



Carlsberg Brewery Malaysia Berhad

Company No. 196901000792 (9210-K)
(Incorporated in Malaysia)

Interim Financial Report
30 September 2020

The Board of Directors of Carlsberg Brewery Malaysia Berhad is pleased to announce the following unaudited interim results of the Group for financial quarter and period ended 30 September 2020.

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 196901000792)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Third Quarter Ended		Financial Period Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Revenue	435,319	542,221	1,312,464	1,682,665
Operating expenses	(387,753)	(455,308)	(1,161,292)	(1,405,279)
Other operating income	799	521	2,667	4,651
Profit from operations	48,365	87,434	153,839	282,037
Finance income	330	135	1,040	631
Finance costs	(1,736)	(2,720)	(5,312)	(7,957)
Share of profit of equity accounted associate, net of tax	5,771	5,331	11,340	14,687
Profit before taxation	52,730	90,180	160,907	289,398
Taxation	(10,911)	(18,406)	(34,510)	(60,945)
Profit for the financial period	41,819	71,774	126,397	228,453
Profit/(loss) attributable to:				
Owners of the Company	40,632	69,184	124,234	222,025
Non-controlling interests	1,187	2,590	2,163	6,428
Profit for the financial period	41,819	71,774	126,397	228,453
Other comprehensive (expenses)/income				
Cash flow hedge	2,273	(743)	1,207	326
Foreign currency translation differences for foreign operations	(2,375)	(714)	(1,083)	851
Total comprehensive income for the period	41,717	70,317	126,521	229,630
Total comprehensive income/(loss) attributable to:				
Owners of the Company	40,530	67,727	124,358	223,202
Non-controlling interests	1,187	2,590	2,163	6,428
Total comprehensive income for the period	41,717	70,317	126,521	229,630
EPS - Basic (sen)	13.29	22.63	40.63	72.62
- Diluted (sen)	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 196901000792)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant & equipment	204,229	207,073
Right-of-use assets	12,649	14,147
Other intangible assets	6,912	7,998
Investment in an associate	91,657	84,720
Deferred tax assets	1,417	504
	316,864	314,442
<u>Current assets</u>		
Inventories	70,860	66,869
Receivables, deposits and prepayments	136,829	217,285
Tax recoverable	2,955	2,166
Cash and cash equivalents	93,771	78,617
	304,415	364,937
TOTAL ASSETS	621,279	679,379
EQUITY		
Total equity attributable to owners of the Company		
Share capital	149,363	149,363
Reserves	(18,070)	(879)
	131,293	148,484
Non-controlling interests	10,387	8,224
TOTAL EQUITY	141,680	156,708
LIABILITIES		
<u>Non-current liabilities</u>		
Deferred tax liabilities	19,282	25,418
Provision	329	329
Lease liabilities	4,270	5,834
	23,881	31,581
<u>Current liabilities</u>		
Payables and accruals	276,799	379,781
Current tax liabilities	51,706	34,474
Lease liabilities	2,042	1,835
Loans and borrowings	125,171	75,000
	455,718	491,090
TOTAL LIABILITIES	479,599	522,671
TOTAL EQUITY AND LIABILITIES	621,279	679,379
Net assets per share (RM)	0.46	0.51

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

CARLSBERG BREWERY MALAYSIA BERHAD
 (Company No.: 196901000792)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Attributable to Owners of the Company					Distributable		Non-controlling Interests	Total
	Share Capital	Exchange Reserve	Cash flow Hedge Reserve	Capital Reserve	Share Option Reserve	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	149,363	174	(2,427)	3,931	707	17,379	169,127	11,870	180,997
Total comprehensive income for the period	-	851	326	-	-	222,025	223,202	6,428	229,630
Dividends to owners of the Company	-	-	-	-	-	(262,638)	(262,638)	-	(262,638)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(9,096)	(9,096)
Effects of share-based payments	-	-	-	-	2,311	-	2,311	-	2,311
At 30 September 2019	149,363	1,025	(2,101)	3,931	3,018	(23,234)	132,002	9,202	141,204
At 1 January 2020	149,363	(312)	(911)	3,931	2,624	(6,211)	148,484	8,224	156,708
Total comprehensive income for the period	-	(1,083)	1,207	-	-	124,234	124,358	2,163	126,521
Dividends to owners of the Company	-	-	-	-	-	(138,810)	(138,810)	-	(138,810)
Effects of share-based payments	-	-	-	-	(2,739)	-	(2,739)	-	(2,739)
At 30 September 2020	149,363	(1,395)	296	3,931	(115)	(20,787)	131,293	10,387	141,680

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

CARLSBERG BREWERY MALAYSIA BERHAD
 (Company No.: 196901000792)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 months ended	
	30 September 2020	30 September 2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	160,907	289,398
Adjustments for:		
Non-cash items	32,338	36,170
Share of profit of equity accounted associate, net of tax	(11,340)	(14,687)
Finance costs	5,312	7,957
Finance income	(1,040)	(631)
Operating profit before working capital changes	186,177	318,207
Changes in working capital:		
Inventories	(6,798)	31,549
Receivables, deposits and prepayments	80,322	(46,658)
Payables and accruals	(51,538)	(23,479)
Cash generated from operations	208,163	279,619
Tax paid	(25,129)	(44,331)
Net cash generated from operating activities	183,034	235,288
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(24,516)	(49,170)
Acquisition of intangible assets	(956)	(848)
Dividends received from an associate	3,581	3,996
Interest received	1,040	631
Proceeds from disposal of property, plant and equipment	432	96
Net cash used in investing activities	(20,419)	(45,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of short-term borrowings	50,171	57,000
Repayment of lease liability	(1,566)	(1,427)
Dividends paid to owners of the Company	(190,787)	(262,332)
Dividends paid to non-controlling interests of a subsidiary	-	(9,096)
Interest paid	(5,103)	(7,957)
Reimbursement to ultimate holding company for share options granted	-	(113)
Net cash used in financing activities	(147,285)	(223,925)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,330	(33,932)
Effect of exchange rate fluctuations on cash held	(176)	507
CASH AND CASH EQUIVALENTS AT 1 JANUARY	78,617	96,612
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	93,771	63,187

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

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 196901000792)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Cash and cash equivalents comprise the following amounts:

	As at	
	30 September 2020 RM'000	30 September 2019 RM'000
Cash at bank	93,600	63,165
Cash held on hand	171	22
	93,771	63,187

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

Notes:

1. Basis of Preparation

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134, *Interim Financial Reporting* issued by Malaysian Accounting Standards Board, and International Accounting Standard (IAS) 34, *Interim Financial Reporting* issued by International Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2019.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the Group’s audited financial statements for the financial year ended 31 December 2019.

The Group has also adopted the following amendments to MFRS and IC Interpretation that came into effect on 1 January 2020 which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendments to MFRS 101 and 108 ‘Definition of material’
 Amendments to MFRS 3 ‘Definition of a business’
 Amendments to MFRS 9, 139 and 7 ‘Interest rate benchmark reform’
 The Conceptual Framework for Financial Reporting

MFRS, Amendments to MFRSs and IC Interpretation Issued But Not Yet Effective

At the date of authorisation of these Interim Financial Report, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective
Amendment to MFRS 101	Classification of liabilities as current or non-current	1 January 2022

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2019 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group's level of operations are generally affected by the festive seasons.

4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

Other than disclosed in Note 11, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current financial period under review.

5. Changes in Estimates

There were no significant changes in estimates that have had a material effect in the current financial period under review.

6. Debt and Equity Securities

There were no issuances, repurchases, resale and repayments of debt and equity securities during the current financial period under review, except for those as disclosed under Note 22.

Share Buyback

During the period, there was no purchase of shares by the Company.

7. Dividends Paid

The amount of dividends paid during the financial period ended 30 September 2020:-

Date of payment	Dividends paid	Amount (Sen per ordinary share)	Amount (RM'000)
22 January 2020	THIRD quarter single tier interim dividend 2019	17.0	51,977
10 April 2020	FOURTH quarter single tier interim dividend 2019	17.0	51,977
30 September 2020	FINAL single tier dividend 2019	23.6	72,157
30 September 2020	SPECIAL single tier dividend 2019	4.8	14,676
	Total		190,787

8. Operating Segment

The Group concluded that the operating segments determined in accordance with MFRS 8 are the same as the geographical segments as previously adopted.

Segment assets and liabilities are not included in the internal management reports nor provided regularly to the Group's Managing Director who is considered as the Group's chief operating decision maker. Hence no such disclosures are provided below.

Quarter Ended 30 September 2020	Malaysia	Singapore	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Geographical Segments:				
Total external revenue	288,509	146,810	-	435,319
Inter segment revenue	14,501	-	(14,501)	-
Total revenue	303,010	146,810	(14,501)	435,319
Profit from operations	26,507	21,567	291	48,365

Quarter Ended 30 September 2019	Malaysia	Singapore	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Geographical Segments:				
Total external revenue	390,728	151,493	-	542,221
Inter segment revenue	16,898	-	(16,898)	-
Total revenue	407,626	151,493	(16,898)	542,221
Profit from operations	62,185	24,839	410	87,434

8. Operating Segment (continued)

Financial Period Ended 30 September 2020	Malaysia	Singapore	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Geographical Segments:				
Total external revenue	941,952	370,512	-	1,312,464
Inter segment revenue	37,208	-	(37,208)	-
Total revenue	979,160	370,512	(37,208)	1,312,464
Profit from operations	111,258	40,828	1,753	153,839

Financial Period Ended 30 September 2019	Malaysia	Singapore	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Geographical Segments:				
Total external revenue	1,232,955	449,710	-	1,682,665
Inter segment revenue	50,175	-	(50,175)	-
Total revenue	1,283,130	449,710	(50,175)	1,682,665
Profit from operations	210,825	69,847	1,365	282,037

9. Material Contracts

No new material contracts were concluded during current financial period under review.

10. Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

11. Material Events

a) Impact of COVID-19

On 18 March 2020, the Malaysian Government implemented the Movement Control Order (“MCO”) in its efforts to contain the COVID-19 pandemic. The MCO required by law that all private premises are prohibited from operating except for those providing essential services. In line with the Government’s MCO, the Company suspends the production and distribution operations from 18 March 2020 as beer was not included within the list of essential consumer items.

11. Material Events (continued)

a) Impact of COVID 19 (continued)

On 4 May 2020, the Company resumed its operations after the Government lifted the MCO and implemented a Conditional MCO (“CMCO”) to ease the partial lockdown that had been in place since 18 March 2020. On 7 June 2020, the Malaysian Government announced the Recovery Movement Control Order (“RMCO”) from 10 June 2020 to 31 August 2020 with the further lifting of social distancing measures.

In Singapore, the Circuit Breaker (“CB”) measures were implemented on 7 April 2020 which resulted in the closure of all on-trade outlets. The CB ended on 1 June 2020, replaced with a three-phased approach announced by the Singaporean Government on 19 May 2020. As of 30 September 2020, Singapore is in Phase 2 (“Safe Transition”) which saw only a partial reopening of on-trade businesses.

The regulations set during the MCO, CMCO and RMCO in Malaysia and CB in Singapore had significantly affected sales and distribution. Though many eateries and restaurants have reopened with dine-in whilst observing social distancing and other health and safety guidelines, the recovery in on-trade is slow due to reduced capacity and shorter operating hours thus affecting consumer consumption.

For the financial period ended 30 September 2020, the COVID-19 crisis consequently had a material adverse impact on the Group’s business and financial performance in Malaysia and Singapore, as well as in its associated company in Sri Lanka which was also not spared from the effects of the pandemic.

b) Bill of Demand

On 15 June 2020, the Board of Directors announced that the Company had received a letter dated 3 June 2020 from the Royal Malaysian Customs of Selangor (“RMC”) notifying its decision regarding the Company’s appeal for remission of the Bill of Demand dated 17 September 2014, wherein the agreed total claimable amount was RM6,363,000, accrued in preceeding quarter. The Company has fully paid the amount in this quarter as a final closure of this matter.

12. Capital Commitments

Capital commitments for property, plant and equipment and intangible assets not provided for in the financial statements as at 30 September 2020 are as follows:

	<u>RM'000</u>
Approved and contracted for	10,008
Approved but not contracted for	10,431
	<u>20,439</u>

13. Financial Instruments

Derivatives

The outstanding derivative as at 30 September 2020 are as follows:

Aluminium Hedging Contract	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
Less than one year	23,209	23,484	275
One to five years	1,704	1,819	115
	24,913	25,303	390

Changes in the portion of fair value of derivative financial instruments designated as and qualifying as a cash flow hedge and which effectively hedge changes in value of the hedged item, are recognised in other comprehensive income.

14. Holding Company

The Directors regard Carlsberg Breweries A/S and Carlsberg A/S as the immediate and ultimate holding companies respectively during the financial period. Both companies are incorporated in Denmark.

15. Significant Related Party Transactions

	Financial Period Ended 30 September 2020 RM'000
Transactions with holding company:	
Purchases of materials and products	104
Purchases of services	4,955
Royalties payable	23,172
Net settlements in respect of loss from hedging contracts	3,153
Transactions with related companies:	
Management fees payable	7,922
Purchases of materials and products	22,551
Purchases of services	4,063
Sales of goods	(19,607)

These transactions had been entered into in the ordinary course of business and based on normal commercial terms.

16. Review of Performance

Current Quarter Performance

Key Financials (RM'000)	Third Quarter Ended 30 September 2020	Third Quarter Ended 30 September 2019	% Change
Revenue	435,319	542,221	-19.7%
Profit from operations	48,365	87,434	-44.7%
Share of profit in an associate	5,771	5,331	8.3%
Profit attributable to Owners of the Company ("Net profit")	40,632	69,184	-41.3%

The Group's revenue decreased by 19.7% to RM435.3 million compared to the same quarter last year mainly due to lower sales in the on-trade sector and limited consumer-facing promotions and activities to drive consumption amidst the COVID-19 counter measures taken in both Malaysia and Singapore.

16. Review of Performance (continued)

The Group's profit from operations decreased by 44.7% to RM48.4 million due to lower sales, mitigated by cost control measures which resulted in lower marketing spend and reduction in operating expenses.

Total revenue for Malaysia decreased by 26.2% to RM288.5 million whilst profit from operations decreased by 57.2% to RM26.8 million. These were due to the lower sales, mitigated by lower marketing spend and reduction in operating expenses.

Singapore reported a decrease of 3.1% in revenue to RM146.8 million whilst its profit from operations decreased by 13.2% to RM21.6 million compared to the same quarter last year due to the lower sales but mitigated by cost cutting measures to reduce expenses.

The Group registered a higher share of profit in its associated company, Lion Brewery (Ceylon) PLC ("LBCP") of RM5.8 million compared to a share of profit of RM5.3 million in the corresponding quarter last year following the easing of the lockdown restrictions imposed by the Sri Lankan Government to control the outbreak of COVID-19 there.

The Group's net profit for the quarter decreased by 41.3% to RM40.6 million compared to the same quarter last year due to lower profits in Malaysia and Singapore caused by the lower sales as described above.

Year-to-date Performance

Key Financials (RM'000)	Financial Period Ended 30 September 2020	Financial Period Ended 30 September 2019	% Change
Revenue	1,312,464	1,682,665	-22.0%
Profit from operations	153,839	282,037	-45.5%
Share of profit in an associate	11,340	14,687	-22.8%
Profit attributable to Owners of the Company ("Net profit")	124,234	222,025	-44.0%

The Group's revenue decreased by 22.0% to RM1,312 million compared to the corresponding period last year due to lower sales in both Malaysia and Singapore which had been impacted by the implementation of the MCO/ CMCO/ RMCO and CB measures respectively since March 2020 and the timing of Chinese New Year ("CNY") which had resulted in higher trade loading in December 2019.

16. Review of Performance (continued)

The Group's profit from operations decreased by 45.5% to RM153.8 million compared to the same period last year mainly due to the lower sales and the one-off charge of the Custom's Bill of Demand amounting to RM6.4 million as mentioned in Note 11(b) but mitigated by cost control measures which resulted in lower marketing spend and a reduction in operating expenses.

Total revenue for Malaysia decreased by 23.6% to RM942.0 million whilst profit from operations decreased by 46.7% to RM113.0 million compared to the corresponding period last year. These were due to the lower sales and the one-off charge of the Bill of Demand as noted above but mitigated by cost control measures in marketing spend and operating expenses.

Singapore reported a decrease of 17.6% in revenue to RM370.5 million whilst its profit from operations decreased by 41.5% to RM40.8 million compared to the same period last year due to the lower revenues but mitigated by a reduction in marketing investments and savings in operating expenses.

The Group registered a lower share of profit in LBCP of RM11.3 million compared to a share of profit of RM14.7 million in the corresponding period last year.

The Group's net profit for the period ended decreased by 44.0% to RM124.2 million compared to the same period last year due to lower profits in both Malaysia and Singapore market, the one-off Bill of Demand charge as well as the lower share of profits in LBCP.

17. Variation of Result against the Preceding Quarter

Key Financials (RM'000)	Third Quarter Ended 30 Sep 2020	Second Quarter Ended 30 June 2020	% Change
Revenue	435,319	287,273	51.5%
Profit from operations	48,365	13,494	258.4%
Net profit	40,632	10,646	281.7%

The Group's revenue increased by RM148.0 million or 51.5%, against the preceding quarter as sales recovered in both Malaysia and Singapore following the easing of the counter measures to contain the outbreak of COVID-19.

The Group's profit from operations increased by RM34.9 million or 258.4% against the preceding quarter mainly due to the aforementioned reasons, absence of the one-off charge of Bill of Demand and aggressive cost control measures to reduce operating expenses.

The Group's net profit increased by 281.7% due to higher profits in both Malaysia and Singapore market as well as better share of profits in LBCP.

18. Prospects

The Board is taking a cautious view over the outlook for the last quarter of 2020 due to the perservering effects of COVID-19 and the measures necessary to control the pandemic. The regulations and measures imposed by the Governments in Malaysia and Singapore to contain the pandemic will cause on-trade sales and consumer sentiment to remain depressed. In light of the recent extension of Conditional Movement Control Order (CMCO), we anticipate slower recovery in on-trade sales due to the reduced capacities, social distancing, health and safety guidelines that are in place, as well as general contributing factors such as deteriorating macroeconomic conditions and the financial and operating challenges that F&B operators are facing in order to stay viable.

To ensure the Group is able to cope with these challenges to its bottom line and cash flow, the Group has put in place numerous measures to mitigate the profit impact and preserve cash. The Group has been even more disciplined in implementing its 'Fund the Journey' initiatives and optimizing its cost structures aggressively to reallocate investments into e-commerce and off-trade; and extending various supports to its business partners. In addition, we will continue to review our business strategies to ensure that our structures, processes and cost base are suited to a post-COVID-19 reality. With these strategies, the Group is hopeful of an adequate performance for the rest of the year despite the difficulties caused by the pandemic.

The Group has a solid balance sheet and access to borrowing facilities but as uncertainties still persist, the Board will continue with the suspension of interim dividend payments for the 2020 financial year to ensure a more prudent focus on preserving cash and liquidity, and with the intent to strike a balance between the long-term health of the Group and dividends to shareholders.

19. Profit Forecast

The Group does not issue any profit forecasts.

20. Taxation

	Financial Period Ended 30 September	
	2020 RM'000	2019 RM'000
<u>Taxation</u>		
- Malaysia	35,112	34,557
- Outside Malaysia	6,894	12,665
	42,006	47,222
<u>Deferred tax</u>		
- Malaysia	(7,496)	13,723
- Outside Malaysia	-	-
Tax expense	34,510	60,945
Profit before taxation	160,907	289,398
Share of profit of equity accounted associate, net of tax	(11,340)	(14,687)
Profit before taxation excluding share of profit of equity accounted associate, net of tax	149,567	274,711
Effective tax rate	23.1%	22.2%

The Group's effective tax rate was higher compared to the corresponding period last year due to the reversal of deferred tax expense in the prior year.

21. Corporate Proposals

There were no corporate proposals announced at the date of this announcement.

22. Borrowing and Debt Securities

Group borrowings and debt securities are as follows:

Short term - Unsecured loans	As at 30 September 2020 RM'000	As at 31 December 2019 RM'000
Revolving credits	125,171	75,000
Total	125,171	75,000
Denominated in RM	110,000	75,000
Denominated in SGD	15,171	-
Total	125,171	75,000

23. Material Litigation

There have been no material litigation action since the last annual audited financial statements up to the date of this report.

24. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the period by the weighted average number of ordinary shares outstanding during the period:

	Financial Period Ended	
	30 September 2020	30 September 2019
Profit attributable to owners of the Company (RM'000)	124,234	222,025
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	40.63	72.62

Diluted earnings per share

Not applicable.

25. Dividends

No interim dividend has been declared or proposed for the current quarter (2019: 17.0 sen per share) in respect of the financial year ending 31 December 2020.

26. Notes to the Statement of Comprehensive Income

	Financial Period Ended	
	30 September 2020 RM'000	30 September 2019 RM'000
Finished goods written off	(344)	(779)
Allowance for inventories written down	(2,463)	(225)
Depreciation and amortisation	(30,585)	(32,756)
Gain on disposal of property, plant and equipment	181	141
Net foreign exchange (loss)/gain	(472)	51
Property, plant and equipment written off	(34)	(121)
Reversal of impairment loss on receivables	1,478	406

27. Reclassification

The Group reclassified an account in the comparatives to conform with the current year's presentation. As a result, the reversal of loss allowance on receivables has been reclassified from operating expenses to other operating income. This only impacts the presentation of the Group's consolidated statement of comprehensive income with no impact to the other statements.

Impact to the consolidated Statement of Comprehensive Income

Third Quarter Ended 30 September 2019	Before reclassification (RM'000)	Reclassification (RM'000)	After reclassification (RM'000)
Operating expenses	(454,761)	(547)	(455,308)
Other operating income	(26)	547	521

Financial Period Ended 30 September 2019	Before reclassification (RM'000)	Reclassification (RM'000)	After reclassification (RM'000)
Operating expenses	(1,401,688)	(3,591)	(1,405,279)
Other operating income	1,060	3,591	4,651

28. Authorisation for Issue

These interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 12 November 2020.