

## METROD HOLDINGS BERHAD (916531-A)

Interim report for the fourth quarter ended 31 December 2020.

Notes:-

### 1) **Basis of preparation and Significant Accounting Policies**

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of *MFRS 134 "Interim Financial Reporting"* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2019. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

### **Adoption of amendments to MFRSs**

The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2019, except during the financial year, the Group has adopted the following pronouncements issued by the Malaysian Accounting Standards Board that are mandatory for the current financial year beginning 1 January 2020:-

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Revised Conceptual Framework for Financial Reporting

The adoption of the above pronouncements did not have any material financial impact on the Group and the Company.

As at the date of authorisation of these interim financial statements, the new and revised MFRSs and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are:

| <b>Title</b>   | <b>Effective date</b> |
|--|-----------------------|
| MFRS 17 <i>Insurance Contracts</i>   | 1 January 2021        |
| Amendments to MFRS 101 <i>Classification of Liabilities as Current or 1 January 2022 Non-current</i>                                     | 1 January 2022        |
| Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Deferred Assets Between an investor and its Associate or Joint Venture</i> | Deferred              |

The Group will apply the above MFRSs, Amendments to MFRSs that are applicable when they become effective.

- 2) **Audit qualification of preceding annual financial statements**  
The auditors' report for the preceding annual financial statements for the year ended 31 December 2019 was not subject to any qualification.
- 3) **Seasonal or cyclical factors**  
The business operations of the Group were not materially affected by any seasonal or cyclical factors during the interim period except the low season for Group's hospitality business generally during second and fourth quarters of the financial year.
- 4) **Unusual items**  
There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence during the interim period.
- 5) **Changes in estimates**  
There were no changes in estimates of amounts reported in prior financial years that have a material effect in the interim period.
- 6) **Debt and equity securities**  
There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim period.

7) **Dividends**

A first and final dividend of 6 sen per share, single-tier (previous year 6 sen per share) on 120,000,004 ordinary shares (previous year 120,000,004) amounting to RM7.2 million (previous year RM7.2 million) was paid on 19 November 2020 (previous year 12 July 2019) in respect of the financial year ended 31 December 2019.

The Directors now recommend the payment of a final single-tier dividend of 6 sen per share on 120,000,004 ordinary shares in respect of the financial year ended 31 December 2020 amounting to RM7,200,000 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 24 September 2021 to shareholders registered on the Company's Register of Members at the close of business on 27 August 2021.

- 8) **Segment Reporting**  
The Board of Directors is the Group's chief operating decision-maker (CODM). Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions. The CODM considers the business both from a geographical and business segment perspective and reviews internal management reports at least on a quarterly basis. Performance is measured based on segment's profit before interest and tax as management believes that such information is most relevant in evaluating the results of the segments.

The Group's two main business segments operate in two geographical areas:-

|          |  |
|----------|--|
| Malaysia | Copper Business- Procurement of raw materials and manufacturing and marketing of electrical conductivity grade copper wires, rods and strips |
| India    | Hospitality and Copper Business  |

Information regarding each reportable business segment is as follows:-

| Segment reporting                                  | Copper<br>Business | Hospitality<br>Business | Holding<br>Company,<br>Others &<br>eliminations | Group            |
|--|--------------------|-------------------------|---|------------------|
|  | RM'000             | RM'000                  | RM'000  | RM'000           |
| <b>Financial period ended<br/>31 December 2020</b> |                    |                         |   |                  |
| <b>Revenue</b>                                     |                    |                         |   |                  |
| External   | 1,854,998          | 42,894                  | 0   | 1,897,892        |
| Inter segment revenue                              | 0                  | 0                       | 0   | 0                |
| Total revenue                                      | <u>1,854,998</u>   | <u>42,894</u>           | <u>0</u>  | <u>1,897,892</u> |
| <b>Results</b>                                     |                    |                         |   |                  |
| Segment results                                    | 26,955             | 1,663                   | (6,988)   | 21,630           |
| Finance costs                                      |                    |                         |   | (30,047)         |
| Tax expense  |                    |                         |   | (4,178)          |
| <b>Net profit for the financial<br/>period</b>     |                    |                         |   | <u>(12,595)</u>  |
| <b>As at 31 December 2020</b>                      |                    |                         |   |                  |
| <b>Net assets</b>                                  |                    |                         |   |                  |
| Segment assets                                     | 1,289,414          | 404,332                 | (11,609)  | 1,682,137        |
| Segment liabilities                                | 1,036,500          | 298,490                 | (108,863)                                       | 1,226,127        |
| <b>Other Information</b>                           |                    |                         |   |                  |
| - Depreciation                                     | 9,011              | 12,152                  | 0   | 21,163           |
| - Capital expenditure                              | 9,194              | 1,238                   | 0   | 10,432           |
| - Interest income                                  | (5,150)            | (463)                   | (145)   | (5,468)          |
| - Interest expense                                 | 17,320             | 20,841                  | (8,114)   | 30,047           |
| <b>Financial period ended<br/>31 December 2019</b> |                    |                         |   |                  |
| <b>Revenue</b>                                     |                    |                         |   |                  |
| External   | 2,839,465          | 72,874                  | 0   | 2,912,339        |
| Inter segment revenue                              | 0                  | 0                       | 0   | 0                |
| Total revenue                                      | <u>2,839,465</u>   | <u>72,874</u>           | <u>0</u>  | <u>2,912,339</u> |
| <b>Results</b>                                     |                    |                         |   |                  |
| Segment results                                    | 35,166             | 14,604                  | (3,729)   | 46,041           |
| Finance costs                                      |                    |                         |   | (41,123)         |
| Tax expense  |                    |                         |   | (2,798)          |
|  |                    |                         |   | <u>2,120</u>     |
| <b>As at 31 December 2019</b>                      |                    |                         |   |                  |
| <b>Net assets</b>                                  |                    |                         |   |                  |
| Segment assets                                     | 1,263,100          | 435,103                 | 12,943  | 1,711,146        |
| Segment liabilities                                | 1,011,405          | 305,513                 | (85,592)  | 1,231,326        |
| <b>Other Information</b>                           |                    |                         |   |                  |
| - Depreciation                                     | 12,488             | 12,245                  | 0   | 24,733           |
| - Capital expenditure                              | 19,311             | 10,323                  | 0   | 29,634           |
| - Interest income                                  | (7,110)            | (678)                   | 0   | (7,788)          |
| - Interest expense                                 | 27,847             | 21,545                  | (8,269)   | 41,123           |

Set out below is the disaggregation of the Group's revenue from contracts with customers:

|   | <b>Copper<br/>business<br/>RM<br/>RM'000</b> | <b>Hospitality<br/>business<br/>RM<br/>RM'000</b> | <b>Group<br/>RM<br/>RM'000</b> |
|---|--|---|--------------------------------|
| <b><u>As at 31 December 2020</u></b>        |  |   |                                |
| Sale of copper products                     | 1,854,998                                    | 0   | 1,854,998                      |
| Room rentals                                | 0  | 30,833  | 30,833                         |
| Food and beverages                          | 0  | 9,857   | 9,857                          |
| Others                                      | 0  | 2,204   | 2,204                          |
|   | <b>1,854,998</b>                             | <b>42,894</b>                                     | <b>1,897,892</b>               |
| <b><u>Geographical market</u></b>           |  |   |                                |
| Malaysia                                    | 583,786                                      | 0   | 583,786                        |
| Asia Pacific                                | 1,271,212                                    | 42,894  | 1,314,106                      |
|   | <b>1,854,998</b>                             | <b>42,894</b>                                     | <b>1,897,892</b>               |
| <b><u>Timing of revenue recognition</u></b> |  |   |                                |
| At a point in time                          | 1,854,998                                    | 12,061  | 1,867,059                      |
| Over-time                                   | 0  | 30,833  | 30,833                         |
|   | <b>1,854,998</b>                             | <b>42,894</b>                                     | <b>1,897,892</b>               |

|   | <b>Copper<br/>business<br/>RM<br/>RM'000</b> | <b>Hospitality<br/>business<br/>RM<br/>RM'000</b> | <b>Group<br/>RM<br/>RM'000</b> |
|---|--|---|--------------------------------|
| <b><u>As at 31 December 2019</u></b>        |  |   |                                |
| Sale of copper products                     | 2,839,465                                    | 0   | 2,839,465                      |
| Room rentals                                | 0  | 51,299  | 51,299                         |
| Food and beverages                          | 0  | 17,571  | 17,571                         |
| Others                                      | 0  | 4,004   | 4,004                          |
|   | <b>2,839,465</b>                             | <b>72,874</b>                                     | <b>2,912,339</b>               |
| <b><u>Geographical market</u></b>           |  |   |                                |
| Malaysia                                    | 1,005,755                                    | 0   | 1,005,755                      |
| Asia Pacific                                | 1,833,710                                    | 72,874  | 1,906,584                      |
|   | <b>2,839,465</b>                             | <b>72,874</b>                                     | <b>2,912,339</b>               |
| <b><u>Timing of revenue recognition</u></b> |  |   |                                |
| At a point in time                          | 2,839,465                                    | 21,575  | 2,861,040                      |
| Over-time                                   | 0  | 51,299  | 51,299                         |
|   | <b>2,839,465</b>                             | <b>72,874</b>                                     | <b>2,912,339</b>               |

The Group's non-current assets excluding deferred tax assets by geographical location are as follows:

|            | <b>2020<br/>RM</b> | <b>2019<br/>RM</b> |
|------------|--------------------|--------------------|
| Malaysia** | <b>150,510</b>     | 164,312            |
| India      | <b>386,037</b>     | 415,291            |
| Singapore  | <b>12,472</b>      | 0                  |
|            | <b>549,019</b>     | <b>579,603</b>     |

\*\* Company's home country

#### 9) Carrying amount of revalued assets

Valuation of property, plant and equipment have been brought forward without any amendment from the previous annual financial statements for the year ended 31 December 2019.

#### 10) Material subsequent events

There were no material events subsequent to the end of the interim period reported on, that have not been reflected in the financial statements for the said interim period.

#### 11) Changes in composition of the Group

There were no changes in the composition of the Group during the fourth quarter ended 31 December 2020, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.

## 12) Contingent liabilities / assets

There were no contingent liabilities or contingent assets as at the date of this report.

## 13) Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2020 is as follows:

|                                     | RM'000        |
|-------------------------------------|---------------|
| Property, plant and equipment :-    |               |
| • Authorised and contracted for     | 4,200         |
| • Authorised but not contracted for | 6,500         |
| <b>Total :</b>                      | <b>10,700</b> |

## 14) Review of the performance of the Company and its principal subsidiaries

### Financial review of the current quarter and year to date

|  | Individual Period (4th quarter) |                                      | Change  | Change | Cumulative Period    |                                     | Change     | Change |
|--|---------------------------------|--------------------------------------|---------|--------|----------------------|-------------------------------------|------------|--------|
|  | Current Year Quarter            | Preceding year corresponding quarter |         |        | Current Year to Date | Preceding year corresponding period |            |        |
|  | 31/12/2020                      | 31/12/2019                           |         |        | 31/12/2020           | 31/12/2019                          |            |        |
|  | RM'000                          | RM'000                               | RM'000  | %      | RM'000               | RM'000                              | RM'000     | %      |
| Revenue  | 601,049                         | 652,346                              | -51,297 | -8%    | 1,897,892            | 2,912,339                           | -1,014,447 | -35%   |
| E.B.I.T.D.A. *   | 15,816                          | 20,722                               | -4,906  | -24%   | 37,325               | 62,984                              | -25,659    | -41%   |
| Profit before depreciation, amortisation, difference in fair value on foreign exchange derivatives and exchange translation on the investment in CCD | 11,585                          | 13,438                               | -1,853  | -14%   | 13,389               | 30,939                              | -17,550    | -57%   |
| Profit before tax  | 6,403                           | 4,567                                | 1,836   | 40%    | -8,417               | 4,918                               | -13,335    | -271%  |
| Profit after tax   | 3,171                           | 1,866                                | 1,305   | 70%    | -12,595              | 2,120                               | -14,715    | -694%  |
| Profit for the financial period attributable to :  |                                 |                                      |         |        |                      |                                     |            |        |
| - Owners of the Company  | 4,330                           | 1,355                                | 2,975   | 220%   | -3,201               | 5,520                               | -8,721     | -158%  |
| - Non-controlling interest   | -1,159                          | 511                                  | -1,670  | -327%  | -9,394               | -3,400                              | -5,994     | 176%   |

\* Earnings before Interest, Taxes, Depreciation and Amortisation

Operations of the Group, both for Copper and Hospitality Business, during the fourth quarter continued to be impacted due to outbreak of the coronavirus pandemic (COVID-19) in Malaysia and India though there are signs of improvement. Continuing lockdown in some ASEAN countries and shipping woes towards the year end also adversely affected the copper sales.

Consequently, revenue for the quarter and cumulatively was significantly lower as compared to previous year's corresponding period.

The Group generated cash profit for the quarter and the year as a whole as stated above under Profit before depreciation, amortization, difference in fair value on foreign exchange derivatives and exchange translation on the investment in CCD.

The Group registered a pre-tax profit of RM6.403 million for the current quarter (cumulative pre-tax loss of RM8.417 million) as compared to previous year's corresponding quarter's pre-tax loss of RM4.567 million (cumulative pre-tax profit of RM4.918 million). Pre-tax profit for the current quarter includes net positive impact of RM1.243 million (cumulatively for the current year of RM0.643 million) arising from fair value gain on foreign exchange derivatives and exchange translation loss on the investment in Compulsory Convertible Debenture (CCD) of a subsidiary, as compared to a net positive impact of RM1.738 million in previous year corresponding quarter (cumulatively RM1.288 million).

Demand for copper products in Malaysia improved during the quarter. Exports to India continued to be negligible due to the imposition of Countervailing duty (CVD) on import of copper wires. Competition arising from over capacity remained intense. Credit, commercial and security risks remained high due to the difficult conditions in financial markets and volatile copper prices.

After a closure of almost six months since April, hospitality business picked up well during last quarter. Pick up from the domestic sector was strong as international travel has come to a standstill.

The Group has taken several measures to mitigate the impact of the pandemic to optimize its cost, improve operating efficiencies and manage cash flow which have started yielding results.

Subject to above, in the opinion of the Directors, the results of the operations for the Group have not been substantially affected by any item, transaction or event of a material and unusual nature as at the date of this report.

## 15) Material Changes in Quarterly Results

### Financial review of the current quarter compared with immediate preceding quarter

|  | Current Quarter | Immediate Preceding Quarter | Change<br>RM'000 | Change<br>% |
|--|-----------------|-----------------------------|------------------|-------------|
|  | 31/12/2020      | 30/09/2020                  |                  |             |
|  | RM'000          | RM'000                      |                  |             |
| Revenue  | 601,049         | 489,263                     | 111,786          | 23%         |
| E.B.I.T.D.A. *   | 15,816          | 13,770                      | 2,046            | 15%         |
| Profit before depreciation, amortisation, difference in fair value on foreign exchange derivatives and exchange translation on the investment in CCD | 11,585          | 239                         | 11,346           | 4741%       |
| Profit before tax  | 6,403           | 3,021                       | 3,382            | 112%        |
| Profit after tax   | 3,171           | 2,564                       | 607              | 24%         |
| Profit for the financial period attributable to :  |                 |                             |                  |             |
| - Owners of the Company  | 4,330           | 5,895                       | -1,565           | -27%        |
| - Non-controlling interest   | -1,159          | -3,331                      | 2,172            | -65%        |

The Group reported a pre-tax profit for the quarter of RM6.403 million as compared to preceding quarter's pre-tax profit of RM3.021 million mainly due to better operating performance of the hospitality business during the fourth quarter of the year.

## 16) Current Year Prospects

The global economy continues to be impacted due to outbreak of the coronavirus pandemic (COVID-19) which has caused severe disruption of economic activity globally including in our relevant markets. This has been further compounded by US-China trade war and geopolitical risks. Malaysia's recent budget announcing the continuity of certain mega projects may help the Copper Business in due course.

Effective January 2020 Director General of Trade Remedies (DGTR) under Ministry of Commerce, Government of India had imposed a Countervailing duty (CVD) for the export of copper wires from Malaysia, Indonesia, Thailand and Vietnam though at a lower rate on Metrod. Metrod had appealed for the same to Customs Excise & Service Tax Appellate Tribunal New Delhi (CESTAT). The principal bench of CESTAT pronounced an order in the open court on 8<sup>th</sup> March 2021 setting aside the imposition of CVD on Metrod. The Group is studying the order and exploring the opportunity to resume the exports from Malaysia to India.

LME copper prices have increased sharply. Credit, commercial and security risks are expected to remain high due to volatile copper prices and currency and the uncertainties surrounding weak economic sentiment and forecasts. Margins remain under significant pressure. The Group is able to manage the copper and exchange exposure due to its hedging policies.

With a strong pick up from the domestic sector, business prospects of hospitality business prospects for the year 2021 are expected to improve. International travel is also expected to open later this year, which should provide a good boost to the overall performance of the hospitality business.

The global economy has been in uncharted territory with the fallout from the COVID-19 pandemic. The immediate outlook for 2021 remains uncertain, though sentiment is expected to improve in the second half of the year as the vaccination program is rolled out progressively. Going forward, the headwinds surrounding the Group's business segments persists depending on the longevity of the pandemic and the risks from potential reoccurrences of COVID-19. The Group continues to implement various austerity measures, cost optimization, improving operational efficiencies and internal processes which have started yielding results. This will help to mitigate the impact of current challenges while we continue to pursue all business opportunities.

**17) Profit forecast and variance**

There was no profit forecast or profit guarantee issued during the financial period to-date.

**18) Taxation**

|                              | <b>Current year<br/>Quarter<br/>31/12/2020<br/>RM'000</b> | <b>Comparative<br/>Quarter<br/>31/12/2019<br/>RM'000</b> | <b>Current year<br/>YTD<br/>31/12/2020<br/>RM'000</b> | <b>Comparative<br/>YTD<br/>31/12/2019<br/>RM'000</b> |
|------------------------------|---|--|---|--|
| In respect of current period |   |  |   |  |
| - Income tax                 | <b>(358)</b>  | 920  | <b>767</b>  | 1,390  |
| - Deferred                   | <b>3,834</b>  | (575)  | <b>3,655</b>  | (948)  |
| Subtotal                     | <b>3,476</b>  | 345  | <b>4,422</b>  | 442  |
| In respect of prior years    |   |  |   |  |
| - Income tax                 | <b>(244)</b>  | (216)  | <b>(244)</b>  | (216)  |
| - Deferred tax               | <b>0</b>  | 2,572  | <b>0</b>  | 2,572  |
| Subtotal                     | <b>(244)</b>  | 2,356  | <b>(244)</b>  | 2,356  |
| Total                        | <b>3,232</b>  | 2,701  | <b>4,178</b>  | 2,798  |

Effective tax rate for the year is higher mainly due to certain expenses not deductible for tax purposes and non-recognition of deferred tax assets on the tax losses of a subsidiary.

**19) Corporate proposals**

There are no corporate proposals announced but not completed as at 16 March 2021.

**20) Group Borrowings and Debt Securities**

Group borrowings as at 31 December 2020 are as follows:-

**As at quarter ended 31 December 2020**

|                                    |     | Long Term             |                | Short Term            |                | Total Borrowings      |                  |
|------------------------------------|-----|-----------------------|----------------|-----------------------|----------------|-----------------------|------------------|
|                                    |     | Foreign Currency '000 | RM'000         | Foreign Currency '000 | RM'000         | Foreign Currency '000 | RM'000           |
| <b>Secured</b>                     |     |                       |                |                       |                |                       |                  |
| Term Loan                          | INR | 283,694               | 15,597         | 63,516                | 3,492          | 347,211               | 19,089           |
| Term Loan                          | USD | 21,590                | 86,819         | 2,220                 | 8,949          | 23,810                | 95,768           |
| <b>Unsecured</b>                   |     |                       |                |                       |                |                       |                  |
| Term Loan                          | RM  | 0                     | 47,344         | 0                     | 16,200         | 0                     | 63,544           |
| Foreign Currency Trade Loan        | USD | 0                     | 0              | 189,190               | 759,975        | 189,190               | 759,975          |
| Compulsorily Convertible Debenture | INR | 1,227,450             | 67,488         | 0                     | 0              | 1,227,450             | 67,488           |
| <b>Total</b>                       |     |                       | <b>217,248</b> |                       | <b>788,616</b> |                       | <b>1,005,864</b> |

**As at quarter ended 31 December 2019**

|                                    |     | Long Term             |                | Short Term            |                | Total Borrowings      |                  |
|------------------------------------|-----|-----------------------|----------------|-----------------------|----------------|-----------------------|------------------|
|                                    |     | Foreign Currency '000 | RM'000         | Foreign Currency '000 | RM'000         | Foreign Currency '000 | RM'000           |
| <b>Secured</b>                     |     |                       |                |                       |                |                       |                  |
| Term Loan                          | USD | 1,450                 | 5,932          | 3,000                 | 12,279         | 4,450                 | 18,211           |
| Term Loan                          | INR | 207,243               | 11,898         | 98,371                | 5,647          | 305,614               | 17,545           |
| Term Loan                          | USD | 24,813                | 102,144        | 1,433                 | 5,899          | 26,246                | 108,043          |
| <b>Unsecured</b>                   |     |                       |                |                       |                |                       |                  |
| Term Loan                          | RM  | 0                     | 59,494         | 0                     | 13,500         | 0                     | 72,994           |
| Foreign Currency Trade Loan        | USD | 0                     | 0              | 191,810               | 785,079        | 191,810               | 785,079          |
| Letter of Credit Discounting       | INR | 0                     | 0              | 638,596               | 36,664         | 638,596               | 36,664           |
| Compulsorily Convertible Debenture | INR | 1,227,450             | 70,471         |                       |                | 1,227,450             | 70,471           |
| <b>Total</b>                       |     |                       | <b>249,939</b> |                       | <b>859,068</b> |                       | <b>1,109,007</b> |

**21) Material litigation**

As on 16 March 2021, the Metrod Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Metrod Group.

**22) Earnings per share**

|  | Current Year Quarter<br>31/12/2020<br>RM'000 | Comparative Year Quarter<br>31/12/2019<br>RM'000 | Current Year To Date<br>31/12/2020<br>RM'000 | Comparative Year To Date<br>31/12/2019<br>RM'000 |
|--|--|--|--|--|
| <b>Basic</b>   |  |  |  |  |
| Net profit for the period attributable to Owners of the Company (RM'000) | 4,330  | 1,355  | (3,201)                                      | 5,520  |
| Weighted average number of ordinary shares in issue ('000)               | 120,000                                      | 120,000  | 120,000                                      | 120,000  |
| Basic earnings per share (sen)   | 3.61   | 1.13   | (2.67)                                       | 4.60   |

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.



**23) Fair Value Hierarchy**

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

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

Level 2 - Input that are based on observable market data, either directly or indirectly

Level 3 - Input that are not based on observable market data.

The derivatives of the Group amounting to RM6,792,000 in debit (31.12.2019: RM4,320,000 in debit) are measured at Level 2 hierarchy.

**24) Profit Before Tax**

Profit before tax is arrived at after (crediting)/charging the following (incomes)/expenses:

|  | <b>Current Year<br/>Quarter<br/>31/12/2020</b> | Comparative<br>Year Quarter<br>31/12/2019 | <b>Current<br/>Year To<br/>Date<br/>31/12/2020</b> | Comparative<br>Year To Date<br>31/12/2019 |
|--|--|---|--|---|
|  | <b>RM'000</b>                                  | RM'000                                    | <b>RM'000</b>                                      | RM'000                                    |
| Interest income  | <b>(541)</b>                                   | (273)                                     | <b>(5,468)</b>                                     | (7,788)                                   |
| Other income   | <b>(1,350)</b>                                 | (1,143)                                   | <b>(2,675)</b>                                     | (2,579)                                   |
| Interest expense   | <b>6,014</b>                                   | 9,297                                     | <b>30,047</b>                                      | 41,123                                    |
| Depreciation and amortisation  | <b>3,940</b>                                   | 7,133                                     | <b>21,163</b>                                      | 24,733                                    |
| Provision for and write off of receivables                               | <b>0</b>                                       | 0   | <b>0</b>   | 0   |
| Provision for and write off of inventories                               | <b>56</b>                                      | (14)                                      | <b>56</b>  | (14)                                      |
| (Gain)/ loss on disposal of quoted or unquoted investments or properties | <b>0</b>                                       | 0   | <b>0</b>   | 0   |
| Impairment of assets   | <b>0</b>                                       | 0   | <b>0</b>   | 0   |
| Foreign exchange (gain)/loss (net) #                                     | <b>(21,076)</b>                                | (7,684)                                   | <b>(2,623)</b>                                     | (594)                                     |
| (Gain) / loss on derivatives (net)                                       | <b>(543)</b>                                   | (590)                                     | <b>(2,463)</b>                                     | (1,095)                                   |
| Other material items (if any)  | <b>0</b>                                       | 0   | <b>0</b>   | 0   |

# Significant part of foreign exchange (gains)/losses, both realised and unrealised, pertain to cost of sales due to back to back nature of covering raw material copper prices and have been classified as "other (gains)/losses" in the income statement.

**25) Authorisation for issue**

The interim financial statements were issued by the Board of Directors in accordance with a resolution of the directors on 23 March 2021.