GUNUNG CAPITAL BERHAD (Company No: 330171-P, Incorporated in Malaysia)

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30450 Ipoh, Perak Darul Ridzuan

For immediate release

QUARTERLY FINANCIAL REPORT

Quarter 4 : Financial Year Ending 31 December 2019

The Directors are pleased to release the quarterly financial report for the twelve months ended 31st December 2019 being the fourth quarter for the financial year ended 2019.

The contents of the financial report comprise of the following attached condensed financial statements, explanatory notes, and additional disclosures. These must be read in conjunction with the Group's financial statements for the year ended 31st December 2018:

Schedule I	: Condensed Consolidated Income Statement
Schedule II	: Condensed Consolidated Statement of Comprehensive Income
Schedule III	: Condensed Consolidated Statement of Financial Position
Schedule IV	: Condensed Consolidated Statement of Cash Flow
Schedule V	: Condensed Consolidated Statement of Changes in Equity
Schedule VI	: Selected Explanatory Notes
Schedule VII	: Additional Disclosures

This quarterly financial report has been prepared in accordance with the accounting standards on interim financial reporting issued by the Malaysian Accounting Standards Board and contains additional disclosures prescribed by the Main Market Listing Requirements of Bursa Malaysia. Unless specified otherwise, the same accounting policies and methods of computation applied to the Group's financial statements for the previous year had been followed throughout this quarterly financial report.

By Order of the Board

Eric Toh Chee Seong (MAICSA 7016178)
Company Secretary
27 February 2019

Schedule I : Condensed Consolidated Income Statement
For the 4th quarter and twelve months ended 31 December 2019

RM'000	Individual 4th Quarter 31/12/2019	31/12/2018	*% chg*	Cumulative 4th Quarter 31/12/2019	31/12/2018	*% chg*
Continuing Operations						
Revenue	3,008	3,281	*(8.3)%*	16,823	28,438	*(40.8)%*
Operating profit	(522)	(553)	*5.6%*	918	4,339	*(78.0)%*
Interest expense	(44)	(39)		(146)	(128)	
Interest income	14	43		33	895	
Administrative expenses	(8,477)	(3,234)		(14,770)	(9,704)	
Other income	786	458		1,352	5,286	
Profit before taxation (PBT)	(8,243)	(3,325)	*>(100)%*	(12,613)	688	*>(100)%*
Taxation	464	(539)		452	(859)	
Profit after taxation (PAT)	**(7,779)**	**(3,864)**	*>(100)%*	**(12,161)**	**(171)**	*>(100)%*
Attributable to :						
Equity holders of the Company	(7,622)	(3,592)	*>(100)%*	(11,624)	(214)	*>(100)%*
Non-controlling interests	(157)	(272)		(537)	43	
	(7,779)	**(3,864)**		**(12,161)**	**(171)**	
Basic earnings per share (sen) attributable to equity holders of the Company	(3.2)	(1.5)		(4.9)	(0.1)	
Diluted earnings per share (sen) attributable to equity holders of the Company	(3.0)	(1.5)		(4.6)	(0.1)	

nm – not meaningful

This Statement should be read in conjunction with the selected explanatory notes on Schedule VI & VII of this Report and the Group's audited financial statements for the year ended 31 December 2018 .

Schedule II : Condensed Consolidated Statement of Comprehensive Income
For the 4th quarter and twelve months ended 31 December 2019

	Individual 4th Quarter			Cumulative 4th Quarter		
RM'000	31/12/2019	31/12/2018	***% chg***	31/12/2019	31/12/2018	***% chg***
Group profit after tax	(7,779)	(3,864)	*>(100)%*	(12,161)	(171)	*>(100)%*
Other comprehensive income,						
Fair value gain on equity investment	498	1,138		498	1,138	
Total comprehensive income for the financial period	**(7,281)**	**(2,726)**	*>(100)%*	**(11,663)**	**967**	*>(100)%*
Total comprehensive income attributable to:						
Equity holders of the Company	(7,368)	(3,011)	*>(100)%*	(11,370)	366	*>(100)%*
Non-controlling interests	87	285	*nm*	(293)	601	*nm*
	(7,281)	**(2,726)**		**(11,663)**	**967**	

nm – not meaningful

This Statement should be read in conjunction with the selected explanatory notes on Schedule VI & VII of this Report and the Group's audited financial statements for the year ended 31 December 2018.

Schedule III : Condensed Consolidated Statement of Financial Position
As at 31 December 2019

RM'000	31/12/2019	Audited 31/12/2018
Property, plant & equipment	20,218	23,330
Right of use of asset	113	-
Other financial assets	5,040	4,574
Goodwill on consolidation	21,023	21,026
Other receivable	3,487	3,299
Current assets		
Trade receivables	1,539	11,350
Inventories	413	600
Tax recoverable	454	20
Other receivables	6,332	7,182
Other financial assets	17,717	-
Cash and cash equivalents	23,352	40,492
	49,807	59,644
Less : Current liabilities		
Trade payables	-	-
Other payables	3,720	3,436
Term Loan	340	321
Finance lease and hire purchase creditors	-	34
Lease liabilities	36	-
Provision for taxation	830	-
	4,926	3,791
Net Current Assets	44,881	55,853
	94,762	108,082
Financed by:		
Share capital	94,478	94,478
Retained earnings	(3,654)	7,970
Other reserves	(1,965)	(2,219)
Non-controlling interests	2,082	2,376
Total Equity	90,941	102,605
Non-current liabilities		
Finance lease and hire purchase creditors	-	180
Lease liabilities	144	-
Deferred tax liabilities	68	1,600
Term loan	1,821	2,114
Other payables	1,788	1,583
	3,821	5,477
Total equity & non-current liabilities	94,762	108,082
Net assets per share (sen) attributable to equity holders of the Company	**37.6**	**42.4**

This Statement should be read in conjunction with the selected explanatory notes on Schedule VI & VII of this Report and the Group's audited financial statements for the year ended 31 December 2018.

Schedule IV : Condensed Consolidated Statement of Cash Flow

For the twelve months ended 31 December 2019

RM'000	Cumulative 3rd Quarter 31/12/2019	31/12/2018
Operating activities		
Profit before taxation		
- Continuing	(12,613)	688
Add non-cash : Depreciation & amortisation	6,409	6,767
Gain on :		
- disposal of property, plant & equipment	(638)	(1,855)
- disposal of associate	-	(1,666)
- financial assets	(258)	-
Changes in working capital	4,925	(13,047)
Impairment of assets	13	-
Impairment loss on trade receivables	6,208	26
Loss on unwinding of discount on other payables	205	-
Gain on unwinding of discount on other receivables	(188)	-
Impairment loss on other receivables	110	-
Impairment loss on goodwill	3	1,010
Net (tax paid)/ refunded	(684)	(385)
Net cash flows from operating activities	3,492	(8,462)
Investing activities		
Interest income received	33	895
Proceeds from gain in financial assets	92	-
Purchase of property, plant and equipment	(3,540)	(5,835)
Investment in short term financial assets	(17,550)	-
Proceeds from disposal of financial assets	31	-
Proceeds from disposal of property, plant and equipment	755	2,836
Net cash flows from investing activities	(20,179)	(2,104)
Financing activities		
Finance costs paid	(146)	(128)
Repayment of finance lease	(34)	(38)
Repayment of term loan facilities	(273)	-
Proceeds from term loan (net)	-	1,431
Net cash flows from financing activities	(453)	1,265
Net change in cash & cash equivalents	(17,140)	(9,301)
Cash & cash equivalents at beginning of period	40,492	49,793
Cash & cash equivalents at end of period	23,352	40,492
Comprising of :		
Cash and bank balances	23,307	40,448
Fixed deposits with financial institutions	45	44

Note :
( ) denotes cash outflow

This Statement should be read in conjunction with the selected explanatory notes on Schedule VI & VII of this Report and the Group's audited financial statements for the year ended 31 December 2018.

Schedule V : Condensed Consolidated Statement of Changes in Equity

For the twelve months ended 31 December 2019

RM'000	Share Capital	Share premium & Other reserves	Warrant Reserve	Retained Earnings	Total	Non-controlling Interests	Total Equity
	<---------Attributable to equity holders of the Company--------->						
At 31 December 2017	94,478	(3,806)	1,007	8,184	99,863	1,774	101,637
Total comprehensive income	-	-	-	(214)	(214)	43	(171)
Transactions with owners:							
Fair value change on equity investment	-	580	-	-	580	558	1,138
Issue new ordinary shares	-	-	-	-	-	-	-
At 31 December 2018	94,478	(3,226)	1,007	7,970	100,229	2,376	102,604
At 1 January 2019	94,478	(3,226)	1,007	7,970	100,229	2,376	102,604
Total comprehensive income	-	-	-	(11,624)	(11,624)	(537)	(12,161)
Transactions with owners:							
Fair value change on equity investment	-	254	-	-	254	243	498
Issue new ordinary shares	-	-	-	-	-	-	-
At 31 December 2019	94,478	(2,972)	1,007	(3,654)	88,859	2,082	90,941

Schedule VI : Selected Explanatory Notes Pursuant to MFRS 134

1. Accounting Policies and method of computation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting, and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018. The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2018, except for the adoption of the following:

Adoption of MFRS/ Amendments/Interpretations	**Effective date**
MFRS 9, *Financial Instruments*	1 January 2018
Amendments to MFRS 15, *Revenue from contracts with Customers*	1 January 2018
Amendments to MFRS 4, *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*	1 January 2018
MFRS 16, *Leases*	1 January 2019
Amendments to MFRS 9, *Financial Instruments : prepayment features with negative compensation*	1 January 2019
Amendments to MFRS 119, *Employee Benefits : plan amendments, curtailment or settlement*	1 January 2019
Amendments to MFRS 128, *Investment in Associates and Joint Venture : long-term interests in associates and joint ventures*	1 January 2019
IC Interpretation 23, *Uncertainty over Income Tax Treatments*	1 January 2019
Actual Improvements to MRFS Standards 2015-2017 Cycle	1 January 2019

The initial application of the abovementioned standards, amendments and interpretations did not have any material impacts to the current and prior period financial statements upon their first adoption.

Standards Issued But Not Yet Effective

MFRS 17, *Insurance contracts*	1 January 2021
Amendments to MFRS 10 and MRFS 128, *sale or contribution of assets between an Investor and its Associate or Joint Venture*	Not confirmed

As at the date of authorization of these condensed consolidated financial statements, the above standards were issued but not yet effective and have not been adopted by the Group. The initial application of the abovementioned standards is not expected to have any material impact to the financial statement of the Group upon adoption

2. Auditors' report

The auditors' report of the preceding annual financial statements of the Company and of the Group was not subject to any qualification.

Schedule VI : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

3. Comment on seasonality or cyclicality of operation

The Group's performance is normally not affected by seasonal or cyclical events on a year to year basis. However, contract revenue from the Ministry of Defence contract to ferry school children is based on students attending school. Thus school holidays will effect contract revenues. In December of each calendar year there is no revenue from this contract.

4. 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.

5. Significant estimates and changes in estimates

There were no significant estimates or changes in estimates that have had any material effect on the results of the current quarter.

6. Issuance or repayments of debt/equity securities

There has not been any issuance or repayment of debt and equity securities during the period under review.

7. Dividends paid

No dividends have been paid in the current financial quarter.

8. Segmental results

For management purposes, the Group's operating businesses are organised according to services, namely chartering of land-based transportation assets and specialty vehicles, small hydropower and others. Segment performance is evaluated based on operating profit. Inter-segment transactions and pricing arrangements where applicable, are determined on a commercial basis. The results by segments for the quarter are as follows:

	Individual 4th Quarter			***Cumulative 4th Quarter***		
RM'000	**31/12/2019**	**31/12/2018**	***% chg***	**31/12/2019**	**31/12/2018**	***% chg***
Segmental Analysis						
Revenue						
Transportation assets	3,008	3,281	*(8.3)%*	16,823	28,438	*(40.8)%*
Small hydro development	-	-	*0.0%*	-	-	*0.0%*
Operating profit						
Transportation assets	(257)	(7)	*>(100)%*	1,841	5,887	*(68.7)%*
Small hydro development	(265)	(546)	*51.5%*	(923)	(1,548)	*40.4%*

Schedule VI : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

RM'000	*>Current v Preceding Quarter<* 31/12/2019	30/09/2019	*% chg*	*>Comparative4th Quarter<* 31/12/2019	31/12/2018	*% chg*
Total Assets						
Transportation	40,424	51,067	*(20.8)%*	40,424	74,382	*(45.7)%*
Other financial assets	19,517	2,700	*>100%*	19,517	33	*>100%*
Small hydro development	39,748	38,909	*2.2%*	39,748	37,516	*5.9%*
Due from contracts in hand	-	15,643	*>(100) %*	-	-	*0.0%*
Total Liabilities						
Transportation	1,217	2,703	*(55.0)%*	1,217	1,976	*(38.4)%*
Small hydro development	7,530	7,393	*1.9%*	7,530	7,317	*2.9%*

Current Quarter vs Corresponding Quarter last year

Group revenue for Q4 2019 declined slightly against that of Q4 2018, down 8.3% to RM3.0 million. Contract revenue from the Ministry of Defence contract to ferry school children was relatively constant throughout the period under review, however December was a school holiday. In Q4 2018, there was no revenue from the National Service program as it has been terminated in May 2018. Group revenue was derived from the transportation segment of the Group, as the Group's portfolio of small hydropower segment is predominately at the development and construction phase, with no dividends generated from those sites already commissioned and delivering energy to the national utility.

The Group registered an operating loss from the transportation segment of RM0.26 mil for Q4 2019, which was slightly worse than the RM0.07 mil operating loss in Q4 2018.

Operating loss for the hydropower division also improved year on year registering a RM0.27 mil loss in Q4 2019 compared with a RM0.55 mil loss in Q4 2018. This loss reflects the cost of our in-house engineers, administration expenses, and the costs associated with procuring the necessary approvals from the relevant State Government authorities.

It is worth noting that upon commissioning of each small hydro site, and as energy is sold to the national grid, the contribution to Group earnings will depend on the shareholding structure of each small hydro site. Those joint venture companies where the Group has a 30% (or less) equity stake earnings will be at the associate level, and via single tier dividends. For sites under 95.1%-owned subsidiary Gunung Hydropower Sdn Bhd, earnings will be contributed directly to the Group via the consolidation of earnings and via single tier dividends.

As the hydro sites under Gunung Hydropower Sdn Bhd are developed, and capital expenditure is incurred, total assets in this segment increases, which explains the 5.9% increase in assets from Q4 2018 to Q4 2019.

Liabilities continue to be well managed, and relatively low at only 8.8% of total assets in Q4 2019 from 7.8% of total assets in Q4 2018, on the back of a decrease in payables in the transportation division.

Schedule VI : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

9. Valuation of property, plant and equipment

There were no changes in the valuation on property, plant and equipment since the last annual financial statements.

10. Significant & subsequent events

There were events subsequent to the end of the quarter that have not been reflected in the current financial quarter under review.

Other financial assets (current)

In FY2019 Gunung Group management allocated unutilized cash reserves to selective short-term Islamic Redeemable Preference Shares (iRPS) to secure a competitive return on cash deposits. Prior to FY2019 management generated a tax exempt interest income from investing in the Islamic wholesale money market. The tax exemption granted to Islamic wholesale money market funds on interest income ceased in FY2019. In FY2019, a total of RM17.55 mil from cash reserves was allocated to iRPS (95% of this total investment in iRPS was undertaken by the management only in the 4th financial quarter 2019).

As at 26 February, the issuers of the iRPS have redeemed a total of RM9.90 mil iRPS, realizing an investment gain for the Group of RM319,500 (of which RM123,563 was recognized and reflected in the current financial quarter under review). The balance of RM7.65 mil iRPS are scheduled to be redeemed by the issuers before the end of the 1st financial quarter 2020. This will generate an additional investment gain of RM210,375 (of which RM43,828 was recognized and reflected in the current financial quarter under review).

Sale of assets (transportation assets in the Groups' fixed assets schedule)

In the 1st financial quarter 2020, management disposed of 71 units of under-utilised and aging buses with the associated spare parts inventory for a total of RM3.5 mil. This has generated a gross gain from sale of assets amounting to RM3.1 mil for the Group.

Other receivables

Refer to note 12 Additional Disclosure Information for a material subsequent event.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial quarter.

12. Contingent liabilities

There were no contingent liabilities of a material nature since the last annual balance sheet.

13. Contingent assets

There were no contingent assets of a material nature since the last annual balance sheet.

14. Capital commitments

RM'000		**30/12/2019**
Capital Expenditure Commitments (small hydro)		
Contracted but not provided for in the financial statements under review	:	11,008

15. Significant related party transactions

The following are significant related party transactions:-

RM'000	**Cumulative 4th Quarter 2019**	**2018**
Rental of property from Director	192	197

Schedule VII : Additional Disclosures in Compliance with Main Market Listing Requirements

1. Operations review

Explanatory comments on the performance of each of the Group's segments is provided in Note 8. Above.

2. Comment on material change in profit before taxation vs preceding quarter

	Current Quarter 31/12/2019 RM'000	**Preceding Quarter 30/09/2019 RM'000**	**% Change**
Revenue	3,008	4,478	(32.8)%
Operating profit	(522)	480	>(100) %
Profit/ (Loss) before interest and tax	(8,229)	(1,443)	>(100) %
Profit/ (Loss) before tax	(8,243)	(1,451)	>(100) %
Profit/ (Loss) after tax	(7,779)	(1,774)	>(100) %
Profit/ (Loss) attributable to ordinary equity holders of parent	(7,622)	(1,637)	>(100) %

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Group loss before tax for Q4 was approximately RM8.2 mil, which was substantially higher than the preceding quarter loss before tax of RM1.4 mil. Revenue dropped due to more school holidays (the whole of December), down 32.8%. The Group loss before tax in Q4 2019 was substantially contributed by the recognition of 'one-off' impairments of receivables and assets. A RM6.1 mil impairment on trade receivables in the 4th quarter, comprised entirely of the Ministry of Defence National Service program invoiced in FY2018 (the National Service Program was officially terminated in August 2018, although there were no National Service operations from May 2018). A minor impairment to bus spare parts amounting to RM157,000 was made and an underestimation of tax for FY2018 amounting to RM291,000 (including the penalty), and an impairment of RM109,500 of other receivables comprising of an aging refundable deposit from a Government Agency.

3. Prospects for the financial year 2020 -

In August 2018 the National Service Program (NSP) was cancelled by the Government. As such, the management does not see a possibility of any reactivation of the NSP. The NSP service-contract had underpinned the Group's contract-revenues for the previous seven consecutive years (including Q1 and Q2 2018).

The bus service for the Ministry of Defence contract to ferry school children, and ad-hoc charters will continue throughout FY2020, with the recent new contract awarded by the Ministry of Defence for three (3) years until end 2022. However, from the transport division, we expect Group revenue to experience minimal growth. Reducing our fleet size is currently being undertaken to generate cashflow and reduce costs associated with the underutilization of our transportation assets.

In the medium term, we are looking forward to the commissioning of additonal small-hydro projects in Perak in FY2020, which will contribute to Gunung's long term revenue and earnings, and enhance Gunung's growth potential. This long term stable income stream will reduce Gunung's dependency on incomes solely from chartering land-based transportation assets. Under our small hydro portfolio there are 5 sites with an installed capacity of 34.25MW, at various stages of construction.

Schedule VII : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

There are 4 sites with an installed capacity of 97.8MW, which will start construction in FY2020. The '*Kerian*' site with an installed capacity of 14MW, has been completed, and commissioned and is generating energy based on its TNB power purchase agreement. The 'Sungai Slim' site with an installed capacity of 6 MW is also complete and commissioned and is generating energy based on its TNB power purchase agreement.

4. Tax expense

The details of the tax expense (*) are as follows:-

	Individual Quarter		**Cumulative Quarter**	
RM'000	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Current	34	(373)*	(1,080)^	(385)
Deferred tax	430	(166)	1,532	(474)
	464	(539)	452	(859)

* In Q4 2018, subsequent to a tax audit by Lembaga Hasil Dalam Negeri, it was determined that certain expenses were deemed not allowable under the Income Tax Act, and Gunung Group was assessed an additional RM360,000 in taxes and a RM126,000 penalty for years of assessment 2013 and 2014.
^ Included in tax expense is underestimated taxation for the year of assessment 2018 amounting to RM250,000

5. Status of corporate proposal

There are currently no corporate proposals outstanding as at 31 December 2019.

6. Group borrowings and debt securities

The details of the Group's borrowings as at 31 December 2019 are as follows:-

As at 4th Quarter 2018	**Currency**	**Current**	**Non-Current**
RM'000			
Finance lease & hire purchase payables^	RM	34	181
Project financing term loan#	RM	320	2,114
	RM	354	2,295

As at 4th Quarter 2019	**Currency**	**Current**	**Non-Current**
RM'000			
Finance lease & hire purchase payables^	RM	36	144
Project financing term loan#	RM	340	1,821
	RM	376	1,965

^No material change in borrowings year-on–year. Borrowing consists of hire purchase facilities for vehicles under the Group. Borrowing costs of hire purchase obligations range from 2.47%-2.89%.
 # Financing of the development of a small hydro site. Borrowing cost from the financial institution is 7.85% pa. less a 2% interest subsidy from Green Technology Financing Scheme Fund (net 5.85%).

Schedule VII : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

7. Pending material litigation

There was no pending litigation of a material nature since the last balance sheet date.

8. Proposed Dividend

No dividend have been proposed by the Board of Directors for the current financial quarter under review.

9. Basis of calculation of earnings per share (EPS)

(a) The basic EPS for the current quarter was computed by dividing the Group profit attributable to shareholders of the Company by the weighted average number of ordinary share in issue (net of treasury shares).

	Current Quarter RM'000	Current YTD RM'000
Group attributable profit to shareholders of the Company	(7,622)	(11,264)
Weighted average issued capital net of treasury shares	236,180	236,180
Earnings/(Loss) per share (sen)	(3.2)	(4.9)

(b) The diluted EPS for the current quarter was computed by dividing the Group profit attributable to shareholders, adjusted for the dilutive effects of the conversion of all the outstanding warrants and ESOS of the Company into ordinary shares.

	Current Quarter RM'000	Current YTD RM'000
Group attributable profit to shareholders of the Company	(7,622)	(11,264)
Weighted average issued capital net of treasury shares	236,180	236,180
Adjustment for warrant/ESOS conversion into ordinary shares	17,140	17,140
Adjusted weighted average issued capital net of treasury shares	253,320	253,320
Earnings/(Loss) per share (sen)	(3.0)	(4.6)

Schedule VII : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

11. Notes to the Condensed Consolidated Income Statement

PBT is arrived at after charging/(crediting) the following items:

RM'000		Individual 4th Quarter 31/12/2019	Individual 4th Quarter 31/12/2018	Cumulative 4th Quarter 31/12/2019	Cumulative 4th Quarter 31/12/2018
(a)	Interest Income	**(14)**	**(43)**	**(33)**	**(895)**
(b)	Depreciation and amortization	**1,749**	**1,559**	**6,409**	**6,767**
(c)	Impairment of other receivables	**110**	**-**	**110**	**-**
(d)	Impairment of trade receivables	**6,208**	**26**	**6,208**	**26**
(e)	Impairment of inventories	-	-	**157**	-
(f)	Property, plant and equipment written off	**13**	**-**	**13**	**-**
(g)	(Gain)/Loss on disposal of associates/subsidiaries	**-**	**-**	**-**	**(1,666)**
(h)	(Gain)/Loss on disposal of property, plant & equipment	**(413)**	-	**(638)**	**(1,855)**
(i)	Impairment/(Gain) of financial assets	**(167)**	-	**(258)**	-
(j)	Unwinding of discount of other receivables	**(188)**	-	**(188)**	-
(k)	Government subsidy/ grant received	**-**	**(571)**	**(255)**	**(1,737)**
(l)	Impairment loss on goodwill	**-**	**1,010**	**-**	**1,010**
(m)	Unwinding of discount of other payables	**205**	**101**	**205**	**101**

12. Additional Disclosure Information

Trade Receivables

The credit terms of trade receivables granted to related parties are no different from those granted to non-related parties which are between 45-60 days. The majority of trade receivables of the Group as at 31 Dec 2019 were debts arising from two Government customers (more than 98% of total trade receivables).

A trade receivable is deemed past due when the counter party has failed to make payment when the outstanding amount are contractually due.

Aged analysis of trade receivables past due but not impaired (^RM6.2 mil of trade receivables was impaired in FY2019) :

RM'000	<30 days	31-60 days	61-90 days	91-180 days	>180 days	Total
31/12/2019	1,490	4	16	29	-	**1,539**
31/12/2018	176	3	-	-	11,170^	**11,349**

Schedule VII : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

The past due trade receivables above 90 days are collectable. Trade receivables from the Ferrying of School children (Ministry of Defence) are current.

Management made a material impairment on trade receivables from the Ministry of Defence (Mindef) in FY2019 amounting to RM6.2 mil. This was a direct result of the suspension and then cancellation of the National Service Program in August 2018. The collection was delayed due to the Ministry of Finance process of reviewing and verifying the scope of service provided and subsequent invoices for the service-contract carried out during the previous administration. In the 2nd quarter of FY2019, a total of RM4.95 million of these past due trade receivables from the Ministry of Finance was collected, with a balance of RM6.21 million due and outstanding. Management decided to provide for the balance of trade receivables in FY2019 due to aging, however the process of collection will continue. Upon receipt of any further payment from Mindef for this trade receivable, management will reverse out the impairment provision.

Other receivables – subsequent event

The company impaired RM109,500 of other receivables in FY2019, comprising of an aging refundable deposit from a Government Agency.

From the balance of other receivables in FY2019 amounting to RM6.3 mil (RM7.2mil in FY2018) a total of RM5.3 mil was received from debtors in January 2020 (subsequent event).

Foreign exchange exposure/ hedging policy

The company does not have any hedging policy or long term foreign exchange exposure. The Company has minimal one-off foreign exchange exposure to USD when purchasing spare parts for its fleet of transportation assets, and purchases of mechanical and electrical equipment for selected small hydropower projects (EURO and USD). Our current contingent liability exposure to foreign exchange movements is approximately EURO94,000.

Material impairment of assets

No material impairment on assets was made during the financial period under review.