



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 30 June 2020

| | CURRENT QUARTER | | CUMULATIVE QUARTER | |
|---|---------------------------|----------------|---------------------------|----------------|
| | 3 months ended 30 June | | 6 months ended 30 June | |
| | 2020 RM'000 | 2019 RM'000 | 2020 RM'000 | 2019 RM'000 |
| <i>In thousands of RM</i> | | | | |
| Continuing operations | | | | |
| Revenue from contracts with customers | 83,052 | 175,411 | 195,448 | 322,130 |
| Cost of contracts with customers | (75,651) | (150,637) | (175,206) | (275,581) |
| Gross profit | 7,401 | 24,774 | 20,242 | 46,549 |
| Other income | 67 | (43) | 163 | 46 |
| Administrative expenses | (3,574) | (4,034) | (7,763) | (8,059) |
| Results from operating activities | 3,894 | 20,697 | 12,642 | 38,536 |
| Finance income | 1,508 | 1,114 | 2,886 | 2,032 |
| Finance costs | - | - | - | - |
| Net finance income | 1,508 | 1,114 | 2,886 | 2,032 |
| Profit before tax | 5,402 | 21,811 | 15,528 | 40,568 |
| Tax expense | (1,431) | (5,359) | (3,983) | (10,003) |
| Profit for the quarter/period | 3,971 | 16,452 | 11,545 | 30,565 |
| Other comprehensive income, net of tax | - | - | - | - |
| Profit and total comprehensive income for the quarter/period | 3,971 | 16,452 | 11,545 | 30,565 |
| Profit and total comprehensive income attributable to: | | | | |
| Owners of the Company | 3,953 | 16,432 | 11,506 | 30,520 |
| Non-controlling Interest | 18 | 20 | 39 | 45 |
| Profit and total comprehensive income for the quarter/period | 3,971 | 16,452 | 11,545 | 30,565 |
| | | | | |
| Earnings per share from continuing operations | | | | |
| Basic/Diluted earnings per ordinary share (sen) | 0.72 | 2.99 | 2.09 | 5.55 |
| | | | | |

The notes set out on pages 5 to 10 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2020

In thousands of RM

| | 30 June 2020 RM'000 | 31 December 2019 RM'000 |
|---|------------------------------------|--|
| ASSETS | | |
| Property, plant and equipment | 213,675 | 216,397 |
| Investment properties | 61,975 | 58,883 |
| Inventories | 169,565 | 182,266 |
| Deferred tax assets | 1,010 | 1,042 |
| Total non-current assets | 446,225 | 458,588 |
| Inventories | 168,915 | 160,172 |
| Trade and other receivables | 97,922 | 183,193 |
| Contract assets | 137,818 | 127,926 |
| Deposits and prepayments | 22,868 | 24,961 |
| Other investments | 48,356 | 27,993 |
| Cash and cash equivalents | 204,929 | 140,921 |
| Total current assets | 680,808 | 665,166 |
| TOTAL ASSETS | 1,127,033 | 1,123,754 |
| EQUITY | | |
| Share capital | 118,700 | 118,700 |
| Retained earnings | 748,615 | 737,109 |
| Treasury shares | (37,859) | (37,859) |
| Total equity attributable to owners of the Company | 829,456 | 817,950 |
| Non-controlling interest | 3,322 | 3,284 |
| TOTAL EQUITY | 832,778 | 821,234 |
| LIABILITIES | | |
| Loans and borrowings | 39,123 | 45,967 |
| Deferred tax liabilities | 16,364 | 16,335 |
| Total non-current liabilities | 55,487 | 62,302 |
| Loans and borrowings | 13,687 | 13,687 |
| Trade and other payables | 74,574 | 94,063 |
| Contract liabilities | 147,435 | 129,113 |
| Current tax payable | 3,072 | 3,355 |
| Total current liabilities | 238,768 | 240,218 |
| TOTAL LIABILITIES | 294,255 | 302,520 |
| TOTAL EQUITY AND LIABILITIES | 1,127,033 | 1,123,754 |
| Net Assets Per Share Attributable to Ordinary Equity Owners (RM) | 1.51 | 1.49 |

The notes set out on pages 5 to 10 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the period ended 30 June 2020

| <i>In thousands of RM</i> | Period ended 30 June | |
|---|----------------------|-----------------|
| | 2020 RM'000 | 2019 RM'000 |
| Cash flows from operating activities | | |
| Profit before taxation from continuing operations | 15,528 | 40,568 |
| <i>Adjustments for:-</i> | | |
| Non-cash items | 6,775 | 8,044 |
| Non-operating items | (2,283) | 501 |
| Operating profit before changes in working capital | 20,020 | 49,113 |
| Change in inventories | 3,944 | 7,468 |
| Change in trade and other receivables, deposits and prepayments | 137,533 | 71,980 |
| Change in trade and other payables | (69,406) | (114,381) |
| Change in contract assets | (10,020) | 7,099 |
| Change in contract liabilities | 18,450 | 8,810 |
| Cash generated from/(used in) operations | 100,521 | 30,089 |
| Interest received | 2,647 | 1,787 |
| Interest paid | (603) | (2,307) |
| Income tax paid | (4,205) | (8,407) |
| Income tax refunded | - | 3,979 |
| Net cash generated from/(used in) operating activities | 98,360 | 25,141 |
| Cash flows from investing activities | | |
| Acquisition of property, plant & equipment | (3,848) | (12,197) |
| Acquisition of investment properties | (3,298) | (4,782) |
| Proceeds from disposal of property, plant & equipment | - | 532 |
| Net movements of deposits with original maturities exceeding three months | (20,363) | (17,362) |
| Net cash used in investing activities | (27,509) | (33,809) |
| Cash flows from financing activities | | |
| Dividends paid to owners of the Company | - | (7,693) |
| Net movements on loans and borrowings | (6,843) | (33,019) |
| Net cash (used in)/generated from financing activities | (6,843) | (40,712) |
| Net increase/(decrease) in cash and cash equivalents | 64,008 | (49,380) |
| Cash and cash equivalents at 1 January 2020 / 1 January 2019 | 140,921 | 143,869 |
| Cash and cash equivalents at 30 June 2020 / 30 June 2019 | 204,929 | 94,489 |

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise the following amounts in condensed consolidated statements of financial position:

| <i>In thousands of RM</i> | Period ended 30 June | |
|---|----------------------|-----------------|
| | 2020 RM'000 | 2019 RM'000 |
| Cash and bank balances | 34,259 | 60,519 |
| Deposits placed with licensed banks | 219,026 | 61,963 |
| Total | 253,285 | 122,482 |
| Fixed deposits with original maturities exceeding three months | (48,356) | (27,993) |
| | 204,929 | 94,489 |

The notes set out on pages 5 to 10 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 30 June 2020

| | ----- Attributable to owners of the Company ----- | | | | NON- CONTROLLING INTEREST RM'000 | TOTAL EQUITY RM'000 |
|--|---|------------------------------|--------------------------------|-----------------|---|---------------------------|
| | SHARE CAPITAL RM'000 | TREASURY SHARES RM'000 | RETAINED EARNINGS RM'000 | TOTAL RM'000 | | |
| <i>In thousands of RM</i> | | | | | | |
| Period ended 30 June 2020 | | | | | | |
| At 1 January 2020 | 118,700 | (37,859) | 737,109 | 817,950 | 3,283 | 821,233 |
| Profit and total comprehensive income for the period | - | - | 11,506 | 11,506 | 39 | 11,545 |
| Dividends to owners – 2019 Final | - | - | - | - | - | - |
| At 30 June 2020 | 118,700 | (37,859) | 748,615 | 829,456 | 3,322 | 832,778 |
| | | | | | | |
| Period ended 30 June 2019 | | | | | | |
| At 1 January 2019 | 118,700 | (37,859) | 695,096 | 775,937 | 3,207 | 779,144 |
| Profit and total comprehensive income for the period | - | - | 30,520 | 30,520 | 45 | 30,565 |
| Dividends to owners – 2018 Final | - | - | (7,693) | (7,693) | - | (7,693) |
| At 30 June 2019 | 118,700 | (37,859) | 717,923 | 798,764 | 3,252 | 802,016 |

The notes set out on pages 5 to 10 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

NOTES TO THE INTERIM FINANCIAL REPORT

For the quarter ended 30 June 2020

1. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting issued by Malaysian Accounting Standard Board. They do not include all the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2019.

2. Significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies applied in the 2019 financial statements except for the adoption of the amendments to MFRSs that are applicable to the Group for the financial period beginning 1 January 2020. The adoption of these amendments to MFRSs does not have any material impact on the financial statements of the Group.

3. Seasonality and Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors except that the level of construction activities in the first quarter of the year and during rainy season is generally lower. However, the Group's business activities are affected by the Covid-19 pandemic and the Movement Control Order (MCO) which took effect since 18 March 2020 and the subsequent Conditional Movement Control Order (CMCO) followed by the Recovery Movement Control Order (RMCO) from 10 June 2020 till the end of this current quarter.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial period to date except that the Group's business activities are affected by the Covid-19 pandemic and the Movement Control Order (MCO) which took effect since 18 March 2020 and the subsequent Conditional Movement Control Order (CMCO) followed by the Recovery Movement Control Order (RMCO) from 10 June 2020 till the end of this current quarter.

5. Changes in estimates

There were no changes in estimates reported in prior financial years that have a material effect in the current interim period.

6. Debt and Equity Securities etc

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

Share Buy Back

During the current quarter under review, the Company did not buy back any shares.

As at 30 June 2020, the number of treasury shares held were 33,158,781 shares at a total cost of RM37,858,954 and all the repurchase transactions were financed by internally generated funds. None of the shares purchased back was resold or cancelled during the quarter under review.



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

7. Operating Segment

The Group has two reportable segments, as described below, which are the Group's strategic units.

Construction : Marine and civil engineering works and construction
 Property development : Development of residential and commercial properties

| | Construction | Property Development | Other non-Reportable segment | Inter-Segment elimination | Total |
|---|--------------|----------------------|------------------------------|---------------------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| For the period ended 30 June 2020 | | | | | |
| <i>In thousands of RM</i> | | | | | |
| Segment profit | | | | | |
| Revenue from external customers | 175,223 | 20,144 | 81 | - | 195,448 |
| Segment profit before tax, interest, depreciation and other material non-cash items | 14,233 | 5,177 | (5) | - | 19,405 |
| Depreciation and amortisation | (6,507) | (40) | (216) | - | (6,763) |
| Interest income from bank balances | 1,986 | 654 | 244 | - | 2,884 |
| Interest income from other financial assets | 2 | - | - | - | 2 |
| Interest expense on bank balances | - | - | - | - | - |
| Interest expense on other financial liabilities | - | - | - | - | - |
| Segment profit before tax | 9,714 | 5,791 | 23 | - | 15,528 |
| Income tax expense | | | | | (3,983) |
| Profit for the period | | | | | 11,545 |

| | | | | | |
|-----------------------|---------|---------|---------|-------|-----------|
| Segment assets | 600,161 | 408,742 | 118,348 | (218) | 1,127,033 |
|-----------------------|---------|---------|---------|-------|-----------|

| | | | | | |
|----------------------------|---------|--------|--------|------|---------|
| Segment liabilities | 238,038 | 24,406 | 31,867 | (56) | 294,255 |
|----------------------------|---------|--------|--------|------|---------|

| | Construction | Property Development | Other non-Reportable segment | Inter-Segment elimination | Total |
|---|---------------|----------------------|------------------------------|---------------------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| For the period ended 30 June 2019 | | | | | |
| <i>In thousands of RM</i> | | | | | |
| Segment profit | | | | | |
| Revenue from external customers | 277,061 | 45,069 | - | - | 322,130 |
| Segment profit before tax, interest, depreciation and other material non-cash items | 32,888 | 13,650 | (58) | - | 46,480 |
| Depreciation and amortisation | (7,716) | (38) | (190) | - | (7,944) |
| Interest income from bank balances | 1,950 | 54 | 28 | - | 2,032 |
| Interest income from other financial assets | - | - | - | - | - |
| Interest expense on bank balances | - | - | - | - | - |
| Interest expense on other financial liabilities | - | - | - | - | - |
| Segment profit before tax | 27,122 | 13,666 | (220) | - | 40,568 |
| Income tax expense | | | | | (10,003) |
| Profit for the period | | | | | 30,565 |

| | | | | | |
|-----------------------|---------|---------|--------|-------|-----------|
| Segment assets | 590,744 | 401,063 | 93,962 | (227) | 1,085,542 |
|-----------------------|---------|---------|--------|-------|-----------|

| | | | | | |
|----------------------------|---------|--------|--------|------|---------|
| Segment liabilities | 232,029 | 24,320 | 27,235 | (58) | 283,526 |
|----------------------------|---------|--------|--------|------|---------|

The activities of the Group are carried out in Malaysia and as such, segmental reporting by geographical locations is not presented.

8. Dividend Paid

There was no dividend paid during the quarter ended 30 June 2020.

9. Subsequent Material Events

The business activities of the Group were significantly affected due to the Movement Control Order, Conditional Movement Control Order and the Recovery Movement Control Order which will end on 31 August 2020.



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

11. Contingent Liabilities

There were no contingent liabilities in respect of the Group that have arisen since 30 June 2020 till the date of this quarterly report.

12. Property, plant and equipment

The acquisitions and disposals of property, plant and equipment for the period ended 30 June 2020 were as follows:-

| <i>In thousands of RM</i> | <u>6 months ended 30 June</u> | |
|--|-------------------------------|---------------|
| | 2020 | 2019 |
| | RM'000 | RM'000 |
| Acquisitions of property, plant and equipment, at cost | 3,848 | 12,197 |
| Disposals of property, plant and equipment, at carrying amount | <u>-</u> | <u>857</u> |

13. Commitment

The amounts of commitment not provided for in the interim financial report as at 30 June 2020 were as follows:-

| <i>In thousands of RM</i> | <u>As at 30 June</u> | |
|---|----------------------|----------------------|
| | 2020 | 2019 |
| | RM'000 | RM'000 |
| <i>Property, plant and equipment</i> | | |
| Contracted but not provided for | 6,556 | 16,446 |
| Authorised but not contracted for | <u>921</u> | <u>1,303</u> |
| | <u><u>7,477</u></u> | <u><u>17,749</u></u> |
| <i>Investment property</i> | | |
| Contracted but not provided for | 2,541 | 10,456 |
| Authorised but not contracted for | <u>-</u> | <u>550</u> |
| | <u><u>2,541</u></u> | <u><u>11,006</u></u> |

14. Recurrent Related Party Transactions

The aggregate gross value of significant recurrent related party transactions for the period ended 30 June 2020 were as follows:-

| <i>In thousands of RM</i> | <u>6 months ended 30 June</u> | |
|---|-------------------------------|---------------|
| | 2020 | 2019 |
| | RM'000 | RM'000 |
| Aggregate gross value of significant recurrent related party transactions | <u>44,629</u> | <u>77,592</u> |

The significant related party transactions comprise transactions with companies controlled by or connected to certain substantial shareholders and/or Directors of the Company, namely Yu Chee Hoe, Tony Yu Yuong Wee, Lau Kiing Kang, Lau Kiing Yiing and Estate of the Late Yu Chee Lieng.

The above transactions have been entered into in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public.

15. Key Management Personnel Compensation

| <i>In thousands of RM</i> | <u>6 months ended 30 June</u> | |
|---|-------------------------------|---------------|
| | 2020 | 2019 |
| | RM'000 | RM'000 |
| Directors' compensation | 1,720 | 1,661 |
| Other key management personnel compensation | <u>2,176</u> | <u>1,960</u> |



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

For the quarter ended 30 June 2020

16. Review of Performance

The Group derives revenue from construction and property development activities.

Revenue for the quarter under review is RM83.05 million as compared to the preceding year corresponding quarter's figure of RM175.41 million. The construction segment contributed RM74.05 million (89%) whilst the property development segment registered a contribution of RM9.00 million (11%) to the Group's revenue during the quarter.

The net profit before tax of the Group for the current quarter is RM5.40 million as compared to RM21.81 million for the preceding year's corresponding quarter.

The changes in revenue and net profit before tax were contributed by the following segments:

Construction segment: For the 3-month period ended 30 June 2020, the revenue and net profit before tax are RM74.05 million and RM3.06 million compared to the previous year's corresponding quarter figures of RM151.38 million and RM14.96 million respectively.

Property development segment: For the 3-month period ended 30 June 2020, the revenue and net profit before tax are RM9.00 million and RM2.34 million compared to the previous year's corresponding quarter figures of RM24.03 million and RM6.85 million respectively. The revenue for the current quarter was mainly derived sales efforts before the Movement Control Order period but finalised and taken up in the book during the current quarter.

Both the construction and property development segments had recorded lower revenue and profit during the current quarter due to the Movement Control Order (MCO), Conditional Movement Control Order (CMCO) and the Recovery Movement Control Order (RMCO) as a result of the Covid-19 pandemic. The period of MCO took effect from 18 March 2020, followed by CMCO from 12 May 2020 till 9 June 2020, which covers substantially the current reporting period. RMCO was effective from 10 June 2020 till 31 August 2020.

17. Variation of Results against Immediate Preceding Quarter

The net profit before tax of the Group for the current quarter is RM5.40 million compared to RM10.13 million for the immediate preceding quarter on the back of the Group's revenue of RM83.05 million and RM112.40 million respectively.

18. Current Year Prospects

The Covid-19 pandemic has swept across the world within a short few months. It is unprecedented with more than 15 million people infected worldwide to-date. Such wide spread magnitude and speed of infection is far worse than any economic or natural disaster that ever occurred in human history and has severely impacted world economy. The escalation of the on-going trade wars between China and the United States will impact further the battled world economy. The Malaysian economy growth is forecasted to be negative.

Nevertheless, with substantial value of projects in hand, the challenge now is to manage our project execution efficiently under the present circumstances and constraint where there is acute labour shortages, travel movement restriction and disruption to material supplies. There will be an inevitable increase in operating costs and the fixed overheads incurred during Movement Control Order and Conditional Movement Control Order will impact our margins.

The Group resumed work in June 2020 to ensure strict compliance with our Safe Operating Procedure. We are making every effort to ascertain the current states of our projects after a lapse of nearly 3 months. We are slowly picking up our work momentum but we are still unable to achieve the level of operations before the Movement Control Order.

19. Actual profit vs forecast profit / Profit guarantee

This note is not applicable, as no profit forecast was published and the Group is not required to give any profit guarantee.



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

20. Income Tax Expense

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------------------|---------------------------|--------------|---------------------------|---------------|
| | 3 months ended 30 June | | 6 months ended 30 June | |
| | 2020 | 2019 | 2020 | 2019 |
| <i>In thousands of RM</i> | RM'000 | RM'000 | RM'000 | RM'000 |
| Current Tax Expense - Malaysian | | | | |
| Current quarter/period | 1,381 | 5,257 | 3,922 | 10,242 |
| Under/(Over) provision in prior year | - | - | - | - |
| Deferred Tax Expense - Malaysian | | | | |
| Current quarter/period | 50 | 102 | 61 | (239) |
| Over provision in prior year | - | - | - | - |
| Income tax expense | 1,431 | 5,359 | 3,983 | 10,003 |

Reconciliation of effective tax expense

| | | | | |
|--------------------------------------|--------------|---------------|---------------|---------------|
| Profit for the quarter/period | 3,971 | 16,452 | 11,545 | 30,565 |
| Total income tax expense | 1,431 | 5,359 | 3,983 | 10,003 |
| Profit before taxation | 5,402 | 21,811 | 15,528 | 40,568 |
| Income tax using Malaysian tax rates | 1,296 | 5,233 | 3,727 | 9,735 |
| Non-deductible expenses | 135 | 126 | 256 | 268 |
| Over provision in prior year | - | - | - | - |
| Income tax expense | 1,431 | 5,359 | 3,983 | 10,003 |

21. Status of Corporate Proposals

There was no corporate proposal announced but not completed at the date of this quarterly report.

22. Group Borrowings and Debt Securities

The Group has loans and borrowings as at 30 June 2020 as follows:-

| | As at 30 June | |
|-------------------------------|---------------|---------------|
| | 2020 | 2019 |
| <i>In thousands of RM</i> | RM'000 | RM'000 |
| Non-current | | |
| Term Loan – Secured | 24,123 | 26,766 |
| Term Loan – Unsecured | 15,000 | 30,000 |
| | <u>39,123</u> | <u>56,766</u> |
| Current | | |
| Term Loan – Secured | 3,687 | 118 |
| Term Loan – Unsecured | 10,000 | - |
| Banker Acceptance – Unsecured | - | 4,261 |
| | <u>13,687</u> | <u>4,379</u> |
| Total | <u>52,810</u> | <u>61,145</u> |

23. Material Litigation

There was no material litigation pending since 30 June 2020 till the date of this Quarterly Report.

24. Dividend

The shareholders have approved the final single-tier tax exempt dividend of 1.4 sen per ordinary share for the financial year ended 31 December 2019 at the Annual General Meeting held on 18 June 2020. The entitlement date for the dividend was 10 July 2020 and the dividend was paid on 24 July 2020.



QUARTERLY REPORT – Second Quarter Ended 30 June 2020

25. Earnings per ordinary share

| | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|---------|---------------------------|---------|
| | 3 months ended 30 June | | 6 months ended 30 June | |
| | 2020 | 2019 | 2020 | 2019 |
| Net profit attributable to ordinary owners of the Company (RM'000) | 3,953 | 16,432 | 11,506 | 30,520 |
| Weighted average number of ordinary shares ('000) | 549,517 | 549,517 | 549,517 | 549,517 |
| Basic earnings per ordinary share (sen) | 0.72 | 2.99 | 2.09 | 5.55 |

26. Profit before tax

Profit before tax is arrived at after charging/(crediting) the followings:

| <i>In thousands of RM</i> | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|----------------|---------------------------|----------------|
| | 3 months ended 30 June | | 6 months ended 30 June | |
| | 2020 RM,000 | 2019 RM,000 | 2020 RM,000 | 2019 RM,000 |
| Interest income from bank balances | 1,507 | 1,114 | 2,884 | 2,031 |
| Interest income from other financial assets | 1 | 1 | 2 | 1 |
| Other income including investment income | 36 | 70 | 104 | 127 |
| Interest expense on bank balances | 281 | 1,115 | 603 | 2,307 |
| Interest expense on other financial liabilities | - | - | - | - |
| Depreciation and amortisation | 3,356 | 4,032 | 6,763 | 7,944 |
| Provision for and write off of receivables | - | - | - | - |
| Provision for and write off of inventories | - | - | - | - |
| Gain/(loss) on disposal of property, plant and equipment | - | (240) | - | (225) |
| Gain/(loss) on disposal of investments | - | - | - | - |
| Impairment/(Reversal of impairment) of financial assets | - | - | - | - |
| Foreign exchange gain/(loss) | 14 | - | 20 | 3 |
| Gain/(loss) on derivatives | - | - | - | - |
| Exceptional item | - | - | - | - |

27. Derivative Financial Instruments

There were no derivative financial instruments as at 30 June 2020.

28. Gains/Losses arising from fair value changes of financial liabilities

There were no gains or losses arising from fair value changes of the financial liabilities for the current quarter and financial period ended 30 June 2020.

29. Audit Report

The auditors have expressed an unqualified opinion on the Group's and Company's statutory financial statements for the year ended 31 December 2019 in their report dated 18 May 2020.

30. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 August 2020.

Issue Date: 6 August 2020