

PRIVATE & CONFIDENTIAL

PBA HOLDINGS BHD

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

Interim Financial Report

30 September 2020

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Condensed Consolidated Statement of Financial Position
As at 30 September 2020 - unaudited

	Note	30 September 2020 RM'000	31 December 2019 RM'000
Assets			
Property, plant and equipment	5	1,090,529	1,076,318
Right-of-use assets		193,081	197,297
Total non-current assets		<u>1,283,610</u>	<u>1,273,615</u>
Inventories		9,094	8,971
Trade and other receivables	6	39,509	41,913
Current tax assets		1,172	802
Cash and cash equivalents		122,224	157,957
Total current assets		<u>171,999</u>	<u>209,643</u>
Total assets		<u>1,455,609</u>	<u>1,483,258</u>
Equity			
Share capital		327,579	327,579
Reserves		374,688	350,841
Total equity	7	<u>702,267</u>	<u>678,420</u>
Loans and borrowings	20	20,744	55,485
Deferred income	21	13,056	17,152
Contract liabilities	22	91,622	84,759
Deferred liabilities	23	55,569	56,766
Lease liabilities	24	226,444	228,406
Deferred tax liabilities		142,000	142,000
Total non-current liabilities		<u>549,435</u>	<u>584,568</u>
Trade and other payables		151,502	177,924
Loans and borrowings	20	12,200	5,563
Contract liabilities	22	35,106	31,960
Deferred liabilities	23	1,595	1,595
Lease liabilities	24	3,448	3,191
Current tax liability		56	37
Total current liabilities		<u>203,907</u>	<u>220,270</u>
Total liabilities		<u>753,342</u>	<u>804,838</u>
Total equity and liabilities		<u>1,455,609</u>	<u>1,483,258</u>

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the nine months ended 30 September 2020 - unaudited

	Note	Three months ended 30 September		Current year-to-date ended 30 September	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Continuing operations					
Revenue	17	83,760	77,350	250,979	258,786
Cost of sales		<u>(54,591)</u>	<u>(60,617)</u>	<u>(170,102)</u>	<u>(174,158)</u>
Gross profit		<u>29,169</u>	<u>16,733</u>	<u>80,877</u>	<u>84,628</u>
Other operating income		4,117	4,438	9,745	13,827
Administrative expenses		<u>(21,643)</u>	<u>(13,198)</u>	<u>(67,306)</u>	<u>(65,323)</u>
Operating profit		<u>11,643</u>	<u>7,973</u>	<u>23,316</u>	<u>33,132</u>
Interest income		240	1,242	1,419	3,630
Profit before interest and tax		<u>11,883</u>	<u>9,215</u>	<u>24,735</u>	<u>36,762</u>
Interest expense		<u>(9)</u>	<u>(5)</u>	<u>(13)</u>	<u>(32)</u>
Profit before tax		<u>11,874</u>	<u>9,210</u>	<u>24,722</u>	<u>36,730</u>
Tax (expense) / Income	18	<u>(569)</u>	<u>(3,029)</u>	<u>(875)</u>	<u>829</u>
Profit for the period		<u>11,305</u>	<u>6,181</u>	<u>23,847</u>	<u>37,559</u>
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operation		-	-	-	(216)
Total other comprehensive loss for the period		-	-	-	(216)
Total comprehensive income for the period		<u>11,305</u>	<u>6,181</u>	<u>23,847</u>	<u>37,343</u>
Earnings per share (sen) :	27	<u>3.42</u>	<u>1.87</u>	<u>7.20</u>	<u>11.35</u>

Condensed Consolidated Statement of Changes in Equity
For the nine months ended 30 September 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	-	-	37,559	37,559
Total comprehensive income for the period	-	-	37,559	37,343
Dividends	-	-	(5,793)	(5,793)
At 30 September 2019	327,579	(235)	369,274	696,618

Condensed Consolidated Statement of Changes in Equity
For the nine months ended 30 September 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	-	-	-	23,847	23,847
Total comprehensive income for the period	-	-	-	23,847	23,847
At 30 September 2020	327,579	(236)	-	374,924	702,267

Condensed Consolidated Statement of Cash Flows
For the nine months ended 30 September 2020 - unaudited

	Nine months ended 30 September	
	2020 RM'000	2019 RM'000
Cash flows from operating activities		
Profit before tax	24,722	36,730
Adjustments for :		
Accretion of interest	9,895	10,007
Expected credit losses of trade and other receivables	2,236	4,445
Allowance for expected credit losses recovered	(1,557)	(655)
Amortisation of assets transferred from customers	(1,670)	(3,019)
Amortisation of deferred liabilities	(1,196)	(1,196)
Depreciation of property, plant and equipment	46,582	44,192
Depreciation of right-of-use assets	5,087	5,109
Distribution income from investment in short term funds	(1,419)	(3,823)
Gain on disposal of property, plant and equipment	(122)	(54)
Interest income	(1,282)	(653)
Inventories written down	(42)	(1,250)
Property, plant and equipment expensed off	167	-
Property, plant and equipment written off	73	114
Realisation of government grant	(1,399)	(4,015)
Unwinding of discount on loans and borrowings	1,399	4,015
Operating profit before working capital changes	81,474	89,947
Inventories	(81)	2,453
Receivables	1,513	(3,189)
Payables	(20,419)	(6,554)
Contract liabilities	2,975	5,584
Cash generated from operations	65,462	88,241
Income tax paid	(1,225)	(2,338)
Income tax refunded	-	23
Net cash from operating activities	64,237	85,926
Cash flows from investing activities		
Interest received	1,282	653
Distribution income received	1,419	3,823
Proceeds from disposal of PPE	122	65
Purchase of PPE	(52,330)	(46,235)
Net cash used in investing activities	(49,507)	(41,694)
Cash flow from financing activities		
Dividends paid	(5,792)	(11,585)
Payment of lease liabilities	(12,471)	(12,495)
Repayment of government loans	(32,200)	(2,200)
Net cash from financing activities	(50,463)	(26,280)
Net increase in cash and cash equivalents	(35,733)	17,952
Cash and cash equivalents at beginning	157,957	182,476
Cash and cash equivalents at end	122,224	200,428
Cash and cash equivalents		
Cash and cash equivalents included in the condensed consolidated statement of cash flow comprise :		
	Nine months ended 30 September	
	2020	2019
	RM'000	RM'000
Cash and bank balances	29,720	26,902
Short-term deposits with licensed banks	92,504	173,526
	122,224	200,428

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 30 September 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 24 November 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 30 September 2020, the Group acquired assets with a cost of RM52.33 million (30 September 2019 : RM46.24 million).

Other assets with a carrying amount of RM0.07 million were written off during the period ended 30 September 2020 (30 September 2019 : RM0.11 million).

b) Depreciation and amortisation

	Three months ended		Current year to-date ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Charge for the period				
- Property, plant and equipment	15,262	14,712	46,582	44,192
- Right-of-use assets	1,658	1,705	5,087	5,109
	<u>16,920</u>	<u>16,417</u>	<u>51,669</u>	<u>49,301</u>

Notes to the Condensed Consolidated Interim Financial Statements

c) Capital commitments

	At 30 September 2020 RM'000	At 31 December 2019 RM'000
Approved Capital Expenditure:-		
i) Contracted but not provided for	213,000	87,000
ii) Authorised but not contracted for	202,000	183,000

d) Transfer of assets from customers

During the period ended 30 September 2020, assets transferred from Customers amounted to RM8.70 million (30 September 2019 : RM11.63 million)

6. Trade and other receivables

	At 30 September 2020 RM'000	At 31 December 2019 RM'000
Trade		
Trade receivables	35,996	38,299
Less: Allowance for expected credit losses	(8,638)	(8,044)
	<u>27,358</u>	<u>30,255</u>
Non-trade		
Other receivables	7,413	8,618
Less: Allowance for expected credit losses	(3,042)	(2,958)
	<u>4,371</u>	<u>5,660</u>
Deposits	6,915	5,687
Prepayments	865	311
	<u>12,151</u>	<u>11,658</u>
	<u>39,509</u>	<u>41,913</u>

7. Total equity

No additional issuance of share capital as at 30 September 2020.

Treasury shares

During the period ended 30 September 2020, there was no repurchase of issued ordinary shares from the open market (30 September 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 period ended 30 September 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 30 September 2020 increased by RM6.4 million or 8.3% as compared to the corresponding quarter in 2019. The Group registered a profit before tax of RM11.9 million as compared to the preceding year's corresponding quarter of RM9.2 million. The increase is mainly due to increase in domestic water revenue.

	Individual Period 3rd quarter		Changes RM'000	Changes %
	Current period Quarter	Preceding Year Corresponding Quarter		
	30/9/2020 RM'000	30/9/2019 RM'000		
Revenue	83,760	77,350	6,410	8.3%
Operating Profit	11,643	7,973	3,670	46.0%
Profit before interest and tax	11,883	9,215	2,668	29.0%
Profit before tax	11,874	9,210	2,664	28.9%
Profit after tax	11,305	6,181	5,124	82.9%
Profit attributable to ordinary equity holders of the parent	11,305	6,181	5,124	82.9%
Total comprehensive profit for the period	11,305	6,181	5,124	82.9%

14. Variation of results against preceding quarter

Group revenue decreased from RM85.0 million to RM83.8 million as compared to the immediate preceding quarter. The Group registered a profit before tax of RM11.9 million as compared to the immediate preceding quarter of RM8.7 million primarily due to the decrease in administrative expenses.

	Individual Period 3rd quarter		Changes RM'000	Changes %
	Current Quarter	Immediate Preceding Quarter		
	30/9/2020 RM'000	30/6/2020 RM'000		
Revenue	83,760	84,991	(1,231)	-1.4%
Operating profit	11,643	8,239	3,404	41.3%
Profit before interest and tax	11,883	8,674	3,209	37.0%
Profit before tax	11,874	8,673	3,201	36.9%
Profit after tax	11,305	8,677	2,628	30.3%
Profit attributable to ordinary equity holders of the parent	11,305	8,677	2,628	30.3%
Total comprehensive profit for the period	11,305	8,677	2,628	30.3%

Notes to the Condensed Consolidated Interim Financial Statements

15. Current year prospects

Water billing for April and May 2020 was based on estimates. This caused some revision to revenue as the estimates were historical in nature and some companies were not 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		
	30 September			30 September		
	2020	2019	Changes	2020	2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Sale of water	79,420	67,755	17%	228,246	234,355	-3%
Capital contribution funds	3,452	8,695	-60%	19,931	20,497	-3%
Others	888	900	-1%	2,802	3,934	-29%
	<u>83,760</u>	<u>77,350</u>	<u>8%</u>	<u>250,979</u>	<u>258,786</u>	<u>-3%</u>
Timing of revenue recognition:						
- At a point in time	83,255	76,715	9%	249,309	255,767	-3%
- Over time	505	635	-20%	1,670	3,019	-45%
	<u>83,760</u>	<u>77,350</u>	<u>8%</u>	<u>250,979</u>	<u>258,786</u>	<u>-3%</u>

18. Income tax expense

	Three months ended		Current year to-date ended	
	30 September		30 September	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current income tax				
Current year	570	30	876	1,440
(Over) / Under provision in prior year	(1)	(1)	(1)	731
	<u>569</u>	<u>29</u>	<u>875</u>	<u>2,171</u>
Deferred Tax				
Origination and reversal of temporary differences	-	3,000	-	(3,000)
Income tax expense continuing operations	<u>569</u>	<u>3,029</u>	<u>875</u>	<u>(829)</u>

Income tax expense is recognised based on management's best estimates 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:

	30 September 2020 RM'000
Profit before taxation	24,722
Taxation at Malaysian statutory tax rate of 24%	5,933
Current year reinvestment allowance	(1,732)
Income not subject to tax	(4,381)
Expenses not deductible for tax purposes	1,055
Tax expense for the period	875

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 30 September 2020, it is anticipated that only RM10 million out of the RM599 million (30 September 2019 : RM18.5 million out of RM604 million) available will be utilised to set-off against future taxable profits in the next five years (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.

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.

Notes to the Condensed Consolidated Interim Financial Statements

	At 30 September 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	997	1,375
Less: Repayment	(2,200)	(2,200)
	22,972	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	402	1,181
Realisation upon repayment	2,696	23,250
Less: Repayment	(30,000)	(40,000)
	9,972	36,874
	32,944	61,048
Analysed as:		
Non-current	20,744	55,485
Current	12,200	5,563
	32,944	61,048

21. Deferred income

	At 30 September 2020 RM'000	At 31 December 2019 RM'000
Government grant		
Balance at beginning	17,152	42,958
Transfer from loans and borrowings	(2,696)	(23,250)
Less : Amortisation	(1,400)	(2,556)
	13,056	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 30 September 2020 RM'000	At 31 December 2019 RM'000
Capital contribution funds ("CCF")		
Balance at beginning	30,093	20,964
Additions during the period	22,906	31,076
Less : Recognised in revenue	(19,931)	(21,947)
	<u>33,068</u>	<u>30,093</u>
Transfer of assets from customers		
Balance at beginning	86,626	69,501
Additions during the period	8,704	20,596
Less : Amortisation	(1,670)	(3,471)
	<u>93,660</u>	<u>86,626</u>
	<u>126,728</u>	<u>116,719</u>
Analysed as:		
Non-current	91,622	84,759
Current	35,106	31,960
	<u>126,728</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 30 September 2020 RM'000	At 31 December 2019 RM'000
Non-current	55,569	56,766
Current	1,595	1,595
	<u>57,164</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 30 September 2020 RM'000	At 31 December 2019 RM'000
Lease liabilities		
Balance at beginning	231,597	234,916
Additions during the period	871	
Accretion of interest	9,895	13,343
Payments	(12,471)	(16,662)
	<u>229,892</u>	<u>231,597</u>
Analysed as:		
Non-current	226,444	228,406
Current	3,448	3,191
	<u>229,892</u>	<u>231,597</u>

25. Material litigation

As at 24 November 2020, there was no material litigation against the Group.

26. Dividends

The Board of Directors has declared a single tier interim dividend of 1.25 sen per share amounting to RM4,138,000 for the financial year ending 31 December 2020 (30 September 2019 - single tier final dividend of 1.75 sen per share amounting to RM5,793,000).

Notes to the Condensed Consolidated Interim Financial Statements

27. Earnings per ordinary share

	Three months ended 30 September 2020 Continuing operations RM'000	Three months ended 30 September 2019 Continuing operations RM'000	Current year to-date 30 September 2020 Continuing operations RM'000	Current year to-date 30 September 2019 Continuing operations RM'000
Profit for the period	11,305	6,181	23,847	37,559
	Three months ended 30 September 2020 '000 Shares	Three months ended 30 September 2019 '000 Shares	Current year to-date 30 September 2020 '000 Shares	Current year to-date 30 September 2019 '000 Shares
Issued ordinary shares at 1 January	331,271	331,271	331,271	331,271
Effect of share buyback	(273)	(272)	(273)	(272)
Weighted average number of ordinary shares	330,998	330,999	330,998	330,999
	Three months ended 30 September 2020 Continuing operations Sen	Three months ended 30 September 2019 Continuing operations Sen	Current year to-date 30 September 2020 Continuing operations Sen	Current year to-date 30 September 2019 Continuing operations Sen
Earnings per share	3.42	1.87	7.20	11.35

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 30 September 2020 RM'000	Year to-date 30 September 2020 RM'000
a) Other Operating Income	(4,117)	(9,745)
b) Interest Income	(240)	(1,419)
c) Interest expense	9	13
d) Depreciation	16,920	51,669
e) Expected credit loss on trade and other receivables	604	2,236