

PRIVATE & CONFIDENTIAL

PBA HOLDINGS BHD

Company No: 200001012513(515119-U)
(Incorporated in Malaysia)

Interim Financial Report

31 March 2020

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Condensed Consolidated Statement of Financial Position
As at 31 March 2020 - unaudited

	Note	31 March 2020 RM'000	31 December 2019 RM'000
Assets			
Property, plant and equipment	5	1,072,674	1,076,318
Right-of-use assets		196,251	197,297
Total non-current assets		<u>1,268,925</u>	<u>1,273,615</u>
Inventories		8,912	8,971
Trade and other receivables	6	43,728	41,913
Current tax assets		1,005	802
Cash and cash equivalents		148,130	157,957
Total current assets		<u>201,775</u>	<u>209,643</u>
Total assets		<u>1,470,700</u>	<u>1,483,258</u>
Equity			
Share capital		327,579	327,579
Reserves		354,706	350,841
Total equity	7	<u>682,285</u>	<u>678,420</u>
Loans and borrowings	20	18,736	55,485
Deferred income	21	16,664	17,152
Contract liabilities	22	86,777	84,759
Deferred liabilities	23	56,367	56,766
Lease liabilities	24	228,023	228,406
Deferred tax liabilities		142,000	142,000
Total non-current liabilities		<u>548,567</u>	<u>584,568</u>
Trade and other payables		152,791	177,924
Loans and borrowings	20	42,200	5,563
Contract liabilities	22	39,866	31,960
Deferred liabilities	23	1,595	1,595
Lease liabilities	24	3,381	3,191
Current tax liability		15	37
Total current liabilities		<u>239,848</u>	<u>220,270</u>
Total liabilities		<u>788,415</u>	<u>804,838</u>
Total equity and liabilities		<u>1,470,700</u>	<u>1,483,258</u>

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the three months ended 31 March 2020 - unaudited

	Note	Three months ended 31 March		Current year-to-date ended 31 March	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Continuing operations					
Revenue	17	82,228	84,432	82,228	84,432
Cost of sales		<u>(58,332)</u>	<u>(55,238)</u>	<u>(58,332)</u>	<u>(55,238)</u>
Gross profit		<u>23,896</u>	<u>29,194</u>	<u>23,896</u>	<u>29,194</u>
Other operating income		3,224	6,263	3,224	6,263
Administrative expenses		<u>(23,686)</u>	<u>(26,303)</u>	<u>(23,686)</u>	<u>(26,303)</u>
Operating profit		<u>3,434</u>	<u>9,154</u>	<u>3,434</u>	<u>9,154</u>
Interest income		744	160	744	160
Profit before interest and tax		<u>4,178</u>	<u>9,314</u>	<u>4,178</u>	<u>9,314</u>
Interest expense		<u>(3)</u>	<u>(17)</u>	<u>(3)</u>	<u>(17)</u>
Profit before tax		<u>4,175</u>	<u>9,297</u>	<u>4,175</u>	<u>9,297</u>
Tax (expense)/ Income	18	<u>(310)</u>	<u>5,175</u>	<u>(310)</u>	<u>5,175</u>
Profit for the period		<u>3,865</u>	<u>14,472</u>	<u>3,865</u>	<u>14,472</u>
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operation		-	(216)	-	(216)
Total other comprehensive loss for the period		<u>-</u>	<u>(216)</u>	<u>-</u>	<u>(216)</u>
Total comprehensive income for the period		<u>3,865</u>	<u>14,256</u>	<u>3,865</u>	<u>14,256</u>
Earnings per share (sen) :	27	<u>1.17</u>	<u>4.37</u>	<u>1.17</u>	<u>4.37</u>

Condensed Consolidated Statement of Changes in Equity
For the three months ended 31 March 2020 - unaudited

	/---Non-distributable---/ Foreign Currency Translation Reserve		Distributable Retained Earnings	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	RM'000	RM'000
At 1 January 2019				
As previously stated	327,579	(235)	368,313	695,873
Effects of adopting MFRS 16			(30,805)	(30,805)
As 1 January 2019 (restated)	327,579	(235)	337,508	665,068
Realisation of foreign currency translation reserve to profit or loss upon liquidation	-	-	-	(216)
Profit for the period	-	-	14,472	14,472
Total comprehensive income for the period	-	-	14,472	14,256
At 31 March 2019	327,579	(235)	351,980	679,324

Condensed Consolidated Statement of Changes in Equity
For the three months ended 31 March 2020 - unaudited

	/---Non-distributable---/ Foreign Currency Translation Reserve			Distributable Retained Earnings	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	RM'000	RM'000	RM'000
At 1 January 2020	327,579	(236)	-	351,077	678,420
Profit for the period	-	-	-	3,865	3,865
Total comprehensive income for the period	-	-	-	3,865	3,865
At 31 March 2020	327,579	(236)	-	354,942	682,285

Condensed Consolidated Statement of Cash Flows
For the three months ended 31 March 2020 - unaudited

Three months ended 31 March

	2020 RM'000	2019 RM'000
Cash flows from operating activities		
Profit before tax	4,175	9,297
Adjustments for :		
Accretion of interest	3,297	3,335
Expected credit losses of trade and other receivables	1,061	1,090
Allowance for expected credit losses recovered	(356)	-
Amortisation of assets transferred from customers	(672)	(382)
Amortisation of deferred liabilities	(399)	(399)
Depreciation of property, plant and equipment	15,459	14,887
Depreciation of right-of-use assets	1,724	1,699
Distribution income from investment in short term funds	(744)	(889)
Gain on disposal of property, plant and equipment	(81)	(22)
Interest income	(531)	(466)
Inventories written down	(40)	(1,902)
Property, plant and equipment expensed off	155	-
Property, plant and equipment written off	37	23
Realisation of government grant	(487)	(1,338)
Reversal of inventories written down	-	652
Unwinding of discount on loans and borrowings	487	1,338
Operating profit before working capital changes	23,085	26,923
Inventories	98	2,522
Receivables	(2,559)	1,483
Payables	(19,302)	(8,132)
Contract liabilities	7,855	3,397
Cash generated from operations	9,177	26,193
Income tax paid	(534)	(531)
Income tax refunded	-	23
Net cash from operating activities	8,643	25,685
Cash flows from investing activities		
Interest received	531	466
Distribution income received	744	889
Proceeds from disposal of PPE	81	25
Purchase of PPE	(9,267)	(4,650)
Net cash used in investing activities	(7,911)	(3,270)
Cash flow from financing activities		
Dividends paid	(5,792)	(5,792)
Payment of lease liabilities	(4,167)	(4,160)
Repayment of government loans	(600)	(600)
Net cash from financing activities	(10,559)	(10,552)
Net increase in cash and cash equivalents	(9,827)	11,863
Cash and cash equivalents at beginning	157,957	182,476
Cash and cash equivalents at end	148,130	194,339

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated statement of cash flow comprise :

Three months ended 31 March

	2020 RM'000	2019 RM'000
Cash and bank balances	17,854	37,963
Short-term deposits with licensed banks	130,276	156,376
	148,130	194,339

Notes to the Condensed Consolidated Interim Financial Statements

PBA Holdings Bhd is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Condensed Consolidated Interim Financial Statements of the Group as at and for the period ended 31 March 2020 comprises the Company and its subsidiaries (together referred to as the Group).

The Consolidated Financial Statements of the Group as at and for the year ended 31 December 2019 are available upon request from the Company's registered office at:

Level 32, Komtar
10000 Penang

These Condensed Consolidated Interim Financial Statements were authorized for issue by the Board of Directors on 23 June 2020.

1. Basis of preparation

These condensed consolidated interim financial statements ("Condensed Report") have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134 *Interim Financial Reporting* in Malaysia and with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2019.

2. Significant accounting policies

2.1 Adoption of Standards, Amendments to Standards, Annual Improvements to Standards and Issues Committee ("IC") Interpretation

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following new standards with effect from 1 January 2020:

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Business Combinations: Definition of a Business
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform

The initial application of the above standards is not expected to have any material impact to the financial statements of the Group upon adoption.

2.2 Standards issued but not yet effective

As at the date of authorization of this Condensed Report, the following Standards and Amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group.

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

Notes to the Condensed Consolidated Interim Financial Statements

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 101 Presentation of Financial Statement: Classification of Liabilities as Current or Non-current

Effective date yet to be confirmed

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

3. Changes in estimates

The preparation of interim financial statements requires management to make judgements, estimations and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2019.

4. Seasonality of operations

There is no seasonality or cyclicity in the Group's operations.

5. Property, plant and equipment

a) Acquisition and disposals

During the period ended 31 March 2020, the Group acquired assets with a cost of RM9.27 million (31 March 2019 : RM4.65 million).

Other assets with a carrying amount of RM0.04 million were written off during the period ended 31 March 2020 (31 March 2019 : RM0.02 million).

b) Depreciation and amortisation

	Three months ended		Current year to-date ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Charge for the period				
- Property, plant and equipment	15,459	14,887	15,459	14,887
- Right-of-use assets	1,724	1,699	1,724	1,699
	<u>17,183</u>	<u>16,586</u>	<u>17,183</u>	<u>16,586</u>

Notes to the Condensed Consolidated Interim Financial Statements

c) Capital commitments

	At 31 March 2020 RM'000	At 31 December 2019 RM'000
Approved Capital Expenditure:-		
i) Contracted but not provided for	83,000	87,000
ii) Authorised but not contracted for	409,000	183,000

d) Transfer of assets from customers

During the period ended 31 March 2020, assets transferred from Customers amounted to RM2.74 million (31 December 2018 : RM2.89 million)

6. Trade and other receivables

	At 31 March 2020 RM'000	At 31 December 2019 RM'000
Trade		
Trade receivables	39,234	38,299
Less: Allowance for expected credit losses	(8,734)	(8,044)
	<u>30,500</u>	<u>30,255</u>
Non-trade		
Other receivables	8,538	8,618
Less: Allowance for expected credit losses	(2,974)	(2,958)
	5,564	5,660
Deposits	7,348	5,687
Prepayments	316	311
	<u>13,228</u>	<u>11,658</u>
	<u>43,728</u>	<u>41,913</u>

7. Total equity

No additional issuance of share capital as at 31 March 2020.

Treasury shares

During the period ended 31 March 2020, there was no repurchase of issued ordinary shares from the open market (31 March 2019 : Nil).

8. Changes in composition of the Group

There are no changes in the composition of the Group for the current quarter and current financial year to-date ended 31 March 2020.

9. Operating segments

The Group has only one reportable segment, which is principally engaged in the abstraction of raw water, treatment of water, supply and sale of treated water to consumers in the State of Penang and to engage in water related business. The Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports on the reportable segment on a quarterly basis.

Notes to the Condensed Consolidated Interim Financial Statements

Accordingly, information by operating segment on the Group's operations as required by MFRS 8 is not presented.

10. Subsequent event

There are no material events subsequent to the statement of financial position up to the date of the issuance of this report except the following:-

- (a) The World Health Organisation declared the 2019 Novel Coronavirus outbreak ("COVID-19") a pandemic on 11 March 2020. This was followed by the Federal Government issuing a Gazetted Order known as the Movement Control Order ("MCO") / Conditional Movement Control Order ("CMCO") / Recovery Movement Control Order ("RMCO") which was effective from 18 March 2020.

The COVID-19 pandemic could have a significant impact to the Group's financial performance for the financial year ending 31 December 2020 due to the disruption of economic activity globally. Coupled with the collapse of oil prices and increasing unemployment, the global economy is forecasted to go into a deep recession and Malaysia is not spared.

The financial impact on the Group's performance, if any, will be reflected in the financial year ending 31 December 2020. At this juncture, management is not in a position to quantify the potential damage to be suffered due to the uncertainties prevailing within and outside the country

- (b) The subsidiary of the Company had obtained a term loan of RM80 million on 1 June 2016 from the State Government of Penang to finance its capital expenditure projects with a repayment period of 10 years and interest rate of 4% per annum to be charged upon commencement of repayment of the Term Loan on 3 May 2020.

On 26 November 2019, the subsidiary had made a partial settlement of the term loan through an initial repayment of RM40 million.

On 15 April 2020, the State Government of Penang had agreed to grant the subsidiary a special waiver of interest for the early settlement of the remaining term loan of RM40 million.

On 24 April 2020, the management has begun to make early settlement of the remaining RM40 million in 4 bi-monthly instalments of RM10 million per instalment beginning from May 2020 until November 2020.

11. Contingencies

There are no contingencies for the period under review.

12. Related parties

There are no significant transactions and changes with Government related entities and key management personnel compensation for the period save as disclosed in Note 20 Loans and borrowings.

Notes to the Condensed Consolidated Interim Financial Statements

**NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS:
Chapter 9, Appendix 9B, Part A.****13. Review of Group performance**

Group revenue for the quarter ended 31 March 2020 decreased by RM2.2 million or 2.6% as compared to the corresponding quarter in 2019. The Group registered a profit before tax of RM4.2 million as compared to the preceding year's corresponding quarter of RM9.3 million. This is mainly due to the decrease in revenue generated from capital contribution funds.

	Individual Period 1st quarter		Changes RM'000	Changes %
	Current period Quarter	Preceding Year Corresponding Quarter		
	31/3/2020 RM'000	31/3/2019 RM'000		
Revenue	82,228	84,432	(2,204)	-2.6%
Operating Profit	3,434	9,154	(5,720)	-62.5%
Profit before interest and tax	4,178	9,314	(5,136)	-55.1%
Profit before tax	4,175	9,297	(5,122)	-55.1%
Profit after tax	3,865	14,472	(10,607)	-73.3%
Profit attributable to ordinary equity holders of the parent	3,865	14,472	(10,607)	-73.3%
Total comprehensive profit for the period	3,865	14,256	(10,391)	-72.9%

14. Variation of results against preceding quarter

Group revenue increased from RM81.4 million to RM82.2 million as compared to the immediate preceding quarter. The Group registered a profit before tax of RM4.2 million as compared to the immediate preceding quarter of loss before tax of RM8.6 million primarily due to decrease in doubtful debts expense recognised in accordance with MFRS 9 Financial Instruments.

	Individual Period 1st quarter		Changes RM'000	Changes %
	Current Quarter	Immediate Preceding Quarter		
	31/3/2020 RM'000	31/12/2019 RM'000		
Revenue	82,228	81,415	813	1.0%
Operating profit/(loss)	3,434	(9,805)	13,239	>100%
Profit/(Loss) before interest and tax	4,178	(8,595)	12,773	>100%
Profit/(Loss) before tax	4,175	(8,615)	12,790	>100%
Profit/(Loss) after tax	3,865	(12,406)	16,271	>100%
Profit /(Loss) attributable to ordinary equity holders of the parent	3,865	(12,406)	16,271	>100%
Total comprehensive profit/(loss) for the period	3,865	(12,406)	16,271	>100%

Notes to the Condensed Consolidated Interim Financial Statements

15. Current year prospects

The water billing for April 2020 onwards is based on estimates. This could cause some revision to the revenue as the estimates are historical in nature and some companies may not be operating due to the Movement Control Order (“MCO”) / Conditional Movement Control Order (“CMCO”) / Recovery Movement Control Order (“RMCO”).

The Covid-19 pandemic will also impact business levels and consumption patterns adversely. Domestic consumption, which is highly subsidised is expected to increase, while trade consumption which cross-subsidises domestic consumers, will decline.

16. Profit forecast or profit guarantee

Not applicable.

17. Revenue

Timing of revenue recognition by point in time and over time are as follows :

	Three months ended			Current year to-date ended		
	31 March			31 March		
	2020	2019	Changes	2020	2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Sale of water	80,438	80,775	0%	80,438	80,775	0%
Capital contribution funds	710	2,934	-76%	710	2,934	-76%
Others	1,080	723	49%	1,080	723	49%
	<u>82,228</u>	<u>84,432</u>	<u>-3%</u>	<u>82,228</u>	<u>84,432</u>	<u>-3%</u>
Timing of revenue recognition:						
- At a point in time	81,556	84,049	-3%	81,556	84,049	-3%
- Over time	672	383	75%	672	383	75%
	<u>82,228</u>	<u>84,432</u>	<u>-3%</u>	<u>82,228</u>	<u>84,432</u>	<u>-3%</u>

18. Income tax expense

	Three months ended		Current year to-date ended	
	31 March		31 March	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current income tax				
Current year	310	825	310	825
Deferred Tax				
Origination and reversal of temporary differences	-	(6,000)	-	(6,000)
Income tax expense continuing operations	<u>310</u>	<u>(5,175)</u>	<u>310</u>	<u>(5,175)</u>

Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax expected for the full year applied to the pre-tax income of the interim period.

Notes to the Condensed Consolidated Interim Financial Statements

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group for the current year to-date is as follows:

	31 March 2020 RM'000
Profit before taxation	4,175
Taxation at Malaysian statutory tax rate of 24%	1,002
Income not subject to tax	(1,001)
Expenses not deductible for tax purposes	309
Tax expense for the period	310

Unabsorbed reinvestment allowance can be carried forward for seven consecutive years of assessment immediately following the gazettelement of the Finance Act 2018. Based on existing legislation, as at 31 March 2020, it is anticipated that only RM3 million out of the RM602 million (31 March 2019 : RM22.4 million out of RM608 million) available will be utilised to set-off against future taxable profits in the next five (2019: six) years.

19. Corporate proposals

There are no corporate proposals which have been announced for the current quarter and current financial year to-date.

20. Loans and borrowings

- i) The unsecured and interest free term loan was obtained from the Federal Government via the State Government of Penang to finance Non Revenue Water (NRW) projects :
- a) RM20 million : repayable over 20 years period with effect from 11 September 2016
 - b) RM24 million : repayable over 20 years period with effect from 10 December 2018

The subsidiary company has fully drawdown RM20 million from the 1st term loan agreement and RM24 million from the 2nd term loan agreement.

- ii) On 1 June 2016, the subsidiary of the Company obtained a loan from the State Government amounting to RM80 million to finance capital expenditure projects. The loan is unsecured with 4.0% interest p.a.. The subsidiary has fully drawdown RM80 million. The loan is repayable over a 10 year period with effect from 3 May 2020. On 26 November 2019, the subsidiary of the Company had made an early repayment of RM40 million to the State Government as partial settlement.

Notes to the Condensed Consolidated Interim Financial Statements

	At 31 March 2020 RM'000	At 31 December 2019 RM'000
Unsecured		
i) Loan from Federal Government via the State Government of Penang		
Nominal value of loans	38,200	40,400
Less: Deemed interest recognised as government grant	(14,025)	(15,401)
Add: Amortised interest	332	1,375
Less: Repayment	(600)	(2,200)
	23,907	24,174
ii) Loan from State Government of Penang		
Nominal value of loans	40,000	80,000
Less: Deemed interest recognised as government grant	(3,126)	(27,557)
Add: Amortised interest	155	1,181
Realisation upon repayment	-	23,250
Less: Repayment	-	(40,000)
	37,029	36,874
	60,936	61,048
Analysed as:		
Non-current	18,736	55,485
Current	42,200	5,563
	60,936	61,048

21. Deferred income

	At 31 March 2020 RM'000	At 31 December 2019 RM'000
Government grant		
Balance at beginning	17,152	42,958
Transfer from loans and borrowings	-	(23,250)
Less : Amortisation	(488)	(2,556)
	16,664	17,152

Government grant represents the difference between the nominal value of the loans obtained as mentioned in Note 20 and the fair value of the loans measured on initial recognition. The government grant is realised over the period from the initial loan drawdown date up to the maturity date of the loans. There are two types of term loans taken by the Company, i.e.

- (i) RM44 million interest-free loans from the Federal Government via the State Government of Penang to finance Non-Revenue Water projects, and
- (ii) RM80 million interest bearing loan at 4% p.a. from the State Government of Penang to finance the Company's capital expenditure projects.

Notes to the Condensed Consolidated Interim Financial Statements

22. Contract liabilities

	At 31 March 2020 RM'000	At 31 December 2019 RM'000
Capital contribution funds ("CCF")		
Balance at beginning	30,093	20,964
Additions during the period	8,565	31,076
Less : Recognised in revenue	(710)	(21,947)
	<u>37,948</u>	<u>30,093</u>
Transfer of assets from customers		
Balance at beginning	86,626	69,501
Additions during the period	2,741	20,596
Less : Amortisation	(672)	(3,471)
	<u>88,695</u>	<u>86,626</u>
	<u>126,643</u>	<u>116,719</u>
Analysed as:		
Non-current	86,777	84,759
Current	39,866	31,960
	<u>126,643</u>	<u>116,719</u>

The contract liabilities from Capital Contribution Funds (CCF) and transfer of assets from customers consist of the fair value of the assets transferred to a subsidiary company. The contract liabilities are amortised over the useful life of the CCF and transferred assets.

23. Deferred liabilities

	At 31 March 2020 RM'000	At 31 December 2019 RM'000
Non-current	56,367	56,766
Current	1,595	1,595
	<u>57,962</u>	<u>58,361</u>

Pursuant to migration of the Penang State Water Assets and the loans to Pengurusan Aset Air Berhad ("PAAB") in the financial year 2011, the Company had entered into Facility and Lease Agreements ("FLA") with PAAB to enable water supply services to be carried out on the lands leased from PAAB. The FLA is effective for a period of 45 years from 1 August 2011.

Following the above events, the outstanding balance of the loans obtained from the Federal Government via the State Government of Penang was converted into lease incentives, classified under deferred liabilities and are amortised over the lease period of 45 years with effect from 1 August 2011.

Notes to the Condensed Consolidated Interim Financial Statements

24. Lease liabilities

	At 31 March 2020 RM'000	At 31 December 2019 RM'000
Lease liabilities		
Balance at beginning	231,597	234,916
Additions during the period	677	
Accretion of interest	3,297	13,343
Payments	(4,167)	(16,662)
	<u>231,404</u>	<u>231,597</u>
Analysed as:		
Non-current	228,023	228,406
Current	3,381	3,191
	<u>231,404</u>	<u>231,597</u>

25. Material litigation

As at 23 June 2020, there was no material litigation against the Group.

26. Dividends

The Board of Directors recommend a single tier final dividend of 1.75 sen per share amounting to RM5,792,000 for the financial year ended 31 December 2019 subject to the approval of shareholders at the forthcoming Annual General Meeting (31 December 2018 – final single tier dividend of 1.75 sen per share amounting to RM5,792,000).

Notes to the Condensed Consolidated Interim Financial Statements

27. Earnings per ordinary share

	Three months ended 31 March 2020 Continuing operations RM'000	Three months ended 31 March 2019 Continuing operations RM'000	Current year to-date 31 March 2020 Continuing operations RM'000	Current year to-date 31 March 2019 Continuing operations RM'000
Profit for the period	3,865	14,472	3,865	14,472
	Three months ended 31 March 2020 '000 Shares	Three months ended 31 March 2019 '000 Shares	Current year to-date 31 March 2020 '000 Shares	Current year to-date 31 March 2019 '000 Shares
Issued ordinary shares at 1 January	331,271	331,271	331,271	331,271
Effect of share buyback	(273)	(271)	(273)	(271)
Weighted average number of ordinary shares	330,998	331,000	330,998	331,000
	Three months ended 31 March 2020 Continuing operations Sen	Three months ended 31 March 2019 Continuing operations Sen	Current year to-date 31 March 2020 Continuing operations Sen	Current year to-date 31 March 2019 Continuing operations Sen
Earnings per share	1.17	4.37	1.17	4.37

Notes to the Condensed Consolidated Interim Financial Statements

28. Auditor's report on preceding annual financial statements

The auditor's report on the audited annual financial statements for the year ended 31 December 2019 was not qualified.

29. Notes to the Condensed Statement of Comprehensive Income

	Three months ended 31 March 2020 RM'000	Year to-date 31 March 2020 RM'000
a) Other Operating Income	(3,224)	(3,224)
b) Interest Income	(744)	(744)
c) Interest expense	3	3
d) Depreciation	17,183	17,183
e) Expected credit loss on trade and other receivables	1,061	1,061