



## **GLOBALTEC FORMATION BERHAD**

**(Incorporated in Malaysia)**

**Company No: 953031-A**

### **SECOND QUARTERLY REPORT FINANCIAL YEAR 2021**

#### **HIGHLIGHTS**

- **Group records net profit of RM6.0 million and RM16.8 million for the 2<sup>nd</sup> quarter and the 6-month period ended 31 December 2020 respectively**
- **Net cash inflow of RM11.7 million**
- **Cash/Fixed deposit position increased from RM56 million to RM64.9 million**
- **Gearing decreased from 0.09 times to 0.07 times**
- **Net assets increased to RM251 million**
- **Net assets per share increased to RM0.93**
- **Another production sharing contract completes its exploration activities and secures approval to submit its plan of development**

**Condensed unaudited consolidated statement of profit or loss and other comprehensive income for the financial period ended 31 December 2020**

	Current quarter 31.12.2020 RM'000	Preceding year corresponding quarter 31.12.2019 RM'000	Current period 31.12.2020 RM'000	Preceding year corresponding period 31.12.2019 RM'000
<b>Revenue</b>	43,630	49,077	79,978	102,043
Cost of sales	(33,018)	(38,813)	(60,549)	(80,222)
<b>Gross profit</b>	10,612	10,264	19,429	21,821
Other operating expenses	(7,288)	(9,025)	(15,903)	(17,982)
Other operating income	6,180	349	28,141	459
<b>Results from operating activities</b>	9,504	1,588	31,667	4,298
Finance income	195	243	494	661
Finance costs	(219)	(388)	(494)	(721)
<b>Profit before tax</b>	9,480	1,443	31,667	4,238
Tax expense	(787)	(662)	(2,687)	(1,639)
<b>Profit for the period</b>	8,693	781	28,980	2,599
<b>Other comprehensive expense, net of tax</b>				
Foreign currency translation differences for foreign operations	(450)	(1,726)	(5,269)	(360)
<b>Total comprehensive income/(expense) for the period</b>	8,243	(945)	23,711	2,239
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	6,012	1,746	16,758	3,745
Non-controlling interests	2,681	(965)	12,222	(1,146)
<b>Profit for the period</b>	8,693	781	28,980	2,599
<b>Total comprehensive income/(expense) attributable to:</b>				
Owners of the Company	5,891	560	12,427	3,504
Non-controlling interests	2,352	(1,505)	11,284	(1,265)
<b>Total comprehensive income/(expense) for the period</b>	8,243	(945)	23,711	2,239
Basic earnings per ordinary share (sen)	2.234	0.649	6.228	1.392
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

**(The condensed unaudited consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the Annual Report for the year ended 30 June 2020)**

**Condensed unaudited consolidated statement of financial position as at 31 December 2020**

	<b>As at 31.12.2020 RM'000</b>	<b>Audited 30.6.2020 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	70,566	73,011
Right-of-use assets	34,359	35,781
Exploration and evaluation assets	98,157	103,598
Other investments	53	53
Other financial assets	2,792	3,138
Investment property	13,605	13,605
Intangible assets	27,231	27,445
Deferred tax assets	157	165
<b>Total non-current assets</b>	<u>246,920</u>	<u>256,796</u>
<b>Current assets</b>		
Biological assets	424	241
Receivables, deposits and prepayments	27,561	17,301
Inventories	19,809	24,034
Contract assets	4,436	5,374
Other investments	24,253	164
Current tax assets	1,421	1,882
Fixed deposits with maturity more than 3 months but less than 12 months	-	3,000
Cash and cash equivalents	64,911	53,004
<b>Total current assets</b>	<u>142,815</u>	<u>105,000</u>
<b>TOTAL ASSETS</b>	<u>389,735</u>	<u>361,796</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	643,647	643,647
Business combination deficit	(157,064)	(157,064)
Reserves	(235,586)	(248,013)
	<u>250,997</u>	<u>238,570</u>
Non-controlling interests	48,043	36,759
<b>Total equity</b>	<u>299,040</u>	<u>275,329</u>
<b>Long term and deferred liabilities</b>		
Borrowings	3,576	3,749
Lease liabilities	408	2,014
Deferred income	2,009	1,329
Deferred tax liabilities	8,060	6,813
<b>Total long term and deferred liabilities</b>	<u>14,053</u>	<u>13,905</u>
<b>Current liabilities</b>		
Payables and accruals	36,849	30,536
Lease liabilities	1,982	1,681
Tax liabilities	540	323
Deferred income	271	160
Provisions	24,986	26,398
Borrowings	12,014	13,464
<b>Total current liabilities</b>	<u>76,642</u>	<u>72,562</u>
<b>Total liabilities</b>	<u>90,695</u>	<u>86,467</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>389,735</u>	<u>361,796</u>
Net assets per share attributable to owners of the Company (RM)	0.933	0.880

(The condensed unaudited consolidated statement of financial position should be read in conjunction with the Annual Report for the year ended 30 June 2020)

**Condensed unaudited consolidated statement of changes in equity for the financial period ended 31 December 2020**

	← Attributable to owners of the Company →							Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Fair value adjustment reserve	Business combination deficit	Accumulated losses	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>At 1 July 2020</b>	643,647	2,351	(44,479)	(157,064)	(205,885)	238,570	36,759	275,329	
Total comprehensive (expense)/income for the period	-	(4,331)	-	-	16,758	12,427	11,284	23,711	
<b>At 31 December 2020</b>	643,647	(1,980)	(44,479)	(157,064)	(189,127)	250,997	48,043	299,040	

	← Attributable to owners of the Company →							Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Fair value adjustment reserve	Business combination deficit	Accumulated losses	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>At 1 July 2019</b>	643,647	(553)	(44,479)	(157,064)	(208,233)	233,318	39,694	273,012	
Total comprehensive income for the period	-	(241)	-	-	3,745	3,504	(1,265)	2,239	
<b>At 31 December 2019</b>	643,647	(794)	(44,479)	(157,064)	(204,488)	236,822	38,429	275,251	

(The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the Annual Report for the year ended 30 June 2020)

**Condensed unaudited consolidated statement of cash flows for the financial period ended 31 December 2020**

	<b>Current period</b>	<b>Preceding year</b>
	<b>31.12.2020</b>	<b>corresponding</b>
	<b>RM'000</b>	<b>period</b>
		<b>31.12.2019</b>
		<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	31,667	4,238
Adjustments for:		
Amortisation of customer relationships	197	197
Amortisation of development costs	17	-
Amortisation of government grant	(114)	-
Changes in fair value of other investments	(7,224)	2
Depreciation	5,676	5,786
Fair value gain on biological assets	(182)	(95)
Finance costs	494	721
Finance income	(494)	(661)
Gain on disposal of gold royalty	(21,711)	-
Gain on disposal of property, plant and equipment	-	(137)
Provision for warranties (net)	44	87
Unrealised foreign exchange loss	1,510	124
Operating profit before working capital changes	9,880	10,262
Changes in working capital:		
Inventories	3,832	5,581
Contract assets	939	589
Receivables, deposits and prepayments	(11,551)	(1,895)
Payables and accruals	5,577	4,348
Cash generated from operations	8,677	18,885
Warranties paid	(46)	(86)
Taxation paid (net)	(789)	(106)
<b>Net cash generated from operating activities</b>	<b>7,842</b>	<b>18,693</b>



## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **A1. Basis of preparation**

This interim financial report of Globaltec Formation Berhad (“GFB” or the “Company”) and its subsidiaries (“Group”) is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134, *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) (“Listing Requirements”).

### **A2. Significant Accounting Policies**

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2020.

The Group has not adopted the following standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group.

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform–Phase 2*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

#### ***MFRSs, Interpretations and amendments effective for a 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*

The Group plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 July 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021.
- from the annual period beginning on 1 July 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for Amendments to MFRS 1 which is not applicable to the Group.
- from the annual period beginning on 1 July 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Group.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

### **A3. Qualified audit report**

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

### **A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial period.

### **A5. Seasonal and cyclical factors**

There were no material seasonal or cyclical factors affecting the income and performance of the Group.

### **A6. Changes in estimates**

There were no changes in the estimates of amounts which give a material effect for the financial period ended 31 December 2020.

### **A7. Dividends**

The Board does not recommend any dividend for the financial period ended 31 December 2020

### **A8. Material events subsequent to the period end**

There were no material events subsequent to the financial period end.

### **A9. Changes in composition of the Group**

There were no material changes in the Group structure for the financial period and up to the date of this report.



**A10. Capital commitments**

Contracted but not provided for capital commitments as at 31 December 2020 were as follows:

	<b>RM'000</b>
In respect of:	
- Property, plant and equipment	<u>174</u>

**A11. Contingent liabilities/assets**

As at 31 December 2020, the Company had executed corporate guarantees in favour of licensed financial institutions of up to a limit of RM35.2 million for credit facilities granted to subsidiaries. Out of the total banking facilities secured by corporate guarantees by the Company, a total of RM14.8 million was outstanding at the period end.

**A12. Debt and equity securities**

There were no issuances, cancellations, share splits, repurchases and repayments of the Company's debt or equity securities for the financial period ended 31 December 2020.

**A13. Segmental information**

Analysis by business segments being the primary basis of the Group's segmental reporting for the financial period ended 31 December 2020 is as follows:

	<b>Integrated manufacturing services RM'000</b>	<b>Energy RM'000</b>	<b>Resources RM'000</b>	<b>Investment holding RM'000</b>	<b>Consolidation adjustments RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment revenue</b>						
Revenue from external customers	76,497	-	3,481	-	-	79,978
Inter-segment revenue	-	-	-	737	(737)	-
Total revenue	<u>76,497</u>	<u>-</u>	<u>3,481</u>	<u>737</u>	<u>-</u>	<u>79,978</u>
<b>Segment profit/(loss)</b>						
	<u>5,482</u>	<u>26,572</u>	<u>436</u>	<u>(1,157)</u>	<u>334</u>	<u>31,667</u>
<b>Segment assets</b>						
Customer relationships	167,580	131,255	47,336	84,268	(67,818)	362,621
Goodwill on consolidation						4,933
Consolidated total assets						<u>22,181</u>
						<u>389,735</u>

**OTHER NOTES PURSUANT TO BURSA MALAYSIA'S MAIN MARKET LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

**B1. Review of performance**

The Integrated Manufacturing Services (“IMS”) segment comprises the following divisions:

- i) precision machining, stamping and tooling (“PMST”); and
- ii) automotive components design and manufacturing (“Automotive”).

The Resources segment is principally involved in the harvesting and selling of fresh fruit bunches of oil palm (“FFB”) whereas the Energy segment is principally involved in the exploration and production of oil and gas but has not commenced commercial production yet.

The Group’s revenue for the current quarter decreased from RM49.1 million in the preceding year corresponding quarter to RM43.6 million. The decrease is due to a decline in the revenue from the IMS segment from RM47.5 million to RM41.7 million, where all the IMS divisions registered a decline in their revenue. The decline in revenue is attributable to weak demand due to the COVID-19 pandemic and the restriction in movements imposed worldwide and in Malaysia. The Resources segment however recorded an increase of RM0.4 million in their revenue due to an uptrend in FFB prices, offset partially by a decline in FFB production.

The Group’s net profit increased from RM1.7 million in the preceding year corresponding quarter to RM6.0 million for the current quarter. This was mainly due to the Group’s effective share of a fair value gain on other investments amounting to RM4.1 million during the current quarter.

Excluding the above item, despite the decrease in revenue, the Group’s net profit increased from RM1.7 million in the preceding year corresponding quarter to RM1.9 million for the current quarter. This increase was underpinned by a turnaround from a net loss of RM69,000 to a net profit of RM116,000 registered by the Resources segment due mainly to its higher revenue, and a decrease in administrative expenses of the Energy segment. In tandem with the decline in revenue, the net profit from the IMS segment decreased by RM0.3 million from RM2.7 million in the preceding year corresponding quarter to RM2.4 million for the current quarter. Within the IMS segment, the PMST division suffered a decline in net profit by RM0.2 million to record a net profit of RM1.9 million for the current quarter, on the back of lower revenue. The Automotive division, despite the decline in revenue of about RM2.0 million, managed to maintain its net profit at around RM0.5 million due mainly to better cost management and rationalisation of its operations.

The Group’s cash and cash equivalents/deposits continued to grow to RM64.9 million (30 June 2020: RM56.0 million). The Group recorded a net cash inflow of RM11.7 million for the current period on the back of positive operating cash inflows and aided by the proceeds from the disposal of gold royalty amounting to RM5.6 million. In line with the decline in revenue of RM22.1 million, the Group lower operating cash inflows of RM7.8 million for the current period vis-à-vis a net operating cash inflow of RM18.9 million for the preceding year corresponding period. The Group’s net assets per share has increased from RM0.887 to RM0.933 whilst the gearing dropped to 0.07 times from 0.09 times as at 30 June 2020. Current ratio of the Group improved from 1.45 times to 1.86 times.

**B2. Material changes from the preceding quarter**

Comparing quarter on quarter, the Group’s revenue increased from RM36.3 million to RM43.6 million due to both the IMS and Resources segments registering higher revenues. The IMS segment’s revenue increased from RM34.8 million to RM41.7 million as a result of improving demand and the gradual easing of movement restrictions in Malaysia and globally during the current quarter. All the IMS divisions recorded higher revenues. The revenue from the Resources segment increased by RM0.3 million to RM1.9 million from RM1.6 million quarter on quarter on the back of higher FFB prices offset partially by a decrease in FFB production.

In the previous quarter, the Energy segment registered effective shares of gain on disposal of gold royalty of RM11.2 million and fair value loss on other investment of RM0.4 million and the Resources segment accounted for an additional deferred tax expense of RM1.3 million.

Excluding the abovementioned items and the Group's effective share of a fair value gain on other investments amounting to RM4.1 million during the current quarter, the Group recorded an increase in its net profit from RM1.2 million to RM1.9 million quarter on quarter. In tandem with the increase in revenue, all the IMS divisions and the Resources segment recorded an increase in their results.

### **B3. Prospects**

The ongoing and unabating Covid-19 pandemic has caused great damaging effects to the global/Malaysian economy. Due to the resurgent Covid-19 pandemic, several countries around the world including Malaysia have reimposed lockdowns and movement control orders again. As such, the Group's businesses too face challenges to operate at its usual capacity but whilst still having to pay for various fixed costs and overhead. As such, the businesses of Globaltec Group have been affected due to the ongoing pandemic and the movement control order. In this regard, the Group will continue its cost optimisation activities and austerity measures across all the subsidiaries to preserve its cash flow and are doing everything possible to overcome this crisis.

On a positive note, the PMST division will continue to gradually increase its capacity and revenue over time with the commissioning of its new 56,000 square feet facility in Bukit Minyak, Penang in the previous financial year. Moreover, stimulus packages implemented by the Malaysian government have augured well for the Group, particularly for the Automotive division, as sales of motor vehicles has been on the rise since July 2020. In addition, all the business activities of the IMS segment have been showing gradual signs of recovery and positive return to normal.

The Energy segment, under NuEnergy Gas Limited ("NuEnergy"), has submitted the first coal bed methane ("CBM") Plan of Development ("POD I") for the Tanjung Enim production sharing contract ("PSC") in Indonesia. The proposed POD I plans for the development of 209 wells in the identified areas of the Tanjung Enim PSC covering about 33km<sup>2</sup> (or 13% of the total Tanjung Enim PSC acreage). The Indonesia Research and Development Center for Oil and Gas Technology ("Lemigas") has confirmed and certified reserves totaling ~164.89 billion standard cubic feet (bscf) of gas. The proposed POD I is currently pending the approval from the Government of Indonesia. The current global Covid-19 pandemic has however slowed the approval process of the proposed POD I as well as other exploration activities of the Energy segment.

In addition, the Energy segment, in respect of its Muara Enim PSC, has received an acknowledgement letter from the Indonesia's Special Task Force for Upstream Oil and Gas Business Activities ("SKK Migas") that:

- i) confirms the discoveries of natural gas;
- ii) acknowledges the completion of exploration firm commitments by the Energy segment; and
- iii) allows the Energy segment to submit a plan of development within the next 3 years from 18 January 2021.

In the last quarter, as announced by the Company on 28 September 2020, the disposal of the gold royalty by the Energy segment was completed and the proceeds from the completion, comprising cash of A\$2 million and 467,730 shares in Metalla (listed on the TSX Venture Exchange in Canada) worth about A\$5 million, has brought in fresh new funds that will reinvigorate the Energy segment and enable the Energy segment to advance the development of its unconventional gas assets in the highly prospective area in South Sumatra, Indonesia. Furthermore, the Metalla shares will provide exposure to any increase in the gold price in the near to long term and will provide further liquidity/funds to NuEnergy when sold for cash.

**B4. Financial Forecast and Profit Guarantee**

Not applicable.

**B5. Corporate proposals**

There were no material corporate proposals announced but not completed within 7 days from the date of issue of this report.

**B6. Taxation**

The tax expense for the current quarter and financial period are as follows:

	<b>Current quarter</b>	<b>Financial period</b>
	<b>31.12.2020</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Income tax expense</b>		
Malaysia -current year	2,064	1,197
Overseas – current	(1,229)	242
	<u>835</u>	<u>1,439</u>
<b>Deferred tax expense</b>		
Malaysia - current year	(48)	1,248
Total tax expense	<u>787</u>	<u>2,687</u>

The effective tax rate of the Group for the current quarter is lower than the statutory tax rate due mainly to the non-taxable the fair value gain on other investments.

The effective tax rate of the Group for the current period is lower than the statutory tax rate due mainly to the non-taxable gain on disposal of royalty and the fair value gain on other investments.

**B7. Status of memorandum of understandings**

- i) AutoV Corporation Sdn Bhd (“AutoV”), a subsidiary of the Company has on 28 July 2017 entered into a memorandum of understanding for strategic alliance with Ningbo Auto Components Industry Association (“Ningbo AIA”) which records the principal and mutual understanding whereby Ningbo AIA shall assist to develop and secure business collaborations between its members and AutoV group of companies. Discussions are still ongoing as at the date of this report.
- ii) NuEnergy had as at end September 2017 executed a Memorandum of Understanding with PT Pertamina Gas (“Pertagas”) in September 2017 to explore the gas supply from the Tanjung Enim PSC. NuEnergy is currently in an on-going discussion with Pertagas to finalise the mechanism on gas delivery and subsequently progress to negotiate the commercial terms of gas sale and supply.

## B8. Borrowings

The Group's borrowings as at 31 December 2020 were all secured. The borrowings denominated in foreign currency and RM as at 31 December 2020 were as follows:

	<b>RM'000</b>
Foreign Currency:	
- IDR317,499,234@ IDR:RM of 3,497:1	91
RM	<u>17,889</u>
Total Group Borrowings	<u><u>17,980</u></u>

### Foreign currency:

IDR Indonesian Rupiah

## B9. Material litigation

There is no material litigation as at the date of this report.

## B10. Earnings per share

### Basic earnings per share

The basic earnings per share of the Group for the current quarter and current period was computed as follows:

	<b>Current quarter</b>	<b>Current period</b>
Profit attributable to owners of the Company (RM'000)	6,012	16,758
Weighted average number of ordinary shares ('000)	<u>269,087</u>	<u>269,087</u>
Basic earnings per share (sen)	<u>2.234</u>	<u>6.228</u>

### Diluted earnings per share

Diluted earnings per share for the current quarter and financial period are not applicable as the exercise price of the Company's warrants of RM0.72 is higher than the market price of the Company's shares as at period end.

## B11. Exploration and development expenditure/activities

Below is a table showing the exploration assets/expenditure incurred during the period.

	<b>RM'000</b>
<b>Carrying amount</b>	
At 1 July 2020	103,598
Effect of movements in exchange rates	(6,043)
Additions	<u>602</u>
At 31 December 2020	<u><u>98,157</u></u>

The Energy segment continued with its engagement with its partners and with the Government of Indonesia to secure approval of the Tanjung Enim Gross Split PSC and POD I. The ongoing discussions and engagements with the PSC partners, SKK Migas, the Directorate General of Oil and Gas and the Ministry of Energy and Mineral Resources of Indonesia represent the final stage towards the Tanjung Enim POD 1 approval.

The Energy segment has finalised a workscope with SKK Migas and preparation is underway to drill a twin well to the MU005 well in the Muralim PSC in an effort to prepare for the Exploration Status Decision (PSE) stage and POD submission by end of May 2021.

**B12. Notes to the statement of profit or loss and other comprehensive income**

Other than interest income and finance costs, included in the statement of profit or loss and other comprehensive income are the following credits/(charges):

	<b>Current quarter 31.12.2020 RM'000</b>	<b>Preceding year corresponding quarter 31.12.2019 RM'000</b>	<b>Current period 31.12.2020 RM'000</b>	<b>Preceding year corresponding period 31.12.2019 RM'000</b>
Amortisation of customer relationships	(99)	(99)	(197)	(197)
Amortisation of development costs	(9)	-	(17)	-
Amortisation of government grant	74	-	114	-
Changes in fair value of other investments	7,902	6	7,224	(2)
Depreciation	(2,811)	(3,206)	(5,676)	(5,786)
Fair value changes on biological assets	(46)	228	182	95
Foreign exchange loss	(1,275)	(428)	(1,510)	(236)
Gain on disposal of property plant and equipment	-	127	-	137
Gain on disposal of gold royalty	47	-	21,711	-
Provision for warranties (net)	(22)	(42)	(44)	(87)
Rental income	3	3	6	6