Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
31 March 2018

CARLSBERG BREWERY MALAYSIA BERHAD
(Company No.: 9210-K)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended 31 March 2018

	3 months ended 31 March		**3 months ended 31 March**	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Revenue	548,470	502,636	548,470	502,636
Operating expenses	(449,478)	(412,111)	(449,478)	(412,111)
Other operating income	1,307	4,713	1,307	4,713
Profit from operations	100,299	95,238	100,299	95,238
Finance income	387	513	387	513
Finance costs	(1,841)	(1,829)	(1,841)	(1,829)
Share of profit/(loss) of equity accounted associate, net of tax	5,648	(5,919)	5,648	(5,919)
Profit before taxation	104,493	88,003	104,493	88,003
Taxation	(21,923)	(19,480)	(21,923)	(19,480)
Profit for the period	82,570	68,523	82,570	68,523
Profit attributable to:				
Owner of the Company	80,823	67,389	80,823	67,389
Non-controlling interests	1,747	1,134	1,747	1,134
Profit for the period	82,570	68,523	82,570	68,523
Other comprehensive expenses				
Cash flow hedge	(1,933)	-	(1,933)	-
Foreign currency translation differences for foreign operations	(5,060)	(396)	(5,060)	(396)
Total comprehensive income for the period	75,577	68,127	75,577	68,127
Total comprehensive income attributable to:				
Owner of the Company	73,830	66,993	73,830	66,993
Non-controlling interests	1,747	1,134	1,747	1,134
Total comprehensive income for the period	75,577	68,127	75,577	68,127
EPS - Basic (sen)	26.43	22.04	26.43	22.04
- 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 2017 and the accompanying explanatory notes attached to the interim financial statements.

CARLSBERG BREWERY MALAYSIA BERHAD
(Company No.: 9210 -K)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	As at 31 March 2018 RM'000	As at 31 December 2017 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	172,322	177,799
Other intangible assets	3,287	3,421
Investment in an associate	66,403	64,309
Deferred tax assets	3,141	2,694
	245,153	248,223
Current assets		
Inventories	43,093	68,412
Receivables, deposits and prepayments	245,477	248,199
Tax recoverable	7,907	11,599
Cash and cash equivalents	155,336	74,992
	451,813	403,302
TOTAL ASSETS	696,966	651,425
EQUITY		
Total equity attributable to equity holders of the Company		
Share capital	149,363	149,363
Reserves	223,816	149,655
	373,179	299,018
Non-controlling interests	15,195	13,448
TOTAL EQUITY	388,374	312,466
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	16,966	19,262
Provision	319	327
	17,285	19,589
Current liabilities		
Payables and accruals	259,214	276,497
Current tax liabilities	32,093	26,096
Loans and borrowings	-	16,777
	291,307	319,370
TOTAL LIABILITIES	308,592	338,959
TOTAL EQUITY AND LIABILITIES	696,966	651,425
Net assets per share (RM)	1.27	1.02

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

CARLSBERG BREWERY MALAYSIA BERHAD
(Company No.: 9210 -K)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2018

	Attributable to Equity Holders of the Company											
	Non-distributable								Distributable			
Group	**Share Capital RM'000**	**Treasury Shares RM'000**	**Share Premium RM'000**	**Exchange Reserve RM'000**	**Cash flow Hedge Reserve RM'000**	**Capital Reserve RM'000**	**Share Option Reserve RM'000**	**Other Reserve RM'000**	**Retained Earnings RM'000**	**Total RM'000**	**Non-controlling Interests RM'000**	**Total RM'000**
At 1 January 2017	154,039	(12,043)	7,367	20,515	-	3,931	(104)	(780)	148,764	321,689	8,358	330,047
Total comprehensive income for the year	-	-	-	(9,842)	1,438	-	-	-	221,165	212,761	11,213	223,974
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(235,426)	(235,426)	-	(235,426)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,123)	(6,123)
Treasury shares cancelled	(12,043)	12,043	-	-	-	-	-	-	-	-	-	-
Transfer pursuant to Companies Act 2016	7,367	-	(7,367)	-	-	-	-	-	-	-	-	-
Effects of share-based payments	-	-	-	-	-	-	(6)	-	-	(6)	-	(6)
Others	-	-	-	-	-	-	-	780	(780)	-	-	-
At 31 December 2017	149,363	-	-	10,673	1,438	3,931	(110)	-	133,723	299,018	13,448	312,466
At 1 January 2018	149,363	-	-	10,673	1,438	3,931	(110)	-	133,723	299,018	13,448	312,466
Total comprehensive income for the period	-	-	-	(5,060)	(1,933)	-	-	-	80,823	73,830	1,747	75,577
Effects of share-based payments	-	-	-	-	-	-	331	-	-	331	-	331
At 31 March 2018	149,363	-	-	5,613	(495)	3,931	221	-	214,546	373,179	15,195	388,374

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

CARLSBERG BREWERY MALAYSIA BERHAD
(Company No.: 9210-K)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the Year Ended 31 March 2018

	3 months ended 31 March	
	2018 RM'000	**2017 RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	104,493	88,003
Adjustments for:		
Non-cash items	8,686	7,086
Share of results in associate, net of tax	(5,648)	5,919
Finance costs	1,841	1,829
Finance income	(387)	(513)
Operating profit before working capital changes	108,985	102,324
Changes in working capital:		
Inventories	25,158	46,272
Receivables, deposits and prepayments	534	65,603
Payables and accruals	(17,283)	(35,329)
Cash generated from operations	117,394	178,870
Tax paid	(13,964)	(10,222)
Net cash generated from operating activities	103,430	168,648
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,113)	(1,929)
Interest received	387	513
Proceeds from disposal of property, plant and equipment	524	185
Net cash used in investing activities	(2,202)	(1,231)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,841)	(1,829)
Advance/(Reimbursement to) ultimate holding company for share options granted	57	(22)
Net repayments of short-term borrowings	(12,115)	(29,488)
Net cash used in financing activities	(13,899)	(31,339)
NET INCREASE IN CASH AND CASH EQUIVALENTS	87,329	136,078
Effect of exchange rate fluctuations on cash held	(2,323)	2,452
CASH AND CASH EQUIVALENTS AT 1 JANUARY	70,330	32,319
CASH AND CASH EQUIVALENTS AT 31 MARCH	155,336	170,849

Cash and cash equivalents comprise the following amounts:

	As at 31 March	
	2018 RM’000	**2017 RM’000**
Deposits with licensed banks	30,000	86,295
Cash at bank	125,224	84,393
Cash held on hand	112	161
	155,336	170,849

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2017.

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 2017.

The MFRSs, Amendments to MFRSs and IC Interpretation that were issued and effective for financial year beginning on or after 1 January 2018 have been adopted by the Group. None of these is expected to have a significant effect on the unaudited condensed financial statements of the Group , except the following set out below:

1.1 MFRS, Amendments to MFRSs and IC Interpretation Issued That Are Effective

- **MFRS 15 'Revenue from Contracts with Customers'**

MFRS 15 'Revenue from Contracts with Customers' (effective from 1 January 2018) replaces MFRS 118 'Revenue' and related interpretations.

The Group has assessed the effects of applying the new standard on the Group's financial statements and has identified the following areas that will be affected:

The implementation of MFRS 15 'Revenue from Contracts with Customers' will impact the Group's financials and revenue stream to the extent that the related costs of the marketing activities with customers need to be recognised as a discount to revenue. MFRS 15 thus affects only changes in classification and does not have an impact on the timing of revenue recognition of the Group.

MFRS 15 requires entity to account for consideration payable to a customer as a reduction of the revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfer to the entity.

Accordingly, related costs of the supporting marketing activities provided for or organised together with the Group's customers will be considered as part of the customer relationship and the related costs will be recognised as discounts, not as marketing expenses.

1. Basis of Preparation (continued)

1.1 MFRS, Amendments to MFRSs and IC Interpretation Issued That Are Effective (continued)

When applying the new policy, judgement is required to decide whether the related costs of an activity with a customer should be classified as a discount or a marketing expense, taking into account the drivers behind and the purpose of the activity. Generally, if the purpose of marketing activities is to increase sales with the individual customer, the related costs of the activities should be seen as a reduction of the transaction price and therefore classified as discount.

The Group has adopted the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

The table below shows the impact from the implementation of MFRS 15 on the condensed consolidated statement of comprehensive income had the Group applied MFRS 15 for the 3 months ended 31 March 2017.

	3 months ended 31 March 2017	
	Reported RM'000	**After MFRS 15 impact** RM'000
Revenue – Transferred at a point in time	502,636	491,058
Operating expenses	(412,111)	(400,533)

This was merely a reclassification of marketing expenses to revenue, and there was no impact to profit before taxation except for some financial ratios.

The adoption of MFRS 15 does not have any impact on the Group's unadited condensed consolidated statement of financial position as at 31 March 2018.

- **MFRS 9 'Financial Instruments'**

MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 'Financial Instruments: Recognition and Measurement'.

MFRS 9 introduces new hedge-accounting rules and a new impairment model: the expected credit loss (ECL) model that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

1. Basis of Preparation (continued)

1.1 MFRS, Amendments to MFRSs and IC Interpretation Issued That Are Effective (continued)

The new hedge accounting rules imply that it will generally be easier to apply hedge accounting, as the new rules are more in line with the Group's risk management practice. Based on an assessment of the Group's current hedge arrangements, primarily aluminium hedges, an increased portion will qualify for hedge accounting, resulting in an increased portion of the fair value adjustment being recognised in other comprehensive income. The change in accounting policies applies to all hedging instruments.

The new impairment model requires recognition of impairment losses based on expected credit losses (ECL) rather than incurred losses as is the case under current practice. The ECL model involves a three-stage approach under which financial assets move through the stages as their credit quality changes.

The stages determine how impairment losses are measured and the effective interest is applied. For trade receivables, the Group applies the simplified approach, which permits the use of lifetime ECL. Provision rates are determined based on grouping of trade receivables sharing the same credit risk characteristics and days past due.

The overall principle of the current impairment policy of the Group is that impairment losses are based on an individual review of the need for impairment, taking into consideration the customers' creditworthiness and expected ability to pay, customer insolvency or anticipated insolvency, and past due amounts as well as collateral received. However, when no objective indication of individual impairment exists, management assesses the need to recognise the impairment for a portfolio of receivables. The analysis is based on customer segments, historical information on payment patterns, terms of payment and concentration maturity, as well as information about the general economic situation in the markets.

On the date of initial application of MFRS 9 and the determination of ECL will have a relatively insignificant impact on trade receivables and profit before taxation as the current policy on hedge accounting and impairment of trade receivables are considered reasonably consistent with MFRS 9.

The Group has adopted MFRS 9 retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

2. Basis of Preparation (continued)

1.1 MFRS, Amendments to MFRSs and IC Interpretation Issued That Are Effective (continued)

- **IC Interpretation 22 'Foreign Currency Transactions and Advance Consideration'**

IC Interpretation 22 'Foreign Currency Transactions and Advance Consideration' (effective from 1 January 2018) applies when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. MFRS 121 requires an entity to use the exchange rate at the 'date of the transaction' to record foreign currency transactions.

IC Interpretation 22 provides guidance how to determine 'the date of transaction' when a single payment/receipt is made, as well as for situations where multiple payments/receipts are made.

The date of transaction is the date when the payment or receipt of advance consideration gives rise to the non-monetary asset or non-monetary liability when the entity is no longer exposed to foreign exchange risk.

If there are multiple payments or receipts in advance, the entity should determine the date of the transaction for each payment or receipt.

The Group has adopted the standard prospectively and there are no significant effects on the unaudited interim financial report.

1.2 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 for annual period beginning on or after**
Amendments to MFRS 3	Business Combinations (Annual Improvements to MFRS Standards 2015–2017 Cycle)	1 January 2019
Amendments to MFRS 9	Financial Instruments - Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 11	Joint Arrangements (Annual Improvements to MFRS Standards 2015–2017 Cycle)	1 January 2019
MFRS 16	Leases	1 January 2019
Amendments to MFRS 112	Income Taxes (Annual Improvements to MFRS Standards 2015–2017 Cycle)	1 January 2019
Amendments to MFRS 119	Employee Benefits (Plan Amendment, Curtailment or Settlement)	1 January 2019
Amendments to MFRS 123	Borrowing Costs (Annual Improvements to MFRS Standards 2015–2017 Cycle)	1 January 2019
Amendments to MFRS 128	Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2017 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

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.

Share Buyback

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

7. Dividends Paid

There were no dividends paid during the current financial period under review.

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 31 March 2018	**Malaysia RM'000**	**Singapore RM'000**	**Elimination RM'000**	**Consolidated RM'000**
Geographical Segments:				
Total external revenue	405,753	142,717	-	548,470
Inter segment revenue	15,950	-	(15,950)	-
Total revenue	421,703	142,717	(15,950)	548,470
Profit from operations	81,799	17,810	690	100,299

Quarter Ended 31 March 2017	**Malaysia RM'000**	**Singapore RM'000**	**Elimination RM'000**	**Consolidated RM'000**
Geographical Segments:				
Total external revenue	341,138	161,498	-	502,636
Inter segment revenue	22,264	-	(22,264)	-
Total revenue	363,402	161,498	(22,264)	502,636
Profit from operations	68,947	26,252	39	95,238

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. Subsequent Events

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

12. Changes in Contingent Liabilities and Contingent Assets

On 23 September 2014, the Board of Directors of the Company had announced to the Bursa Malaysia that the Company had on 19 September 2014 received two bills of demand both dated 17 September 2014 from the Selangor State Director of Royal Malaysian Customs ("State Customs") for the following:

(i) Excise duty amounting to RM35,698,219.81 for period of 1 July 2011 to 14 January 2014;
(ii) Sales tax amounting to RM13,763,381.02 and penalty amounting to RM6,881,690.56 for period of 1 July 2011 to 14 January 2014.

The Company has not agreed to the demands made by the State Customs. Based on legal advice sought, there are reasonable grounds to object the basis of the bills of demand issued by the State Customs. At this stage, the Directors believe that it is not probable that a future sacrifice of economic benefits will be required.

13. Capital Commitments

Capital commitments for property, plant and equipment and intangible assets not provided for in the financial statements as at 31 March 2018 are as follows:

	RM'000
Approved and contracted for	12,761
Approved but not contracted for	30,177
	42,938

14. Financial Instruments

Derivatives

The outstanding derivative as at the end of the current period is as follows:

Aluminium Hedging Contract	**Contract Value (RM'000)**	**Fair Value (RM'000)**	**Difference (RM'000)**
Less than one year	12,753	12,000	(753)

15. 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.

16. Significant Related Party Transactions

	3 months ended 31 March 2018 RM'000
Transactions with holding company:	
Purchases of materials and products	117
Purchases of services	455
Royalties payable	11,821
Net settlements in respect of gain from hedging contracts	947
Transactions with related companies:	
Management fees payable	479
Purchases of materials and products	3,879
Purchases of services	963
Sales of goods	11,504

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

17. Review of Performance

Current Quarter Performance

The Group's net profit for the quarter increased by 19.9% to RM80.8 million as compared to the same quarter last year with a reported revenue of RM548.5 million. The increase in current quarter net profit was mainly due to higher sales during the 2018 Chinese New Year festive period, continued growth in premium brands and higher profits from its associate company in Sri Lanka, Lion Brewery (Ceylon) PLC ("LBCP").

The Group adopted MFRS 15 as of 1 January 2018, without restating its prior year results. Had the Group applied MFRS 15 for the same quarter last year, the Group's revenue would have grown by 11.7%. There is no net profit impact arising from the adoption of MFRS 15 in the Group's financial results.

Malaysia total external revenue grew by 20.8%, on an MFRS 15 restated basis, to RM405.8 million whilst profit from operations increased by 19.6% to RM82.5 million due to higher sales compared to the same quarter last year. The domestic operations continued its growth momentum, which was mainly contributed by the timing of Chinese New Year in 2018 as well as trade loading in March prior to the price adjustment on 1st April 2018.

Singapore reported a decline of 8.0% in revenue, on an MFRS 15 restated basis, to RM142.7 million whilst profit from operations decreased by 32.2% to RM17.8 million as compared to the same period last year. The decline in revenue and operating profits were due to lower sales and the strengthening of Ringgit Malaysia against Singapore Dollars in this quarter.

The Group registered a higher share of profit in its associate company, LBCP of RM5.6 million versus a share of loss of RM5.9 million in the corresponding quarter last year. This was driven by improved operational performance as well as higher sales and a final insurance compensation settlement of RM4.7 million relating to the floods that hit the factory in 2016.

18. Variation of Result against the Preceding Quarter

The Group's revenue increased by RM130.0 million or 31.1%, on an MFRS 15 restated basis, against the preceding quarter mainly due to higher sales in both Malaysia and Singapore during the Chinese New Year festive period. Revenue for Malaysia and Singapore operations registered an increase of RM115.7 million or 39.9% and RM14.3 million or 11.2% respectively, on an MFRS 15 restated basis, against the preceding quarter.

The Group's net profit increased by RM30.8 million or 61.6% against the preceding quarter mainly due to the higher sales in both Malaysia and Singapore, higher share of profit in LBCP and absence of trade offer adjustments in Singapore of RM8.2 million which were incurred prior to 2017.

19. Prospects

Overall we expect the macro economic environment and consumer sentiments to improve in Malaysia and remain stable in Singapore. In Singapore, the introduction of the European Free Trade Agreement by mid 2018 will pose a further challenge from cheaper imports. In Malaysia, the more effective efforts by the Malaysian authorities to curb contraband beer is showing progress in the strengthening of the legitimate tax-paying beer market.

The Group has enjoyed solid growth from its Carlsberg flagship brand as well as its premium brands and expects this momentum to continue in 2018. Likewise, the Fund the Journey efficiency initiatives will continue in 2018 and together hopefully deliver another satisfactory business performance.

20. Profit Forecast

Not applicable as no profit forecast was published.

21. Taxation

	3 months ended 31 March	
	2018 RM'000	**2017 RM'000**
Taxation		
- Malaysia	21,022	13,736
- Outside Malaysia	3,031	4,790
	24,053	**18,526**
Deferred tax		
- Malaysia	(2,130)	954
Tax expense	**21,923**	**19,480**
Profit before taxation	104,493	88,003
Share of (profit)/loss of equity accounted associate, net of tax	(5,648)	5,919
Profit before taxation excluding share of (profit)/loss of equity accounted associate, net of tax	**98,845**	**93,922**
Effective tax rate	**22.2%**	**20.7%**

The Group's effective tax rate for current year was higher mainly due to recognition of over provision of tax pertaining to Year Assessment 2016 in the corresponding quarter in 2017.

22. Corporate Proposals

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

23. Borrowing and Debt Securities

During the period under review, the Group has fully repaid its bank overdraft and revolving credit amounting to RM16,777,000.

24. Material Litigation

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

25. Earnings Per Share

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

	3 months ended 31 March 2018	**3 months ended 31 March 2017**
Net Profit attributable to shareholders (RM'000)	80,823	67,389
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	26.43	22.04*

Diluted earnings per share
Not applicable.

* Basic earnings per share in preceeding corresponding period was calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company. The treasury shares were cancelled on 17 May 2017.

r

26. Dividends

The Board of Directors has declared first single tier interim dividend of 20 sen per ordinary share for the financial year ending 31 December 2018 (2017: no interim dividend declared for financial period ended 31 March 2017).

Total amount payable is RM61.1 million.

27. Notes to the Statement of Comprehensive Income

	3 months ended 31 March 2018 RM'000	**3 months ended 31 March 2017 RM'000**
Depreciation and amortisation	(8,777)	(7,863)
Gain on disposal of property, plant and equipment	503	233
Property, plant and equipment written off	(4)	-
(Impairment loss on)/reversal of impairment loss on receivables	(356)	118
Inventories written off	(86)	(59)
Allowance for inventories written down	(75)	(75)
Net foreign exchange (loss)/gain	(643)	148

Other than the above and disclosed in the Statement of Comprehensive Income, there were no gain or loss on disposal of quoted or unquoted investment for the current quarter.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 May 2018.