

## Notes to the interim financial report – 31 December 2019

### A1 Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting in Malaysia, IAS 34: Interim Financial Reporting and paragraph 9.22 of the Main Marketing Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

### A2 Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2018 except for the following:

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019**

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment and Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

The above pronouncements are either not relevant or do not have any material impact on the interim financial statements of the Group upon their initial application, other than as disclosed below:

#### **MFRS 16: Leases – Impacts on financial statements**

On MFRS 16 Leases, the Group adopt the new standard on the required effective date using the modified retrospective approach and recognise a right-of-use asset and a corresponding lease liability. The following table presents the impact of changes to the statements of financial position of the Group resulting from the adoption of MFRS 16 Leases as at 1 January 2019:

<b>Group</b>	<b>31 December 2018</b> RM’000	<b>Changes</b> RM’000	<b>1 January 2019</b> RM’000
Right-of-use assets	-	170	170
Non-current lease liabilities	-	70	70
Current lease liabilities	-	100	100

**A3 Auditors' report**

There was no qualification on the audited report of the Group's preceding annual financial statements.

**A4 Seasonal or cyclical factors**

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

**A5 Unusual items due to their nature, size or incidence**

There were no unusual items for the year ended 31 December 2019.

**A6 Changes in estimates**

Not applicable.

**A7 Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and year ended 31 December 2019.

**A8 Dividends paid**

No dividend was paid for the current quarter and year ended 31 December 2019.

## A9 Segmental information

Segmental information is presented in respect of the Group's business segment. Inter-segment pricing is determined based on negotiated terms.

### Current quarter ("4Q 2019") against preceding year corresponding quarter ("4Q 2018")

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	31 December 2019 Revenue	31 December 2018 Revenue	Amount	%
	RM'000	RM'000	RM'000	
Trading	26,665	34,743	(8,078)	(23.3)
Property development	115	-	115	100.0
Construction	112,268	73,124	39,144	53.5
Investment property	703	657	46	7.0
Other services	2,261	1,861	400	21.5
	142,012	110,385	31,627	28.7
Inter-segment elimination	(11,110)	(8,072)	(3,038)	(37.6)
	130,902	102,313	28,589	27.9

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	31 December 2019 Profit/(Loss) before tax	31 December 2018 Profit/(Loss) before tax	Amount	%
	RM'000	RM'000	RM'000	
Trading	1,864	965	899	93.2
Property development	150	471	(321)	(68.2)
Construction	10,763	(7,690)	18,453	240.0
Investment property	228	(26)	254	976.9
Other services	(992)	(2,993)	2,001	66.9
	12,013	(9,273)	21,286	229.5
Elimination	(809)	34	(843)	(2,479.4)
Unallocated income	644	2,202	(1,558)	(70.8)
Unallocated expenses	(1,928)	(1,491)	(437)	(29.3)
	9,920	(8,528)	18,448	216.3

**A9 Segmental information (continued)**

Current year to date (“YTD 2019”) against preceding year to date (“YTD 2018”)

	12 months ended	12 months ended	Changes	
	31 December 2019 Revenue	31 December 2018 Revenue	Amount	%
	RM'000	RM'000	RM'000	
Trading	127,397	94,671	32,726	34.6
Property development	4,714	4,689	25	0.5
Construction	311,609	118,678	192,931	162.6
Investment Property	2,671	2,694	(23)	(0.9)
Other services	6,353	6,808	(455)	(6.7)
	452,744	227,540	225,204	99.0
Inter-segment elimination	(40,749)	(18,085)	(22,664)	(125.3)
	411,995	209,455	202,540	96.7

	12 months ended	12 months ended	Changes	
	31 December 2019 Profit/(Loss) before tax	31 December 2018 Profit/(Loss) before tax	Amount	%
	RM'000	RM'000	RM'000	
Trading	1,995	2,474	(479)	(19.4)
Property development	1,054	334	720	215.6
Construction	22,431	(23,436)	45,867	195.7
Investment Property	474	194	280	144.3
Other services	(4,671)	(7,847)	3,176	40.5
	21,283	(28,281)	49,564	175.3
Elimination	(47)	(450)	403	89.6
Unallocated income	2,370	3,171	(801)	(25.3)
Unallocated expenses	(5,832)	(3,469)	(2,363)	(68.1)
	17,774	(29,029)	46,803	161.2

**A10 Valuation of property, plant and equipment**

Valuation of property, plant and equipment has been brought forward, without amendment from the preceding annual financial statements.

**A11 Event subsequent to the balance sheet date**

There were no material events subsequent to the balance sheet date.

### A12 Changes in composition of the Group

Save as disclose below, there were no changes in the composition of the Group for the current quarter and year ended 31 December 2019:

On 25 October 2019, the Group acquired 1 ordinary share in Golden Sun Express Sdn Bhd (“GSE”) representing the entire issued and paid up share capital of GSE for a total cash consideration of RM1.

GSE has not commenced operation since its incorporation.

### A13 Changes in contingent liabilities

The Group has no contingent liabilities except for the following:-

	<b>As at 31 December 2019</b>
	<b>RM'000</b>
Guarantees and contingencies relating to the Borrowings of subsidiaries (unsecured)	28,570
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### A14 Significant Related Party Transactions

The group has significant related party transactions with companies in which certain directors of the Company have interest, as follows: -

	<b>12 months ended</b>
	<b>31 December 2019</b>
	<b>RM'000</b>
<b>With companies in which certain Directors of the Company, have interests:</b>	
PLS Plantations Berhad and its subsidiaries	1,925
Ekoriver Construction Sdn Bhd	60,828
Ekovest Capital Sdn Bhd	2,107
Ekovest Construction Sdn Bhd	98,193
Iskandar Waterfront City Berhad and its subsidiaries	109,577
Iskandar Waterfront Sdn Bhd	1,244
Rampai Fokus Sdn Bhd	1,381
Tropicana Danga Cove Sdn Bhd	18,497
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**B1 Detailed analysis of the performance of all operating segment of the Group in 4Q 2019**
**Current quarter (“4Q 2019”) against preceding year corresponding quarter (“4Q 2018”)**

	Individual Period (4 <sup>th</sup> Quarter)		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount	%
	31 December 2019 RM'000	31 December 2018 RM'000	RM'000	
Revenue	130,902	102,313	28,589	27.9
Gross profit/(loss)	23,454	(2,152)	25,606	1,189.9
Result from operating activities	10,547	(9,709)	20,256	208.6
Share of loss of equity-accounted investments, net of tax	(651)	2,158	(2,809)	(130.2)
Net profit/(loss) before tax	9,920	(8,528)	18,448	216.3
Net profit/(loss) after tax	9,209	(9,272)	18,481	199.3
Profit/(loss) attributable to Owners of the Company	9,209	(9,272)	18,481	199.3

For the 4Q 2019, the Group registered revenue of RM130.902 million and profit before tax of RM9.920 million as compared to revenue of RM102.313 million and loss before tax of RM8.528 million reported in 4Q 2018.

The performance of the respective operating business sector for the 4Q 2019 under review as compared to the 4Q 2018 is analysed as follow:

Trading

The trading sector reported a lower revenue of RM26.665 million in 4Q 2019 as compared to RM34.743 million in 4Q 2018, mainly due to lesser demand from existing key customers. Despite the decreased in revenue, the sector recorded a higher profit before tax of RM1.864 million in 4Q 2019 as compared to RM0.965 million in 4Q 2018, mainly due to the provision for impairment loss on trade receivables of RM1.099 million in 4Q 2018.

Property development

The sector recorded a revenue of RM0.115 million in 4Q 2019. The sector registered a lower profit before tax of RM0.150 million in 4Q 2019 as compared to profit before tax of RM0.471 million in 4Q 2018 mainly due to reversal of cost over accrued of RM1.425 million in 4Q 2019 which was off-set by the provision for impairment loss on inventories of RM1.250 million. There was also a reversal of cost over accrued of RM0.684 million in 4Q 2018.

Construction

The revenue has improved by RM39.144 million to RM112.268 million in the 4Q 2019 as compared to RM73.124 million in 4Q 2018. The sector also registered a significant improved results of RM10.763 million in 4Q 2019 compared to a loss before tax of RM7.690 million in 4Q 2018 mainly due to higher percentage of work done for its construction project which has a better profit margin in 4Q 2019. A significant loss registered in 4Q 2018 was due to provision for foreseeable loss of RM14.264 million on a construction project in Johor.

Investment property

The sector recorded a higher revenue of RM0.703 million in 4Q 2019, a marginal increase by RM0.046 million as compared to RM0.657 million in 4Q 2018, mainly due to rental rate revision for a unit of investment property. This sector also recorded a higher profit before tax of RM0.228 million compared to loss before tax of RM0.026 million in 4Q 2018 mainly due to provision of impairment loss on investment properties of RM0.267 million in 4Q 2018.

Other services

The increase in revenue from RM1.861 million to RM2.261 million was mainly due to increase in rental of plant and machinery in 4Q 2019. This sector recorded a reduced loss before tax of RM0.992 million in 4Q 2019 as compared to loss before tax of RM2.993 million in 4Q 2018, mainly due to a provision for impairment loss on plant and equipment and trade receivables of RM1.611 million in 4Q 2018.

**Current year to date (“YTD 2019”) against preceding year corresponding period (“YTD 2018”)**

	Cumulative Period		Changes	
	Current Year To-Date	Preceding Year To-Date	Amount	%
	31 December 2019 RM'000	31 December 2018 RM'000	RM'000	
Revenue	411,995	209,455	202,540	96.7
Gross profit/(loss)	42,724	(9,347)	52,071	557.1
Result from operating activities	18,321	(30,238)	48,559	160.6
Share of profit of equity-accounted investments, net of tax	494	2,311	(1,817)	(78.6)
Net profit/(loss) before tax	17,774	(29,029)	46,803	161.2
Net profit/(loss) after tax	16,727	(29,741)	46,468	156.2
Profit/(loss) attributable to Ordinary Equity Holders of Parent	16,727	(29,741)	46,468	156.2

For the YTD 2019, the Group recorded revenue of RM411.995 million, an increase of RM202.540 million or 96.7% from RM209.455 million in YTD 2018. The Group also recorded profit before tax of RM17.774 million in YTD 2019 as compared to a loss before tax of RM29.029 million in YTD 2018. The increase in revenue was mainly contributed by construction and trading sectors.

The performance of the respective operating business sectors for the YTD 2019 under review as compared to the YTD 2018 is analysed as follow:

Trading

The trading sector reported a higher revenue of RM127.397 million for the YTD 2019 as compared to RM94.671 million YTD 2018. Despite a significant increase in the revenue, the profit before tax decreased from RM2.474 million in YTD 2018 to RM1.995 million in YTD 2019, mainly due to additional provision for impairment loss on trade receivables of RM4.193 million in YTD 2019.

Property development

Revenue for property development sector had increased marginally by RM0.025 million from RM4.689 million in YTD 2018 to RM4.714 million in YTD 2019. The profit before tax increased from RM0.334 million in YTD 2018 to RM1.054 million in YTD 2019 mainly due to lesser overhead costs incurred in YTD 2019.

Construction

The construction sector registered a higher revenue of RM311.609 million in YTD 2019 as compared to RM118.678 million in YTD 2018. This sector recorded profit before tax of RM22.431 million in YTD 2019 as compared to loss before tax of RM23.436 million in YTD 2018 mainly due to higher percentage of workdone in YTD 2019 and the provision for foreseeable loss of RM27.036 million on a construction project in YTD 2018.

Investment property

Revenue from investment property sector decreased by RM0.023 million to RM2.671 million in YTD 2019 as compared to RM2.694 million in YTD 2018. The sector recorded a profit before tax of RM0.474 million in YTD 2019 as compared to RM0.194 million in YTD 2018 mainly due to provision of impairment loss on property of RM0.267 million provided in YTD 2018.

Other services

The revenue decreased from RM6.808 million in YTD 2018 to RM6.353 million in YTD 2019. The sector recorded a lower loss before tax of RM4.671 million as compared to RM7.847 million in YTD 2018, mainly due to provision for impairment loss on plant and equipment and trade receivables of RM1.611 million in YTD 2018.

## B2 Comparison with preceding quarter results

### Current quarter (“4Q 2019”) against immediate preceding quarter (“3Q 2019”)

	Current Quarter	Immediate Preceding Quarter	Changes	
	31 December 2019	30 September 2019	Amount	%
	RM'000	RM'000	RM'000	
Revenue	130,902	116,062	14,840	12.8
Gross profit	23,454	5,277	18,177	344.5
Result from operating activities	10,547	3,206	7,341	229.0
Share of profit of equity-accounted investments, net of tax	(651)	938	(1,589)	(62.8)
Net profit before tax	9,920	4,105	5,815	141.7
Net profit after tax	9,209	3,716	5,493	147.8
Profit attributable to Owners of the Company	9,209	3,716	5,493	147.8

For 4Q 2019, the Group recorded revenue of RM130.902 million, an increase of RM14.840 million or 12.8% from RM116.062 million in 3Q 2019. The Group recorded profit before tax of RM9.920 million as compared to profit before tax of RM4.105 million in 3Q 2019. The increase in revenue and profit before tax is mainly contributed by construction sector which has a better profit margin.

## B3 Prospects

The outlook for the local construction and property industry where the Group business substantially relies on, is expected to remain competitive and challenging. Nevertheless, the Group will strive to increase its construction order books, amidst of the economy uncertainty due to recent outbreak of coronavirus, in order to maintain satisfactory results in the coming years. As at 31 December 2019, the Group’s unbilled order book is about RM329 million.

## B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

## B5 Taxation

	Current quarter ended 31 December 2019 RM '000	12 months ended 31 December 2019 RM '000
Income tax		
Current provision	501	1,695
Deferred tax	210	(648)
	711	1,047

## B6 Corporate proposals

There were no corporate proposals announced or pending completion as at the date of this report.



**B7 Group borrowings**

	As at 31 December 2019		
	Long term RM'000	Short Term RM'000	Total borrowings RM'000
<b>Secured</b>			
Finance lease liabilities	5,592	1,825	7,417
<b>Unsecured</b>			
Revolving credit	-	11,400	11,400
	<u>5,592</u>	<u>13,225</u>	<u>18,817</u>
	As at 31 December 2018		
	Long term RM'000	Short Term RM'000	Total borrowings RM'000
<b>Secured</b>			
Finance lease liabilities	1,541	1,188	2,729
<b>Unsecured</b>			
Revolving credit	-	9,000	9,000
	<u>1,541</u>	<u>10,188</u>	<u>11,729</u>

The borrowing is mainly for the purpose of working capital requirement.

## **B8 Changes in material litigation**

The wholly-owned subsidiary of Knusford Berhad (“KB”), Knusford Marketing Sdn Bhd (“KMKSb”) had served a notice under Section 218(1)(e) & 218(2)(a) of the Companies Act 1965 (collectively known as “Notices”) on Kinsteel Berhad (“KINSB”) and Kin Kee Marketing Sdn Bhd (“KKMSB”) on 25 November 2016 for failure, negligence and/or refusal to comply with a Consent Judgment dated 5 September 2016 recorded at the Kuantan High Court Suit No. 22NCVC-21-04/2016 which involved the sum of RM19,574,186.

Winding up petition was subsequently filed and served on both Companies, KINSB and KKMSB on 22 December 2016 at the Kuantan High Court.

The winding up petition hearing was postponed several times due to multiple Restraining Orders (“ROs”) filed in different states.

The following is a summary of outcome of the said winding up petition:-

### KMKSb v KKMSB, Winding Up Petition No. 28NCC-49-12/2016

On 18 January 2018, the Court proceeded with winding up Hearing in absence of the KKMSB’s directors and/or its solicitors and ordered as follows:

- a) KKMSB be wound up pursuant to Section 218(1)(e) and 218(2)(a) of the Companies Act 1965
- b) Baltasar bin Maskor be appointed as liquidator of KKMSB

### KMKSb v KINSB, Winding Up Petition No. 28NCC-50-12/2016

On 22 January 2018, the Court proceeded with winding up hearing and ordered as follows:

- a) KINSB be wound up pursuant to Section 218(1)(e) and 218(2)(a) of the Companies Act 1965
- b) Duar Tuan Kiat be appointed as liquidator of KINSB as he gathered consent of the majority creditors.

On 29 January 2018, KINSB lodged an appeal to the Court of Appeal against the Winding Up Order. The appeal is registered as Civil Appeal No. C-02(NCC)(A)-197-01/2018.

On 5 February 2018, KINSB filed a motion at the Kuantan High Court to stay the Winding Up Order pending its appeal to the Court of Appeal. On 3 April 2018, the High Court dismissed KINSB’s application for stay of the Winding Up Order.

### Court of Appeal Civil Appeal No. C-02(NCC)(A)-197-01/2018

KINSB subsequently filed another motion at the Court of Appeal on 12 April 2018 to stay the Winding Up Order.

On 2 May 2018, KMKSb filed a motion at the Court of Appeal to obtain an order for security for costs in the sum of RM200,000.00 be paid by KINSB and/or its directors to KMKSb. On 27 July 2018, KINSB agreed to pay an amount of security for the costs in the sum of RM100,000.00, which was to be shared among four respondents (KMKSb, AmBank (M) Islamic Berhad, AmBank (M) Berhad and AmBank (M) Berhad in its capacity as agent for multiple lenders). KMKSb agreed with the arrangement if it receives RM25,000.00 by 3 August 2018.

On 8 August 2018, the KMKSb’s motion for security for costs and KINSB’s motion for stay pending appeal were struck out with no order as to costs upon KMKSb receiving RM25,000.00 from KINSB on 3 August 2018.

During Case Management on 12 November 2018, the Court fixed Hearing for the appeal proper on 26 November 2018.

However, 22 days before the appeal proper, ie on 4 November 2018, KINSB’s solicitors, Messrs Chooi, Saw & Lim (“CSL”) filed a motion to discharge themselves from acting for KINSB. The motion was heard on 10 January 2019. The Court dismissed the motion on the basis that the supporting affidavit which was affirmed by Chow Siew Wai on 5 November 2018 merely contained bare assertions that CSL was not able to obtain instructions from KINSB. No proof was forwarded by CSL to show CSL’s efforts in obtaining KINSB’s instruction.

## **B8 Changes in material litigation (cont'd)**

During a Case Management before the Registrar on 10 January 2019, CSL sought a date to file a new motion to discharge. Despite being objected to by solicitors for KMKSB, AmBank (M) Islamic Berhad, AmBank (M) Berhad and AmBank (M) Berhad in its capacity as agent for multiple lenders, the Registrar fixed a Case Management on 4 March 2019 for CSL to file the new motion.

CSL filed its second motion to discharge on 19 February 2019.

The appeal proper against the winding up order and the motion by CSL to discharge was fixed for Hearing on 25 June 2019.

On 25 June 2019, the Court allowed CSL's application to discharge. The Court then forewarned KINSB's directors that the Court will proceed with hearing of the appeal proper on 12 July 2019.

### Kuantan High Court Originating Summons No. CA-24NCC-4-06/2019

On 10 July 2019, on an application by one of KINSB's contributories, Kin Kee Hardware Sdn Bhd under Section 366 of the Companies Act 2016, the Kuantan High Court granted leave to KINSB to convene a Court-convened meeting ("CCM"), its purpose of which is to table a regularisation scheme to scheme creditors.

### Court of Appeal Civil Appeal No. C-02(NCC)(A)-197-01/2018

On 12 July 2019, Encik Ahmad Ezmeel bin Ahmad Tarmizi of Messrs Ezmeel & Co ("Ezmeel"), being the newly appointed solicitor for KINSB, updated the Court on decision by the Kuantan High Court Originating Summons No. CA-24NCC-4-06/2019 on 10 July 2019. In view of the decision by the Kuantan High Court, Ezmeel requested for postponement of the above Hearing pending tabling of the regularization scheme.

The Court fixed final Hearing on 15 October 2019.

### Kuantan High Court Summons No. CA-28PW-41-10/2019

On 9 October 2019, KMKSB, vide its solicitors, was served with an application by KINSB to stay the winding up order dated 22 January 2018 until full completion and execution of a Scheme of Arrangement and Compromise ("the Stay Application"). The Stay Application was fixed for Hearing on 10 October 2019.

During the Hearing on 10 October 2019, the Judge after having considered grounds contained in certificate of urgency filed by KINSB's solicitors granted and fixed inter alia the following:-

- a) that the hearing at the Court of Appeal be stayed pending disposal of the Stay Application; and
- b) hearing of the Stay Application is fixed on 20 November 2019.
- c) cost of the day of RM2,000.00 be awarded to each firm attending the matter on that day to be paid on or before 20 November 2019.

### Court of Appeal Civil Appeal No. C-02(NCC)(A)-197-01/2018

However, on 15 October 2019, the Court of Appeal proceeded with the appeal proper despite the ad-interim stay granted by the Kuantan High Court in the Stay Application on 10 October 2019. The Court of Appeal dismissed the appeal with costs of RM25,000.00 be paid to each Respondents subject to allocator.

### Kuantan High Court Summons No. CA-28PW-41-10/2019

On 20 November 2019, the High Court struck off KINSB's application to stay the Winding Up Order dated 22 January 2018 with costs of RM4,000.00 to be paid to KMKSB by the deponent of the application, Bernard Cheng Tong Liang within 14 days from the date of the order.

The costs of RM6,000.00 awarded by the High Court on 20 November 2019 is yet to receive from Bernard Cheng Tong Liang, and our lawyer has sent a reminder letter to KINSB's solicitors, Ezmeel on 9 December 2019.

**B9 Dividends declared**

No interim dividend has been declared for the current quarter and period ended 31 December 2019.

**B10 Earnings per share**

	<b>Current quarter ended 31 December 2019</b>	<b>Preceding year corresponding quarter ended 31 December 2018</b>	<b>Cumulative 12 months ended 31 December 2019</b>	<b>Cumulative 12 months ended 31 December 2018</b>
Profit/(loss) for the period attributable to owners of the Parent (RM'000)	9,209	(9,272)	16,727	(29,741)
Weighted average number of ordinary shares in issue ('000)	99,645	99,645	99,645	99,645
Basic earnings/(loss) per share (sen)	9.24	(9.31)	16.79	(29.85)
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

**B11 Notes to the statement of profit or loss and other comprehensive income**

	<b>Current quarter ended 31 December 2019 RM'000</b>	<b>12 months ended 31 December 2019 RM'000</b>
Loss before tax is arrived at after (crediting)/charging :		
Interest income	(269)	(934)
Other income including investment income	2,692	(6,583)
Interest expense		
- Unwinding of discount in relation to provision for onerous contract	-	1,058
- Others	245	917
Depreciation and amortisation	1,152	4,646
Provision for and write off of receivables	1,921	9,957
Reversal of impairment loss on receivables	(934)	(9,457)
Impairment loss on inventory	1,250	1,250

**B12 Fair value information**

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments. Accordingly, the fair values and fair value hierarchy levels have not been presented for these instruments.

Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical financial assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liabilities, either directly or indirectly

Level 3 – Inputs for the financial asset or liabilities that are not based on observable market data

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>	<b>Carrying amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 December 2019</b>					
<b>Financial liabilities</b>					
Finance lease liabilities	-	-	7,985	7,985	7,417
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<b>31 December 2018</b>					
<b>Financial liabilities</b>					
Finance lease liabilities	-	-	2,849	2,849	2,729
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