

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the quarter ended 30 June 2020	Current Period		Cumulative Period	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	645,763	601,890	1,465,684	1,387,998
Cost of sales	(569,296)	(528,532)	(1,290,885)	(1,216,343)
Gross profit	76,467	73,358	174,799	171,655
Other income	368	447	663	809
Operating expenses	(53,604)	(51,483)	(111,925)	(110,490)
Finance costs	(9,081)	(10,392)	(18,694)	(20,034)
Interest income	176	551	363	784
Profit before zakat and taxation	14,326	12,481	45,206	42,724
Zakat	(4)	(2,225)	(8)	(2,253)
Taxation	(4,715)	(994)	(13,176)	(11,561)
Profit for the financial period	9,607	9,262	32,022	28,910
Profit for the financial period attributable to:				
Owners of the parent	9,979	9,281	32,378	28,898
Non-controlling interests	(372)	(19)	(356)	12
Profit for the financial period	9,607	9,262	32,022	28,910
Earnings per share - sen				
- Basic	3.82	3.56	12.39	11.09
- Diluted	3.81	3.55	12.38	11.05

The Unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 30 June 2020	Current Period		Cumulative Period	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	9,607	9,262	32,022	28,910
<u>Other comprehensive income/(loss), net of tax</u>				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation income of foreign operations	15,893	2,451	3,373	1,672
Recognition of actuarial loss	-	(177)	-	(177)
	<u>15,893</u>	<u>2,274</u>	<u>3,373</u>	<u>1,495</u>
Total comprehensive income for the financial period	<u>25,500</u>	<u>11,536</u>	<u>35,395</u>	<u>30,405</u>
Attributable to:				
Owners of the parent	23,483	11,278	35,109	30,273
Non-controlling interests	<u>2,017</u>	<u>258</u>	<u>286</u>	<u>132</u>
Total comprehensive income for the financial period	<u>25,500</u>	<u>11,536</u>	<u>35,395</u>	<u>30,405</u>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2020	As at 31 December 2019
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	373,973	382,268
Intangible assets	205,908	200,342
Rights-of-use assets	28,226	27,842
Deferred tax assets	44,054	48,139
	<u>652,161</u>	<u>658,591</u>
Current assets		
Inventories	640,745	617,909
Receivables	485,112	267,132
Amount due from immediate holding company	-	14
Tax recoverable	2,472	19,069
Deposits, cash and bank balances	32,718	29,587
	<u>1,161,047</u>	<u>933,711</u>
TOTAL ASSETS	<u>1,813,208</u>	<u>1,592,302</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	153,339	151,879
Reserves	204,683	185,972
Shareholders' equity	<u>358,022</u>	<u>337,851</u>
Non-controlling interests	19,361	19,075
Total equity	<u>377,383</u>	<u>356,926</u>
Non-current liabilities		
Borrowings	422	316
Lease liabilities	2,754	2,125
Deferred tax liabilities	16,313	18,066
Provision for defined benefit plan	9,706	9,999
Government grants	4,120	4,289
	<u>33,315</u>	<u>34,795</u>
Current liabilities		
Payables	716,215	626,510
Amount due to immediate holding company	222	190
Current tax liabilities	976	715
Contract liabilities	6,445	6,387
Government grants	341	341
Borrowings	676,994	564,981
Lease liabilities	1,317	1,457
	<u>1,402,510</u>	<u>1,200,581</u>
Total liabilities	<u>1,435,825</u>	<u>1,235,376</u>
TOTAL EQUITY AND LIABILITIES	<u>1,813,208</u>	<u>1,592,302</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company						
	<----- Non-distributable ----->			Distributable		Non-	
For the period ended 30 June 2020	Share Capital	Exchange Reserve	Share Reserve	Retained Earnings	Total	controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	151,879	3,289	7,191	175,492	337,851	19,075	356,926
- Net profit for the financial period	-	-	-	32,378	32,378	(356)	32,022
- Other comprehensive income	-	2,731	-	-	2,731	642	3,373
Total comprehensive income for the financial period	-	2,731	-	32,378	35,109	286	35,395
<u>Transactions with owners</u>							
Share options granted under Share Option Plan	-	-	91	-	91	-	91
Shares granted under Long Term Incentive Plan	-	-	645	-	645	-	645
Issuance of new shares - Long Term Incentive Plan	1,460	-	(1,460)	-	-	-	-
Forfeiture of shares options under Share Option Plan	-	-	(2,840)	2,840	-	-	-
Forfeiture of shares under Long Term Incentive Plan	-	-	(294)	294	-	-	-
Dividends	-	-	-	(15,674)	(15,674)	-	(15,674)
Total transactions with owners for the financial period	1,460	-	(3,858)	(12,540)	(14,938)	-	(14,938)
At 30 June 2020	153,339	6,020	3,333	195,330	358,022	19,361	377,383
At 1 January 2019	149,401	1,036	8,015	350,884	509,336	19,327	528,663
- Net profit for the financial period	-	-	-	28,898	28,898	12	28,910
- Other comprehensive income/(loss)	-	1,505	-	(130)	1,375	120	1,495
Total comprehensive income for the financial period	-	1,505	-	28,768	30,273	132	30,405
<u>Transactions with owners</u>							
Share options granted under Share Option Plan	-	-	324	-	324	-	324
Shares granted under Long Term Incentive Plan	-	-	1,682	-	1,682	-	1,682
Issuance of new shares - Long Term Incentive Plan	2,478	-	(2,478)	-	-	-	-
Dividends	-	-	-	(20,840)	(20,840)	(259)	(21,099)
Total transactions with owners for the financial period	2,478	-	(472)	(20,840)	(18,834)	(259)	(19,093)
At 30 June 2019	151,879	2,541	7,543	358,812	520,775	19,200	539,975

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2020

	2020	2019
	RM'000	RM'000
Operating Activities		
Cash receipts from customers	1,270,527	1,299,654
Cash payments to suppliers and employees	(1,343,933)	(1,277,631)
Net cash (used in)/generated from operations	(73,406)	22,023
Interest paid	(21,184)	(18,925)
Tax refunded/(paid)	10,275	(6,773)
Zakat paid	(8)	(2,253)
Interest received	70	53
Net cash used in operating activities	(84,253)	(5,875)
Investing Activities		
Purchase of property, plant and equipment	(4,000)	(4,500)
Purchase of intangible assets	(2,429)	(10,987)
Proceeds from disposal of property, plant and equipment	1	58
Net cash used in investing activities	(6,428)	(15,429)
Financing Activities		
Dividends paid to:		
- owners of the Company	(15,674)	(33,865)
- non-controlling interests of a subsidiary	-	(259)
Net drawdown of borrowings	109,630	57,790
Net cash generated from financing activities	93,956	23,666
Net increase in cash and cash equivalents	3,275	2,362
Effects of exchange rate changes	263	293
Cash and cash equivalent at beginning of period	22,950	30,826
Cash and cash equivalent at end of period	26,488	33,481
Analysis of cash and cash equivalents:		
Cash and bank balances	27,042	24,086
Deposits with licensed banks	5,676	14,224
	32,718	38,310
less: Deposits maturing more than three (3) months	(4,834)	(4,829)
less: Bank overdraft	(1,396)	-
	26,488	33,481

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134")

A1. Basis of Preparation

These unaudited condensed consolidated interim financial statements for the period ended 30 June 2020 have been prepared in accordance with MFRS 134 Interim Financial Reporting, IAS 34 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial 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.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2019, except for the adoption of the following new published standard and amendments to published standards that are effective for the Group's financial year beginning on or after 1 January 2020.

A2.1 Standards and amendments to published standards that are effective

On 1 January 2020, the Group applied the following new published standard and amendments to published standards:

- The Conceptual Framework for Financial Reporting (Revised 2018).
- Amendments to MFRS 101 "Presentation of Financial Statements" and Amendments to MFRS 108 "Accounting Policies, Changes in Accounting Estimates, and Errors".
- Amendments to MFRS 9 "Financial Instruments", MFRS 139 "Financial Instruments: Recognition and Measurement" and MFRS 7 "Financial Instruments: Disclosures".

The adoption of the above amendments to published standards did not have any significant impact on the current period or any prior period and is not likely to affect future periods.

A2.2 Amendments that have been issued but not yet effective

The effective date for the amendments to MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between Investor and its Associate or Joint Venture has been deferred to a date to be determined by Malaysian Accounting Standards Board.

The Group is assessing the impact of the above amendments to published standards on the financial statements of the Group in the year of initial adoption.

A3. Audit report in respect of the 2019 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2019 was unqualified.

A4. Seasonal or cyclical factors

The Group's operations are not subject to any significant 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 period under review.

A6. Change in Estimates

There were no material changes in estimates of amounts reported in the current financial period.

In previous year, the Group received a letter from the Ministry of Health ("MOH"), extending its services for the provision of medicines and medical supplies to MOH facilities for an interim period of twenty-five (25) months, commencing 1 December 2019 to 31 December 2021 to allow MOH to make necessary preparations to undertake the service. In addition, the Group also secured a five (5) year contract to continue providing logistics and distribution services for MOH for a period of five (5) years ending 31 December 2024. Following the new contract arrangement, the Group revised the useful life of rights to supply and hence, the remaining unamortised rights to supply was fully recognised in previous year. The revision had been accounted for as a change in accounting estimate and as a result, the amortisation charged in previous financial year was RM247 million.

A7. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial period.

A8. Dividends

On 30 June 2020, the Company paid a first interim dividend of 6.0 sen (2019: 6.0 sen) per share in respect of the financial year ending 31 December 2020 amounting to RM15.7 million (2019: RM15.6 million).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

A8. Dividends (continued)

For the second quarter, the Directors have declared a second interim dividend of 2.5 sen (2019: 2.5 sen) per share in respect of the financial year ending 31 December 2020. The dividend will be paid on 6 October 2020 to shareholders registered in the Register of Members at the close of business on 8 September 2020.

A9. Operating segments

Operating segments information for the period is as follows:

RM'000	Logistics and distribution	Manufacturing	Indonesia	Unallocated corporate expenses	Eliminations	Total
2020						
Revenue						
External revenue	1,051,637	1,661	412,386	-	-	1,465,684
Inter-segment revenue	-	134,971	-	-	(134,971)	-
Total revenue	1,051,637	136,632	412,386	-	(134,971)	1,465,684
Results						
Earnings before interest, taxation, depreciation and amortisation	49,005	22,109	10,950	(2,483)	-	79,581
Depreciation and amortisation	(4,716)	(8,155)	(3,173)	-	-	(16,044)
Finance costs	(7,658)	(1,652)	(9,719)	-	335	(18,694)
Interest income	404	286	8	-	(335)	363
Profit/(Loss) before zakat and taxation	37,035	12,588	(1,934)	(2,483)	-	45,206
Zakat	(8)	-	-	-	-	(8)
Taxation	(10,076)	(2,623)	(477)	-	-	(13,176)
Profit/(Loss) for the period	26,951	9,965	(2,411)	(2,483)	-	32,022
Timing of revenue recognition						
Goods or services transferred:						
- At a point in time	1,051,037	136,632	412,386	-	(134,971)	1,465,084
- Over time	600	-	-	-	-	600
	1,051,637	136,632	412,386	-	(134,971)	1,465,684
2019						
Revenue						
External revenue	989,295	5,130	393,573	-	-	1,387,998
Inter-segment revenue	-	136,724	-	-	(136,724)	-
Total revenue	989,295	141,854	393,573	-	(136,724)	1,387,998
Results						
Earnings before interest, taxation, depreciation and amortisation	46,175	39,232	11,826	(3,804)	-	93,429
Depreciation and amortisation	(17,770)	(10,143)	(3,542)	-	-	(31,455)
Finance costs	(10,408)	(1,794)	(8,236)	-	404	(20,034)
Interest income	903	267	18	-	(404)	784
Profit before zakat and taxation	18,900	27,562	66	(3,804)	-	42,724
Zakat	(2,253)	-	-	-	-	(2,253)
Taxation	(4,354)	(5,984)	(1,223)	-	-	(11,561)
Profit/(Loss) for the period	12,293	21,578	(1,157)	(3,804)	-	28,910
Timing of revenue recognition						
Goods or services transferred:						
- At a point in time	989,295	141,854	393,573	-	(136,724)	1,387,998
- Over time	-	-	-	-	-	-
	989,295	141,854	393,573	-	(136,724)	1,387,998

For Indonesia segment, the breakdown of segment revenue and results that is denominated in foreign currency and the currency exchange ratio used are as follows:

	Period Ended 30 June					
	2020			2019		
	IDR'000	Exchange ratio	RM'000	IDR'000	Exchange ratio	RM'000
Revenue	1,414,383,540	0.0292	412,386	1,353,561,688	0.0291	393,573
Earnings before interest, taxation, depreciation and amortisation	37,555,833	0.0292	10,950	40,671,541	0.0291	11,826

A10. Carrying Amount of Revalued Assets

There has been no revaluation of property, plant and equipment during the current financial period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**A11. Subsequent Event**

There was no subsequent event as at 19 August 2020 that will materially affect the financial statements of the financial period under review.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 June 2020 except for the transfer of 100% shares of Pharmaniaga Biomedical Sdn Bhd in Pharmaniaga Logistics Sdn Bhd, a 100% owned subsidiary of Pharmaniaga Berhad, to Pharmaniaga Berhad.

A13. Contingent Liabilities

There is no other contingent liability has arisen since the financial year end.

A14. Commitments

The Group has the following commitments as at 30 June 2020:

	Authorised and contracted for RM'000	Authorised but not contracted for RM'000	Total RM'000
Property, plant and equipment	3,902	16,392	20,294

A15. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for year ended 31 December 2019.

A16. Intangible Assets

RM'000	Goodwill	Software	Capitalised development cost of work-in- progress	Manufacturing licence and trade name	Rights to supply	Intellectual property	Total
Cost							
At 1 January 2020	145,436	23,682	38,604	21,041	342,865	3,071	574,699
Additions	-	-	7,046	-	-	-	7,046
Transfer from property, plant and equipment	-	-	114	-	-	-	114
Foreign exchange adjustments	932	74	45	345	-	-	1,396
Written off	-	-	(744)	-	-	-	(744)
At 30 June 2020	146,368	23,756	45,065	21,386	342,865	3,071	582,511
Accumulated amortisation							
At 1 January 2020	-	6,516	352	11,373	342,865	598	361,704
Amortisation charged	-	662	88	1,119	-	103	1,972
Foreign exchange adjustments	-	74	-	200	-	-	274
At 30 June 2020	-	7,252	440	12,692	342,865	701	363,950
Accumulated impairment							
At 1 January/ 30 June 2020	12,653	-	-	-	-	-	12,653
Net carrying value							
At 30 June 2020	133,715	16,504	44,625	8,694	-	2,370	205,908
At 31 December 2019	132,783	17,166	38,252	9,668	-	2,473	200,342

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

B17. Performance Review

	Current Period			Cumulative Period		
	2020 RM'000	2019 RM'000	+ / (-) %	2020 RM'000	2019 RM'000	+ / (-) %
Revenue	645,763	601,890	7.3%	1,465,684	1,387,998	5.6%
Earnings before interest, taxation, depreciation and amortisation	30,098	37,961	-20.7%	79,581	93,429	-14.8%
Profit before interest, zakat and taxation	23,231	22,322	4.1%	63,537	61,974	2.5%
Profit before zakat and taxation	14,326	12,481	14.8%	45,206	42,724	5.8%
Profit for the financial period	9,607	9,262	3.7%	32,022	28,910	10.8%
Profit attributable to owners of the parent	9,979	9,281	7.5%	32,378	28,898	12.0%

Quarter 2 2020 vs Quarter 2 2019

For the second quarter ended 30 June 2020, the Group delivered an improved revenue of RM646 million, up by 7.3% compared with RM602 million in the previous year's corresponding quarter. This was driven by increased demand in the non-concession business, primarily as a result of higher sales of personal protective equipment due to the ongoing Covid-19 pandemic. As a result, the Group turned in a profit before zakat and taxation (PBT) of RM14 million, reflecting a growth of 14.8% compared with last year's corresponding quarter.

Accordingly, profit after tax (PAT) for the quarter under review grew by 3.7% to RM10 million, compared with RM9 million in the same quarter last year.

Period ended 30 June 2020 vs Period ended 30 June 2019

For the first six months of the financial year under review, the Group delivered a higher revenue of RM1.5 billion compared with RM1.4 billion in the same period last year. This was achieved on the back of stronger contributions from the non-concession business, mainly due to higher sales of personal protective equipment in response to the Covid-19 outbreak. This saw the Group's PBT increase by 5.8% to RM45 million. As a result, the Group recorded a higher PAT of RM32 million compared with RM29 million in the same period last year.

The **Logistics and Distribution Division** turned in a higher PBT of RM37 million for the first six months, up by 96% compared with RM19 million in the same period last year. This was driven by improved contributions from the non-concession business.

The **Manufacturing Division** posted a PBT of RM13 million on the back of a revenue of RM137 million, in line with order trends from Government hospitals. The outlook remains positive for the Division, with new product launches in the pipeline. In addition, further expansion into overseas markets, as well as increased capacity utilisation via its contract manufacturing business will be pursued by the Group.

The **Indonesia Division** recorded a deficit of RM2 million. This was mainly attributable to higher finance costs as a result of the delay in payments from government hospitals currently affecting Indonesia's healthcare industry. The Division was further impacted by Indonesia's large-scale social restrictions *Pembatasan Sosial Berskala Besar* in response to the Covid-19 pandemic, which resulted in limited access to doctors, clinics, pharmacies and hospitals.

Consolidated Statement of Financial Position

The lower receivables as at 31 December 2019 as compared with 30 June 2020 was mainly due to Malaysia Government's policy to settle the debts before the closing of the financial year. In addition, the increase in receivables was also due to slow collection from key customers in Indonesia which has led to an increase in borrowings.

Consolidated Statement of Cash Flows

For the period under review, the negative operating cash flow was the result of advance payment made to suppliers to purchase personal protective equipment during the Covid-19 pandemic. There is a timing difference in terms of collection from customers. This situation is expected to regularise in quarter 4 2020.

B18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter

	Current Period	Immediate Preceding Period	
	2020 RM'000	2020 RM'000	+ / (-) %
Revenue	645,763	819,921	-21.2%
Earnings before interest, taxation, depreciation and amortisation	30,098	49,483	-39.2%
Profit before interest, zakat and taxation	23,231	40,306	-42.4%
Profit before zakat and taxation	14,326	30,880	-53.6%
Profit for the financial period	9,607	22,415	-57.1%
Profit attributable to owners of the parent	9,979	22,399	-55.4%

In comparison with the immediate preceding quarter, the Group recorded a lower revenue of RM646 million for the current quarter. This was mainly due to reduced demand from both the concession business and the Indonesia business as a result of the Covid-19 pandemic, which saw limited access to doctors, clinics, pharmacies and hospitals. The Group recorded a PBT of RM14 million, compared with RM31 million in the immediate preceding quarter.

Accordingly, PAT for the quarter under review stood at RM10 million, compared with RM22 million in the immediate preceding quarter.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B19. Prospects**

Moving forward, the Group remains committed to strengthen operations across all its Divisions and endeavoring in new ventures in line with the current healthcare industry. Along with serving the healthcare requirements of the Rakyat, this will enable the Group to continue delivering better results.

Taking a longer-term perspective, the Group is focused on enhancing prospects by improving manufacturing and operational efficiencies, as well as progressing in its research and development efforts. This will allow Pharmaniaga to tap on new opportunities, both in Malaysia and overseas markets, to ensure the sustainable growth of the Group in the years ahead.

B20. Notes on variance in actual profit and shortfall in profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and shortfall in profit guarantee are not applicable.

B21. Income Tax

	Current Period		Cumulative Period	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Taxation based on profit for the period:				
- Current	39	1,605	8,218	6,121
- Deferred	4,620	(611)	6,099	5,496
	4,659	994	14,317	11,617
Under/(Over) provision in prior years:				
- Current	-	-	(184)	(341)
- Deferred	56	-	(957)	285
	56	-	(1,141)	(56)
	4,715	994	13,176	11,561

The Group's effective tax rate is higher than the statutory tax rate of 24% principally due to losses of certain subsidiaries.

B22. Corporate Proposal

The disclosure requirements for corporate proposal is not applicable.

B23. Borrowings and Debt Securities - Unsecured

	30 June 2020 RM'000	30 June 2019 RM'000	31 December 2019 RM'000
Non-current:			
Hire purchase:			
- Denominated in Ringgit Malaysia	332	-	187
- Denominated in Indonesian Rupiah	90	179	129
	422	179	316
Current:			
Bankers' acceptances:			
- Denominated in Ringgit Malaysia	208,943	241,629	254,134
- Denominated in Indonesian Rupiah	201,292	191,480	158,679
Revolving credits	265,000	270,000	150,000
Hire purchase:			
- Denominated in Ringgit Malaysia	246	25	219
- Denominated in Indonesian Rupiah	117	142	146
Bank overdraft - denominated in Indonesian Rupiah	1,396	-	1,803
	676,994	703,276	564,981
The amount of borrowings denominated in Indonesian Rupiah	IDR'000 671,663,333	654,610,922	544,938,983
Exchange rate for Indonesian Rupiah	RM 0.0300	0.0293	0.0295

As at 30 June 2020, the increased borrowings are primarily due to reduced collections from customers.

As at 30 June 2020, the weighted average floating interest rate of borrowings is 5.4% (2019: 5.8%) per annum.

For borrowings denominated in foreign currency, there is no hedging as the amounts are due within 12 months.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B24. Additional Disclosures**

The Group's profit before zakat and taxation is stated after charging/(crediting) the following:

	Current Period		Cumulative Period	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	6,867	15,639	16,044	31,455
Net impairment of and write off/(reversal of impairment) of receivables	275	(7,807)	766	(7,337)
Net provision for stock obsolescence and write off of inventories	3,542	4,108	6,771	5,136
Net foreign exchange (gains)/losses	(100)	106	249	135

Other than the items mentioned above which have been included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, there were no impairment of assets, gain or loss on derivatives, gain or loss on disposal of subsidiaries and exceptional items included in the results for the period ended 30 June 2020.

B25. Profit Forecast

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

B26. Earnings Per Share ("EPS")

(a) Basic earnings per share

	Current Period		Cumulative Period	
	2020	2019	2020	2019
Profit attributable to owners of the Company (RM'000)	9,979	9,281	32,378	28,898
Average number of ordinary shares in issue ('000)	261,235	260,585	261,235	260,585
Basic earnings per share (sen)	3.82	3.56	12.39	11.09

(b) Diluted earnings per share

Profit attributable to owners of the Company (RM'000)	9,979	9,281	32,378	28,898
Average number of ordinary shares in issue ('000)	261,235	260,585	261,235	260,585
Assumed shares issued under Long Term Incentive Plan ('000)	346	916	346	916
Weighted average number of ordinary shares in issue ('000)	261,581	261,501	261,581	261,501
Diluted earnings per share (sen)	3.81	3.55	12.38	11.05

B27. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19 August 2020.

By Order of the Board

Kuala Lumpur
19 August 2020

WAN INTAN IDURA WAN ISMAIL (LS 0010452)
SYARUZAIMI BIN YUSOF (LS 0010451)
Company Secretaries