



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2020**

| Contents | Page No. |
|--|----------|
| Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income | 1 - 2 |
| Unaudited Condensed Consolidated Statement of Financial Position | 3 |
| Unaudited Condensed Consolidated Statement of Changes in Equity | 4 |
| Unaudited Condensed Consolidated Statement of Cash Flows | 5 |
| Notes to the Interim Financial Report:- | |
| Part A - Explanatory Notes Pursuant to MFRS134 | 6 - 8 |
| Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad | 9 - 11 |



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2020

| | 3 months ended | | 6 months ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30/06/2020 RM'000 | 30/06/2019 RM'000 | 30/06/2020 RM'000 | 30/06/2019 RM'000 |
| Revenue | 67,728 | 69,597 | 148,265 | 144,335 |
| Cost of sales | (38,375) | (37,645) | (82,897) | (80,131) |
| Gross profit | 29,353 | 31,952 | 65,368 | 64,204 |
| Other income | 8,209 | 256 | 5,368 | 1,727 |
| Selling & Distribution expenses | (16,585) | (17,364) | (33,908) | (34,746) |
| Administrative expenses | (6,438) | (6,506) | (13,281) | (12,824) |
| Other expenses | (519) | 804 | (269) | (1,892) |
| Results from operating activities | 14,020 | 9,142 | 23,278 | 16,469 |
| Finance income | 330 | 431 | 712 | 790 |
| Finance cost | (502) | (703) | (1,060) | (1,209) |
| Share of result of associate | (119) | (632) | (160) | (813) |
| Profit before tax | 13,729 | 8,238 | 22,770 | 15,237 |
| Income tax expense | (1,872) | (2,015) | (5,385) | (4,198) |
| Profit for the period | 11,857 | 6,223 | 17,385 | 11,039 |
| Other comprehensive income, net of tax | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation differences for foreign operations | (1,626) | (44) | (716) | 88 |
| Total other comprehensive (expenses)/ income for the period | (1,626) | (44) | (716) | 88 |
| Total comprehensive income for the period | 10,231 | 6,179 | 16,669 | 11,127 |
| | | | | |



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2020

| | 3 months ended | | 6 months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30/06/2020 RM'000 | 30/06/2019 RM'000 | 30/06/2020 RM'000 | 30/06/2019 RM'000 |
| Attributable to: | | | | |
| Owners of the Company | 11,754 | 6,357 | 17,495 | 11,191 |
| Non-controlling interests | 103 | (134) | (110) | (152) |
| Profit for the period | 11,857 | 6,223 | 17,385 | 11,039 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 10,022 | 6,286 | 16,718 | 11,264 |
| Non-controlling interests | 209 | (107) | (49) | (137) |
| Total comprehensive income for the period | 10,231 | 6,179 | 16,669 | 11,127 |
| Earnings per share (EPS) attributable to owners of the Company (sen): | | | | |
| Basic EPS | 8.41 | 4.57 | 12.53 | 8.07 |
| Diluted EPS | 8.41 | 4.56 | 12.50 | 8.05 |

Included in the profit for the period are:

| | 3 months ended | | 6 months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30/06/2020 RM'000 | 30/06/2019 RM'000 | 30/06/2020 RM'000 | 30/06/2019 RM'000 |
| interest income | (331) | (431) | (713) | (790) |
| other income including investment income | (92) | (69) | (185) | (163) |
| interest expenses | 502 | 703 | 1,060 | 1,209 |
| depreciation and amortization | 3,561 | 3,998 | 7,153 | 6,849 |
| provision for and (write back) / write off of receivables | 219 | 467 | 492 | 784 |
| writedown and written off of inventories | 419 | 61 | 1,433 | 994 |
| foreign exchange (gain) or loss | (7,071) | (1,543) | (4,516) | (501) |

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

| | As at 30/06/2020 RM'000 <i>Unaudited</i> | As at 31/12/2019 RM'000 <i>Audited</i> |
|--|---|---|
| ASSETS | | |
| Property, plant and equipment | 142,741 | 146,403 |
| Intangible assets | 4,855 | 4,891 |
| Investment in associates | 1,528 | 1,688 |
| Deferred tax assets | 243 | 235 |
| Non-current Assets | <u>149,367</u> | <u>153,217</u> |
| Inventories | 137,655 | 105,958 |
| Trade receivables | 57,373 | 64,614 |
| Other receivables | 32,003 | 16,825 |
| Amount due from affiliated companies | 87 | 106 |
| Amount due from an associate | 398 | 428 |
| Current tax assets | 702 | 506 |
| Cash & cash equivalents | 104,378 | 90,083 |
| Current Assets | <u>332,596</u> | <u>278,520</u> |
| TOTAL ASSETS | <u>481,963</u> | <u>431,737</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 150,332 | 148,912 |
| Other reserves | 2,375 | 2,838 |
| Retained earnings | 182,740 | 176,437 |
| Equity Attributable to Owners of the Company | <u>335,447</u> | <u>328,187</u> |
| Non-controlling interests | 5,359 | 5,408 |
| Total Equity | <u>340,806</u> | <u>333,595</u> |
| Deferred taxation | 9,209 | 9,023 |
| Loans and borrowings | 25,631 | 28,831 |
| Post-employment benefits | 379 | 369 |
| Lease liabilities | 5,146 | 6,460 |
| Non-current Liabilities | <u>40,365</u> | <u>44,683</u> |
| Trade payables | 38,572 | 15,004 |
| Other payables | 29,508 | 16,631 |
| Refund liability | 1,461 | 1,411 |
| Amount due to affiliated companies | 8,345 | 6,629 |
| Loans and borrowings | 18,126 | 9,915 |
| Current tax liabilities | 2,059 | 1,151 |
| Lease liabilities | 2,721 | 2,718 |
| Current Liabilities | <u>100,792</u> | <u>53,459</u> |
| Total Liabilities | <u>141,157</u> | <u>98,142</u> |
| TOTAL EQUITY AND LIABILITIES | <u>481,963</u> | <u>431,737</u> |
| Net assets per share attributable to owners of the Company (RM) | 2.39 | 2.35 |

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020

| RM'000 | Attributable to owners of the Company | | | | | | Non-controlling interest | Total equity |
|---|---------------------------------------|-----------------|------------------------------|----------------------|-------------------|----------|--------------------------|--------------|
| | Non-distributable | | | Distributable | | | | |
| | Share capital | Capital reserve | Exchange fluctuation reserve | Share option reserve | Retained earnings | Total | | |
| At 1 January 2019, as previously reported | 145,261 | - | 307 | 2,742 | 166,741 | 315,051 | 5,952 | 321,003 |
| Adjustment on initial applicatin of MFRS 16, net of tax | - | - | - | - | (1,451) | (1,451) | (38) | (1,489) |
| At 1 January 2019, restated | 145,261 | - | 307 | 2,742 | 165,290 | 313,600 | 5,914 | 319,514 |
| Foreign currency translation differences for foreign operations | - | - | 73 | - | - | 73 | 15 | 88 |
| Total other comprehensive income for the period | - | - | 73 | - | - | 73 | 15 | 88 |
| Profit for the period | - | - | - | - | 11,191 | 11,191 | (152) | 11,039 |
| Total comprehensive income for the period | - | - | 73 | - | 11,191 | 11,264 | (137) | 11,127 |
| Dividends to owners of the Company | - | - | - | - | (11,865) | (11,865) | - | (11,865) |
| Transfer to share capital for share options exercised | 604 | - | - | (604) | - | - | - | - |
| Issuance of ordinary shares pursuant to ESOS | 3,042 | - | - | - | - | 3,042 | - | 3,042 |
| Total transactions with owners of the Company | 3,646 | - | - | (604) | (11,865) | (8,823) | - | (8,823) |
| At 30 June 2019 | 148,907 | - | 380 | 2,138 | 164,616 | 316,041 | 5,777 | 321,818 |
| At 1 January 2020 | 148,912 | - | 82 | 2,756 | 176,437 | 328,187 | 5,408 | 333,595 |
| Foreign currency translation differences for foreign operations | - | - | (777) | - | - | (777) | 61 | (716) |
| Total other comprehensive income for the period | - | - | (777) | - | - | (777) | 61 | (716) |
| Profit for the period | - | - | - | - | 17,495 | 17,495 | (110) | 17,385 |
| Total comprehensive income for the period | - | - | (777) | - | 17,495 | 16,718 | (49) | 16,669 |
| Dividends to owners of the Company | - | - | - | - | (11,213) | (11,213) | - | (11,213) |
| Transfer to share capital for share options exercised | 275 | - | - | (275) | - | - | - | - |
| Issuance of ordinary shares pursuant to ESOS | 1,145 | - | - | - | - | 1,145 | - | 1,145 |
| Share based payment transaction | - | - | - | 610 | - | 610 | - | 610 |
| Share option granted under ESOS forfeited | - | - | - | (21) | 21 | - | - | - |
| Total transactions with owners of the Company | 1,420 | - | - | 314 | (11,192) | (9,458) | - | (9,458) |
| At 30 June 2020 | 150,332 | - | (695) | 3,070 | 182,740 | 335,447 | 5,359 | 340,806 |

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020

| | 6 months ended | |
|---|-------------------|-------------------|
| | 30/06/2020 | 30/06/2019 |
| | RM '000 | RM '000 |
| Cash flows from operating activities | | |
| Profit before tax | 22,770 | 15,237 |
| Other adjustments | (5,286) | 8,763 |
| Operating profit before changes in working capital | 17,484 | 24,000 |
| Net change in current assets | (41,572) | (13,064) |
| Net change in current liabilities | 42,878 | 15,823 |
| Cash generated from operations | 18,790 | 26,759 |
| Tax paid | (4,495) | (5,302) |
| Net cash generated from operating activities | 14,295 | 21,457 |
| Cash flows from investing activities | | |
| Interest received | 713 | 790 |
| Proceeds from disposal of property, plant and equipment | (187) | - |
| Purchase of property, plant and equipment | (2,444) | (2,431) |
| Purchase of intangible assets | - | (2) |
| Net cash used in investing activities | (1,918) | (1,643) |
| Cash flows from financing activities | | |
| Interest paid | (906) | (1,050) |
| Dividends paid | - | (11,864) |
| Proceeds from issuance of ordinary shares-ESOS, net of expenses | 1,145 | 3,042 |
| Drawdown of term loans | 8,177 | 2,591 |
| Repayment of term loans / finance lease | (3,293) | (1,248) |
| Refinance of property, plant and equipment under finance lease | - | 4,821 |
| Payment of lease liabilities | (1,681) | (1,692) |
| Net cash from / (used in) financing activities | 3,442 | (5,400) |
| Net increase in cash and cash equivalents | 15,819 | 14,414 |
| Effect on foreign exchange rate changes | (1,524) | (30) |
| Cash and cash equivalents at 1 January | 90,083 | 76,641 |
| Cash and cash equivalents at 30 June | 104,378 | 91,025 |
| | 30/06/2020 | 30/06/2019 |
| | RM '000 | RM '000 |
| Composition of cash and cash equivalents | | |
| Cash and bank balances | 48,612 | 62,630 |
| Fixed deposits with licensed banks | 55,766 | 28,395 |
| | 104,378 | 91,025 |

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)]
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT - 30 JUNE 2020

A1 Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 and IAS 34 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. The explanatory notes attached to the condensed report 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 financial year ended 31 December 2019.

A2 Changes in Accounting Policies

The accounting policies and method of computation adopted for the condensed interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2019.

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on 1 January 2020 are as follows:

- 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, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform

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

A3 Auditors' Report on Preceding Annual Financial Statements

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

A4 Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal or cyclical factors.

A5 Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter and six months ended 30 June 2020.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter and six months ended 30 June 2020.

A7 Debt and Equity Securities

During the quarter and six months ended 30 June 2020, the Company has issued 589,000 new ordinary shares pursuant to the exercise of Company's ESOS as follows:

| Exercise Price RM | No. of Shares Issued | Cash Proceeds RM |
|----------------------|-------------------------|---------------------|
| 1.49 | <u>7,000</u> | <u>10,430</u> |
| 1.82 | <u>311,000</u> | <u>566,020</u> |
| 1.89 | <u>161,000</u> | <u>304,290</u> |
| 2.40 | <u>110,000</u> | <u>264,000</u> |

A8 Dividends Paid

At the 19th Annual General Meeting held on 22 June 2020, the shareholders have approved the payment of a final single-tier ordinary dividend of 7.0 sen per ordinary share and a final single-tier special dividend of 1.0 sen per ordinary share in respect of financial year ended 31 December 2019, payable on 25 August 2020.

A9 Segment Information

The Group is organised based on three major business segments as described below. The basis of segmentation was based on information reported internally to the Managing Director of the Group.

Performance is measured based on segment profit before tax and the total of segment assets are measured based on all assets (including goodwill) of a segment that are reviewed by the Group. Segment total asset is used to measure the return of assets of each segment.

There are no changes in the segment reported in the last audited financial statements.

| Year-to-date ended 30 June 2020 | Investment | Trading | Manufacturing | Inter-company | Total |
|------------------------------------|-------------------|---------|---------------|-----------------------|---------|
| | holding RM'000 | RM'000 | RM'000 | Elimination RM'000 | |
| Revenue from external customer | - | 23,403 | 124,862 | - | 148,265 |
| Inter-segment revenue | 16,621 | 571 | 24,373 | (41,565) | - |
| Total revenue | 16,621 | 23,974 | 149,235 | (41,565) | 148,265 |
| Segment profit / (loss) before tax | 18,964 | 3,473 | 17,956 | (17,623) | 22,770 |
| Segment assets | 219,902 | 69,018 | 426,048 | (233,005) | 481,963 |
| Segment liabilities | 18,134 | 40,872 | 232,769 | (150,618) | 141,157 |

| Year-to-date ended 30 June 2019 | Investment | Trading | Manufacturing | Inter-company | Total |
|------------------------------------|-------------------|---------|---------------|-----------------------|---------|
| | holding RM'000 | RM'000 | RM'000 | Elimination RM'000 | |
| Revenue from external customer | - | 21,683 | 122,652 | - | 144,335 |
| Inter-segment revenue | 16,314 | 322 | 18,029 | (34,665) | - |
| Total revenue | 16,314 | 22,005 | 140,681 | (34,665) | 144,335 |
| Segment profit / (loss) before tax | 17,099 | 2,125 | 14,445 | (18,432) | 15,237 |
| Segment assets | 217,692 | 55,341 | 385,023 | (219,197) | 438,859 |
| Segment liabilities | 23,435 | 31,612 | 199,279 | (137,285) | 117,041 |

| Geographical segments | Total revenue | |
|-----------------------|----------------------|----------------------|
| | 30/06/2020 RM'000 | 30/06/2019 RM'000 |
| Malaysia | 100,716 | 104,391 |
| Singapore | 14,748 | 13,197 |
| Vietnam | 9,886 | 9,675 |
| Philippines | 1,273 | 2,186 |
| Cambodia | 3,067 | 3,290 |
| Myanmar | 1,912 | 1,463 |
| Brunei | 1,921 | 1,890 |
| Indonesia | 2,886 | 1,712 |
| Thailand | 3,562 | 1,850 |
| Africa | 6,415 | 2,827 |
| Other countries | 1,879 | 1,854 |
| | 148,265 | 144,335 |

Investment holding 1H20 vs 1H19

Holding company's posted a profit before tax at RM19.0 million in 1H20 compared to corresponding period last year profit before tax of RM17.1 million was mainly due to the foreign exchange gain recorded during the period under review.

Trading 1H20 vs 1H19

Trading segment reported a profit before tax of RM3.5 million in 1H20 compared to profit before tax of RM2.1 million in 1H19 resulting from increase in sales revenue due to increase in demand for pharmaceutical products such as hand sanitizer and disinfectant range during the COVID-19 outbreak.

Manufacturing 1H20 vs 1H19

Manufacturing segment recorded revenue of RM149.2 million in 1H20, 6.1% higher than the revenue of RM140.7 million recorded in 1H19. The profit before tax for 1H20 posted higher at RM18.0 million compared to RM14.4 million in 1H19. This was mainly due to increase in sales revenue from overseas market during the period under review.

A10 Valuations of Property, Plant and Equipment

Property, plant and equipment of the Group are stated at cost less accumulated depreciation and any accumulated impairment losses where applicable.

There is no revaluation of property, plant and equipment during the period under review.

A11 Subsequent Events

There were no material events subsequent to the end of the current quarter.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter and six months ended 30 June 2020.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2019.

A14 Capital Commitment

Capital commitment expenditure not provided for in the condensed report as at the end of the financial period were as follows:

| | |
|------------------------------------|---|
| | Contracted but not provided for RM'000 |
| Plant & machinery and other assets | <u>8,034</u> |

A15 Related Party Transactions

Significant related party transactions are as follows:

| | 6 months ended | |
|---|----------------------|----------------------|
| | 30/06/2020 RM'000 | 30/06/2019 RM'000 |
| <u>Corporation related to substantial shareholder</u> | | |
| Purchase of pharmaceutical products | 5,435 | 6,183 |
| Consultancy fees payable | 2 | 12 |
| Rental payable | <u>45</u> | <u>45</u> |
| <u>Companies in which certain Directors have interest</u> | | |
| Purchase of raw materials | 11,453 | 3,029 |
| Sales of pharmaceutical products | <u>(525)</u> | <u>(374)</u> |

A16 Financial Instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The fair values of other financial assets and liabilities not carried at fair value, together with the carrying amounts shown in the statements of financial position, are as follows:

| | As at 30/06/2020 | | As at 31/12/2019 | |
|-------------------------------------|------------------------------|----------------------|------------------------------|----------------------|
| | Carrying amount RM'000 | Fair value RM'000 | Carrying amount RM'000 | Fair value RM'000 |
| Long term loans and borrowings | 22,514 | 21,338 | 23,899 | 23,136 |
| Long term finance lease liabilities | <u>3,117</u> | <u>3,788</u> | <u>4,932</u> | <u>4,647</u> |

B1 Review of Performance

| | 3 months ended | | Variance | | 6 months ended | | Variance | |
|--|----------------|------------|----------|-------|----------------|------------|----------|------|
| | 30/06/2020 | 30/06/2019 | RM'000 | % | 30/06/2020 | 30/06/2019 | RM'000 | % |
| | RM'000 | RM'000 | | | RM'000 | RM'000 | | |
| Revenue | 67,728 | 69,597 | (1,869) | (2.7) | 148,265 | 144,335 | 3,930 | 2.7 |
| Operating profit | 14,020 | 9,142 | 4,878 | 53.4 | 23,278 | 16,469 | 6,809 | 41.3 |
| Profit before interest and tax | 13,901 | 8,510 | 5,391 | 63.3 | 23,118 | 15,656 | 7,462 | 47.7 |
| Profit before tax | 13,729 | 8,238 | 5,491 | 66.7 | 22,770 | 15,237 | 7,533 | 49.4 |
| Profit after tax | 11,857 | 6,223 | 5,634 | 90.5 | 17,385 | 11,039 | 6,346 | 57.5 |
| Profit attributable to owners of the Company | 11,754 | 6,357 | 5,397 | 84.9 | 17,495 | 11,191 | 6,304 | 56.3 |

The Group recorded a revenue of RM148.3 million in the first half of the year ended 30 June 2020, 2.7 % higher compared with the revenue of RM144.3 million recorded in the same period last year.

The Group recorded a higher profit before tax of RM22.8 million as compared to RM15.2 million in the same period last year due to increase in sales revenue in overseas market and foreign exchange gain recorded during the period under review.

B2 Comparison with the Preceding Quarter's Results

| | Qtr 2 | Qtr 1 | Variance | |
|--|--------------|--------------|----------|--------|
| | (30/06/2020) | (31/03/2020) | RM'000 | % |
| | RM'000 | RM'000 | | |
| Revenue | 67,728 | 80,537 | (12,809) | (15.9) |
| Operating profit | 14,020 | 9,258 | 4,762 | 51.4 |
| Profit before interest and tax | 13,901 | 9,217 | 4,684 | 50.8 |
| Profit before tax | 13,729 | 9,041 | 4,688 | 51.9 |
| Profit after tax | 11,857 | 5,528 | 6,329 | 114.5 |
| Profit attributable to owners of the Company | 11,754 | 5,741 | 6,013 | 104.7 |

The Group recorded a revenue of RM67.7 million for the current quarter as compared to RM80.5 million for the immediate preceding quarter ("1Q20") which was a decrease of 15.9%. The decrease was mainly attributed to a drop in demand from domestic market during the conditional movement control order (CMCO).

The Group recorded a higher profit before tax of RM13.7 million in 2Q20 compared to RM9.0 million in 1Q20 as a result of weakening of Rigit Malaysia against US Dollar. The Group recorded RM7.1 mil foreign exchange gain during the quarter under review.

B3 Prospects of the Group

Around the world, the economies are cautiously reopening even as the global pandemic continues to take its toll. The conditional movement control order (CMCO) which replaced by the recovery MCO (RMCO) with more relaxed conditions from June 10 to Aug 31, has allowed several economic sectors to resume operations subject to the standard operating procedures (SOPs).

The CMCO imposed by the government has impacted the Group's domestic market for the pharmaceutical products. The local demand for pharmaceutical product has dropped marginally compared to same period last year. However, the demand from overseas market has increased during the CMCO period.

The Group expects the financial performance to be sustained towards the end of the year, even though the market is likely to be challenging during the RMCO period. To date, there is no material impairment on the Group's assets, inventories and receivables. Nevertheless, the Group has taken certain steps to circumvent the challenges and will continue to strategise in introducing new and suitable products in the market segments.

The Group will remain cautious on the Group's prospect and will continue its effort to mitigate the impact of this outbreak to the business.

B4 Profit Forecast or Profit Guarantee

There were no profit forecast or profit guarantee issued by the Group.

B5 Taxation

Details of taxation are as follows :-

| | 3 months ended | | 6 months ended | |
|--------------|----------------------|----------------------|----------------------|----------------------|
| | 30/06/2020 RM'000 | 30/06/2019 RM'000 | 30/06/2020 RM'000 | 30/06/2019 RM'000 |
| Current tax | 1,810 | 1,942 | 5,200 | 4,043 |
| Deferred tax | 62 | 73 | 185 | 155 |
| | <u>1,872</u> | <u>2,015</u> | <u>5,385</u> | <u>4,198</u> |

Income tax is calculated at the Malaysian statutory tax rate of 24%. (2019: 24%)

The Group's effective tax rate for the six months ended 30 June 2020 was consistent with the statutory tax rate.

B6 Corporate Proposals

There were no corporate proposals announced by the Company as at the reporting date.

B7 Borrowings and Debt Securities

The details of the Group borrowings as at 30 June 2020 are as follows :

30 June 2020

| | Denominated in Foreign Currency | | RM Equivalent |
|--------------------------------|------------------------------------|------------|------------------|
| | USD'000 | SGD'000 | RM'000 |
| Current | | | |
| Secured revolving credit | - | - | 11,500 |
| <u>Secured bank loans:</u> | | | |
| - Domestic | - | - | 2,944 |
| - Foreign | - | 17 | 53 |
| <u>Finance lease creditor:</u> | | | |
| - Domestic | - | - | 3,594 |
| - Foreign | - | 11 | 35 |
| | <u>-</u> | <u>28</u> | <u>18,126</u> |
| Non-current | | | |
| <u>Secured bank loans:</u> | | | |
| - Domestic | - | - | 19,110 |
| - Foreign | 700 | 129 | 3,404 |
| <u>Finance lease creditor:</u> | | | |
| - Domestic | - | - | 3,066 |
| - Foreign | - | 16 | 51 |
| | <u>700</u> | <u>145</u> | <u>25,631</u> |
| Total borrowings | <u>700</u> | <u>173</u> | <u>43,757</u> |

31 December 2019

| | Denominated in Foreign Currency | | RM Equivalent |
|--------------------------------|------------------------------------|------------|------------------|
| | USD'000 | SGD'000 | RM'000 |
| Current | | | |
| Secured revolving credit | - | - | 4,500 |
| <u>Secured bank loans:</u> | | | |
| - Domestic | - | - | 1,674 |
| - Foreign | - | 34 | 104 |
| <u>Finance lease creditor:</u> | | | |
| - Domestic | - | - | 3,603 |
| - Foreign | - | 11 | 34 |
| | <u>-</u> | <u>45</u> | <u>9,915</u> |
| Non-current | | | |
| <u>Secured bank loans:</u> | | | |
| - Domestic | - | - | 20,620 |
| - Foreign | 700 | 129 | 3,280 |
| <u>Finance lease creditor:</u> | | | |
| - Domestic | - | - | 4,862 |
| - Foreign | - | 23 | 69 |
| | <u>700</u> | <u>152</u> | <u>28,831</u> |
| Total borrowings | <u>700</u> | <u>197</u> | <u>38,746</u> |

As at the reporting date, the Group had not issued any debt securities.

B8 Material Litigation

There was no material litigation against the Group as at the reporting date.

B9 Proposed Dividend

No dividend was proposed during the quarter ended 30 June 2020.

B10 Earnings Per Share

| | 3 months ended | | 6 months ended | |
|---|----------------|-------------|----------------|-------------|
| | 30/06/2020 | 30/06/2019 | 30/06/2020 | 30/06/2019 |
| i) Basic Earnings Per Share | | | | |
| Profit attributable to owners of the Company (RM'000) | 11,754 | 6,357 | 17,495 | 11,191 |
| Weighted average number of ordinary shares in issue ('000) | 139,741 | 138,963 | 139,678 | 138,648 |
| Basic Earnings Per Share (sen) | 8.41 | 4.57 | 12.53 | 8.07 |
| ii) Diluted Earnings Per Share | | | | |
| Profit attributable to owners of the Company (RM'000) | 11,754 | 6,357 | 17,495 | 11,191 |
| Weighted average number of ordinary shares in issue ('000) | 139,741 | 138,963 | 139,678 | 138,648 |
| Effect of dilution-Share options ('000) | 9 | 312 | 337 | 406 |
| Adjusted weighted average number of ordinary shares in issue ('000) | 139,750 | 139,275 | 140,015 | 139,054 |
| Diluted Earnings Per Share (sen) | 8.41 | 4.56 | 12.50 | 8.05 |

The basic and diluted earnings per share are calculated by dividing profit for the period attributable to owners of the Company over the weighted average number of ordinary shares in issue.