profit before tax of RM 0.5 million mainly due to reversal of provision for liquidated ascertained damages on water project in 2019 and lower percentage of completion for water projects.

vi) **Unallocated non-operating segments**

Loss before tax increased to RM 4.7 million from RM 3.0 million mainly due to impairment loss on investment in associate of RM 2.1 million.

b) Current Year To Date vs Preceding Year To Date

For the year ended 31 December 2020, the Group recorded a loss before tax of RM 40.3 million in contrast to a profit before tax of RM 7.1 million for the preceding year mainly due to negative contribution from Electronic, Properties and Utilities Divisions.

Detailed analysis of the performance of the Group's operating segments for the year ended 31 December 2020 compared to the preceding year to date is as follows:

i) **Manufacture of printed circuit boards**

The loss before tax of RM 29.3 million was in contrast to a profit before tax of RM 13.3 million mainly due to the negative impact of workers strike at China plant and COVID-19 pandemic.

ii) **Property development**

The loss before tax of RM 0.02 million was in contrast to a profit before tax of RM 1.9 million in line with lower property sales amid COVID-19 pandemic.

iii) **Sale of building materials**

Loss before tax increased to RM 0.9 million from RM 0.1 million mainly due to the cessation of business operation.

iv) **Cultivation of oil palm**

Loss before tax decreased to RM 0.7 million from RM 1.1 million mainly due to higher CPO prices and favourable fair value changes in biological assets.

v) **Water and wastewater treatment**

The loss before tax of RM 3.9 million was in contrast to a profit before tax of RM 0.3 million mainly due to reversal of provision for liquidated ascertained damages on water projects in 2019 and lower percentage of completion for water projects in 2020.

vi) **Unallocated non-operating segments**

Loss before tax decreased to RM 5.5 million from RM 7.2 million mainly due to gain on derecognition of contingent consideration of RM 3.0 million and lower share of associates' loss partly offset by impairment loss on investment in associate of RM 2.1 million.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

	Current Year Quarter 31/12/2020	Immediate Preceding Quarter 30/09/2020	Changes
	RM'000	RM'000	RM'000
Revenue	60,247	69,830	(9,583)
Loss Before Tax	(12,534)	(24,230)	11,696

As compared to the immediate preceding quarter, the Group's loss before tax reduced to RM 12.5 million from RM 24.2 million mainly due to the drop in termination benefits arising from workers strike at China plant.

15. Prospects for 2020

In review of the uncertain market conditions amid COVID-19 pandemic, the Group foresees a tough and challenging operating environment for 2021.

16. Variance from Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

17. Revenue

The revenue is disaggregated by major products or services as follows:

Current Year Quarter 31/12/2020							
Segment	Electronic	Properties			Utilities	Others	Group RM '000
Major products / Services	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Building Materials RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000	Rental Income RM '000	
<u>Timing of revenue recognition</u>							
Services transferred over time	-	5,823	-	-	677	-	6,500
Products transferred at a point in time	51,804	1,170	-	168	-	-	53,142
Income not within the scope of MFRS 15	-	-	-	-	-	605	605
	51,804	6,993	-	168	677	605	60,247

Current Year To Date 31/12/2020							
Segment	Electronic	Properties			Utilities	Others	Group RM '000
Major products / Services	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Building Materials RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000	Rental Income RM '000	
<u>Timing of revenue recognition</u>							
Services transferred over time	-	8,259	-	-	8,734	-	16,993
Products transferred at a point in time	213,338	5,725	874	916	-	-	220,853
Income not within the scope of MFRS 15	-	-	-	-	-	2,026	2,026
	213,338	13,984	874	916	8,734	2,026	239,872

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. (Loss)/Profit Before Tax

	Current Year Quarter 31/12/2020 RM'000	Current Year To Date 31/12/2020 RM'000
(Loss)/Profit before tax is arrived at after charging:		
- Interest expense	500	2,455
- Depreciation	3,973	16,340
- Impairment losses on financial assets	-	-
- Impairment loss on property, plant and equipment	2,315	2,315
- Impairment loss on investment in associate	2,100	2,100
- Inventories written down	4,404	4,739
- Inventories written off	84	84
- Loss on disposal of property, plant and equipment	22	-
- Property, plant and equipment written off	10	10
- Loss on foreign exchange - realised	554	1,519
- Loss on foreign exchange - unrealised	611	-
- Loss on dissolution of subsidiary	-	614
- Loss on dissolution of associate	7,437	376
- Fair value of financial guarantee contract	1,100	1,100
- Fair value changes in biological assets	-	-
- Exceptional items	-	-
and crediting:		
- Amortisation of financial guarantee contract	92	92
- Interest income	359	1,445
- Dividend income	-	-
- Gain on disposal of property, plant and equipment	-	28
- Gain on foreign exchange - realised	-	-
- Gain on foreign exchange - unrealised	-	80
- Gain on derecognition of contingent consideration	-	2,962
- Gain on derecognition of right-of-use assets	2	2
- Fair value gains on financial instruments	-	2
- Fair value changes in biological assets	32	34
- Impairment gains on financial assets	-	-
- Reversal of inventories written down	292	604

19. Taxation

Taxation comprises:

	Current Year Quarter 31/12/2020 RM '000	Current Year To Date 31/12/2020 RM '000
Income tax	(2,131)	(3,145)
Withholding tax on dividend income from foreign subsidiary	(199)	(3,326)
Deferred tax	491	1,725
Real property gains tax	-	32
	<u>(1,839)</u>	<u>(4,714)</u>

The Group's effective tax rates differ from the statutory tax rate mainly because:

- (i) certain income and expenses which are not taxable and allowable;
- (ii) utilisation of reinvestment allowances by certain subsidiary;
- (iii) differential tax rates for certain subsidiaries; and
- (iv) withholding tax on dividend income from foreign subsidiary.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

21. Group Borrowings and Debt Securities

The details of the Group borrowings and debt securities are as follows:

	As at 31 December 2020					
	Long Term		Short Term		Total Borrowings	
	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000
Secured						
Bank Overdraft	-	-	-	892	-	892
Term Loans	-	25,381	-	10,906	-	36,287
	-	25,381	-	11,798	-	37,179
Unsecured						
Term Loans	-	-	-	5,622	-	5,622
Bankers Acceptance	-	-	-	1,296	-	1,296
	-	-	-	6,918	-	6,918
Total	-	25,381	-	18,716	-	44,097

	As at 31 December 2019					
	Long Term		Short Term		Total Borrowings	
	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000
Secured						
Bank Overdraft	-	-	-	665	-	665
Term Loans	-	29,941	-	7,260	-	37,201
	-	29,941	-	7,925	-	37,866
Unsecured						
Term Loans	-	5,621	-	7,482	-	13,103
Revolving Credits	-	-	-	7,000	-	7,000
Bankers Acceptance	-	-	-	1,365	-	1,365
	-	5,621	-	15,847	-	21,468
Total	-	35,562	-	23,772	-	59,334

	As at 31 December 2020			As at 31 December 2019		
	Effective Interest Rate As at 31 December 2020 % p.a.	Floating Rate RM'000	Fixed Rate RM'000	Effective Interest Rate As at 31 December 2019 % p.a.	Floating Rate RM'000	Fixed Rate RM'000
	Bank Overdraft	4.10%	892	-	5.35%	665
Term Loans	3.44% ~ 4.30%	41,909	-	4.82% ~ 5.82%	50,304	-
Revolving Credits	-	-	-	4.32%	-	7,000
Bankers Acceptance	3.88% ~ 4.04%	-	1,296	5.43% ~ 5.50%	-	1,365
Total		42,801	1,296		50,969	8,365
%		97.06%	2.94%		85.90%	14.10%

Compared to the year ended 31 December 2019, the Group's borrowings decreased to RM 44.1 million from RM 59.3 million mainly due to repayment of term loans and revolving credits.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. **Financial Instruments**

a) Derivatives

There were no outstanding derivatives as at 31 December 2020.

b) Gains/(Losses) arising from Fair Value Changes of Financial Liabilities

There were no gains/(losses) arising from fair value changes of financial liabilities for the current year quarter and year ended 31 December 2020.

c) Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:

- i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- iii) Level 3 - unobservable inputs for the asset or liability.

The fair value measurement of financial instruments at the end of the reporting period are as follows:

i) Other investments

	31/12/2020 RM '000
Shares quoted in Malaysia - at fair value	3
Unquoted shares - at cost less impairment losses	- *
	3

* Less than RM1,000

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The fair values of unquoted investments cannot be reliably measured due to the lack of quoted prices in active markets for identical instruments. In addition, the variability in the range of reasonable fair value measurements is expected to be significant and the probabilities of the various estimates within the range cannot be reasonably assessed.

ii) Other financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2020.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. Material Litigation

There was no material litigation against the Group as at 31 December 2020 other than the following:

Nine Hundred Builders Sdn. Bhd. ("NHBSB"), had issued an adjudication claim dated 23 December 2019 to Teknoserv Engineering Sdn. Bhd. ("TESB"), a wholly-owned subsidiary of the Company, claiming for the sum of RM1,613,575.12 with interest, costs and other reliefs that the adjudicator may deem fit thereon in respect of the under-valued, under-certified and/or wrongly certified value of the project relating to the proposed extension of a water treatment plant and other related works in Negeri Sembilan. On 19 March 2020, TESB had been instructed to pay the adjudicated claim to NHBSB in the form of secured financial instruments, as well as the full costs and recovered sums relating to the adjudication. Subsequently on 16 April 2020, the adjudicator has issued a computational correction of the adjudication decision that was made on 19 March 2020 whereby amendments to the adjudicated amount from RM900,969.26 to RM923,915.66 was made.

On 27 May 2020, the Company announced that TESB had commenced a civil suit in High Court against NHBSB in relation to the learned adjudicator's decision dated 19 March 2020, claiming for the sum of RM262,277.86 with general damages, interest, costs and other reliefs that the Honourable Court may deem appropriate.

The Company had made announcements on the material developments in relation to this matter from time to time.

On 22 February 2021, the Company announced that TESB had entered into a Settlement Agreement with NHBSB for a full and final settlement of all the claims, disputes and/or differences arising out of and/or in connection with the project known as "The Proposed Extension of Phase 2, Sawah Raja Water Treatment Plant and Other Related Works (10MGD), Negeri Sembilan – Pakej 1 Cadangan Membina dan Menyiapkan Loji Rawatan Air Sawah Raja Fasa 2".

The proposed settlement is not expected to have any major financial and/or operational impact to the Company and is expected to be completed by the quarter ending 31 March 2021 barring any unforeseen circumstances.

24. Proposed Dividend

No dividend has been proposed or declared for the current year ended 31 December 2020.

25. Loss Per Share

	Current Year Quarter 31/12/2020	Current Year To Date 31/12/2020
Loss attributable to owners of the Company (RM '000)	(14,374)	(44,968)
Number of ordinary shares in issue at the beginning of the period ('000)	277,789	277,789
Effect of shares dividend ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	277,789	277,789
Basic loss per share (sen)	(5.17)	(16.19)

Diluted loss per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and year ended 31 December 2020.

26. Authorisation for Issue

The Board of Directors authorised the issue of this unaudited interim financial report on 23 February 2021.