



**Carlsberg Brewery Malaysia Berhad**

Company No. 9210-K  
(Incorporated in Malaysia)

Interim Financial Report  
31 March 2019

The Board of Directors of Carlsberg Brewery Malaysia Berhad is pleased to announce the following unaudited interim results of the Group for financial period ended 31 March 2019.

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 9210-K)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended		3 months ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Revenue	659,921	548,470	659,921	548,470
Operating expenses	(549,127)	(449,478)	(549,127)	(449,478)
Other operating income	797	1,307	797	1,307
Profit from operations	111,591	100,299	111,591	100,299
Finance income	196	387	196	387
Finance costs	(2,707)	(1,841)	(2,707)	(1,841)
Share of profit of equity accounted associate, net of tax	4,736	5,648	4,736	5,648
Profit before taxation	113,816	104,493	113,816	104,493
Taxation	(24,554)	(21,923)	(24,554)	(21,923)
Profit for the financial period	89,262	82,570	89,262	82,570
Profit attributable to:				
Owners of the Company	87,603	80,823	87,603	80,823
Non-controlling interests	1,659	1,747	1,659	1,747
Profit for the financial period	89,262	82,570	89,262	82,570
Other comprehensive expenses				
Cash flow hedge	1,069	(1,933)	1,069	(1,933)
Foreign currency translation differences for foreign operations	1,564	(5,060)	1,564	(5,060)
Total comprehensive income for the Period	91,895	75,577	91,895	75,577
Total comprehensive income attributable to:				
Owners of the Company	90,236	73,830	90,236	73,830
Non-controlling interests	1,659	1,747	1,659	1,747
Total comprehensive income for the Period	91,895	75,577	91,895	75,577
EPS - Basic (sen)	28.65	26.43	28.65	26.43
- 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 2018 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 2019 RM'000	As at 31 December 2018 RM'000
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant & equipment	190,740	192,987
Right-of-use assets	17,428	-
Other intangible assets	3,109	3,219
Investment in an associate	79,745	72,970
Deferred tax assets	695	3,353
	291,717	272,529
<b><u>Current assets</u></b>		
Inventories	56,246	96,723
Receivables, deposits and prepayments	262,830	207,633
Tax recoverable	11,554	9,026
Cash and cash equivalents	98,169	96,612
	428,799	409,994
<b>TOTAL ASSETS</b>	720,516	682,523
<b>EQUITY</b>		
<b>Total equity attributable to equity holders of the Company</b>		
Share capital	149,363	149,363
Reserves	59,798	19,764
	209,161	169,127
Non-controlling interests	13,529	11,870
<b>TOTAL EQUITY</b>	222,690	180,997
<b>LIABILITIES</b>		
<b><u>Non-current liabilities</u></b>		
Deferred tax liabilities	16,259	15,777
Provision	326	329
Lease liabilities	15,609	-
	32,194	16,106
<b><u>Current liabilities</u></b>		
Payables and accruals	364,160	379,150
Current tax liabilities	34,495	31,270
Lease liabilities	1,977	-
Loans and borrowings	65,000	75,000
	465,632	485,420
<b>TOTAL LIABILITIES</b>	497,826	501,526
<b>TOTAL EQUITY AND LIABILITIES</b>	720,516	682,523
<b>Net assets per share (RM)</b>	0.73	0.59

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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**

/-----Attributable to Equity Holders of the Company-----/  
/-----Non-distributable-----/ Distributable

<b>Group</b>	<b>Share Capital RM'000</b>	<b>Exchange Reserve RM'000</b>	<b>Cash flow Hedge Reserve RM'000</b>	<b>Capital Reserve RM'000</b>	<b>Share Option Reserve RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total RM'000</b>	<b>Non- controlling Interests RM'000</b>	<b>Total RM'000</b>
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 year	-	(10,499)	(3,865)	-	-	277,154	262,790	9,603	272,393
Dividends to owners of the Company	-	-	-	-	-	(393,498)	(393,498)	-	(393,498)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(11,181)	(11,181)
Effects of share-based payments	-	-	-	-	817	-	817	-	817
At 31 December 2018	149,363	174	(2,427)	3,931	707	17,379	169,127	11,870	180,997
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	-	1,564	1,069	-	-	87,603	90,236	1,659	91,895
Dividends to owners of the Company	-	-	-	-	-	(50,754)	(50,754)	-	(50,754)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-
Effects of share-based payments	-	-	-	-	552	-	552	-	552
At 31 March 2019	149,363	1,738	(1,358)	3,931	1,259	54,228	209,161	13,529	222,690

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**  
(Company No.: 9210-K)  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	113,816	104,493
Adjustments for:		
Non-cash items	12,815	8,686
Share of results in associate, net of tax	(4,736)	(5,648)
Finance costs	2,707	1,841
Finance income	(196)	(387)
Operating profit before working capital changes	124,406	108,985
Changes in working capital:		
Inventories	39,968	25,158
Receivables, deposits and prepayments	(54,515)	534
Payables and accruals	(16,488)	(17,283)
Cash generated from operations	93,371	117,394
Lease liabilities interest paid	(178)	-
Tax paid	(20,876)	(13,964)
Net cash generated from operating activities	72,317	103,430
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(8,644)	(3,113)
Interest received	196	387
Proceeds from disposal of property, plant and equipment	-	524
Net cash used in investing activities	(8,448)	(2,202)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders of the Company	(48,920)	-
Interest paid	(2,529)	(1,841)
(Reimbursement)/Payment to ultimate holding company for share options granted	(206)	57
Payment of lease liabilities	(404)	-
Net repayments to short-term borrowings	(10,000)	(12,115)
Net cash used in financing activities	(62,059)	(13,899)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,810	87,329
Effect of exchange rate fluctuations on cash held	(253)	(2,323)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	96,612	70,330
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	98,169	155,336

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 9210-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)**

Cash and cash equivalents comprise the following amounts:

	<b>As at 31 March</b>	
	<b>2019 RM'000</b>	<b>2018 RM'000</b>
Deposits with licensed banks	30,000	30,000
Cash at bank	68,145	125,224
Cash held on hand	24	112
	<b>98,169</b>	<b>155,336</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2018.

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 2018.

The MFRSs, Amendments to MFRSs and IC Interpretation that were issued and effective for financial year beginning on or after 1 January 2019 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 16 'Leases'**

MFRS 16 "Leases" replaced MFRS 117 and sets out the principles for recognition, measurement, presentation and disclosures of leases. The implementation of the standard resulted in almost all leases being recognised in the statement of financial position, as the distinction between operating and finance leases has been removed.

Leased assets are recognised as a right-of-use asset with a corresponding liability at the date at which the lease is available for use. The right-of-use asset is depreciated over the shorter of the assets useful life and the lease term on a straight-line basis. Each lease payment is allocated between repayment of the liability and financial expense. Previously, all lease payments related to operating leases were recognised in the income statement as expenses on a straight-line basis over the lease term.

The Group has adopted MFRS 16 using the simplified transition approach. On adoption, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's average incremental borrowing rate of 4.05%. The associated right-of-use asset were measured at the amount equal to the lease liability resulting in an increase of the Group's assets and liabilities of approximately RM 17,989,000 as at 1 January 2019. Comparative figures are not restated.

## 1. Basis of Preparation (continued)

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

- MFRS 16 'Leases' (continued)

The following table presents the impact of changes to the consolidated statement of financial position of the Group resulting from the adoption of MFRS 16 *Leases* as at 1 January 2019:

	Note	As at 31 December 2018 RM'000	Changes RM'000	As at 1 January 2019 RM'000
<b>Non-current assets</b>				
Right-of-use assets	(a)	-	17,989	17,989
<b>Non-current liabilities</b>				
Loans and borrowings		-	16,115	16,115
<b>Current liabilities</b>				
Loans and borrowings		-	1,874	1,874
Total lease liabilities	(b)	-	17,989	17,989

(a) The right-of-use assets comprise of rental of office and warehouse. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The right-of-use assets are measured at an amount equal to the lease liabilities.

(b) Lease liabilities arising from the rental of office and warehouse are recognised and discounted using the weighted average incremental borrowing rate of the Group of 4.05%. Subsequent to initial recognition, the Group measure the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Other than the above, the Group elected to apply exemption for leases expiring within twelve (12) months under the Appendix C, paragraph 10(c) of this Standard. The lease payments are recognised as expenses on a straight line basis over the remaining lease terms.



## 1. Basis of Preparation (continued)

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

The Group has also adopted the following amendments to MFRS and that came into effect on 1 January 2019 which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendments to MFRS 9 ‘Prepayment Features with Negative Compensation’  
 Amendments to MFRS 128 ‘Long-term interests in Associates and Joint Ventures’  
 IC Interpretation 23 ‘Uncertainty over Income Tax Treatments’  
 Annual Improvements to MFRSs 2015 - 2017 Cycle

### 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:

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>		<b>Effective</b>
Amendment to MFRS 3	Business Combinations (Amendments to References to the Conceptual Framework in MFRS Standards)	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements (Amendments to References to the Conceptual Framework in MFRS Standards)	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments to References to the Conceptual Framework in MFRS Standards)	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting (Amendments to References to the Conceptual Framework in MFRS Standards)	1 January 2020
Amendment to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets (Amendments to References to the Conceptual Framework in MFRS Standards)	1 January 2020
Amendment to MFRS 138	Intangible Assets (Amendments to References to the Conceptual Framework in MFRS Standards)	1 January 2020

## 1. Basis of Preparation (continued)

### 1.2 MFRS, Amendments to MFRSs and IC Interpretation Issued But Not Yet Effective (continued)

MFRSs, Amendments to MFRSs and IC Interpretation		Effective
Amendment to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration (Amendments to References to the Conceptual Framework in MFRS Standards)	1 January 2020
MFRS 17	Insurance	1 January 2021

## 2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2018 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, except for those as disclosed under Note 23.

### *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 quarter ended 31 March 2019:-

Date of payment	Dividends paid	Amount (Sen per ordinary share)	Amount (RM'000)
30 January 2019	THIRD quarter single tier interim dividend 2018	16.0	48,920
	<b>Total</b>		<b>48,920</b>

The Board of Directors declared on 14 February 2019 a FOURTH quarter single tier interim dividend of 16.6 sen per share for the year ended 31 December 2018. The total amount of RM50.8 million was paid on 8 April 2019.

At Annual General meeting on 10 April 2019, a FINAL single tier dividend of 22.4 sen per share and a special single tier dividend of 9.3 sen per share in respect of the financial year ended 31 December 2018 have been approved by shareholders. The total amount of RM96.9 million is payable on 31 May 2019.

## 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.

3 Months Ended 31 March 2019	Malaysia	Singapore	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>				
Total external revenue	501,869	158,052	-	659,921
Inter segment revenue	18,101	-	(18,101)	-
<b>Total revenue</b>	<b>519,970</b>	<b>158,052</b>	<b>(18,101)</b>	<b>659,921</b>
<b>Profit from operations</b>	<b>90,273</b>	<b>20,724</b>	<b>594</b>	<b>111,591</b>

3 Months Ended 31 March 2018	Malaysia	Singapore	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>				
Total external revenue	405,753	142,717	-	548,470
Inter segment revenue	15,950	-	(15,950)	-
<b>Total revenue</b>	<b>421,703</b>	<b>142,717</b>	<b>(15,950)</b>	<b>548,470</b>
<b>Profit from operations</b>	<b>81,799</b>	<b>17,810</b>	<b>689</b>	<b>100,299</b>

## 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 2019 are as follows:

	<b><u>RM'000</u></b>
Approved and contracted for	33,115
Approved but not contracted for	26,658
	<u>59,773</u>

## 14. Financial Instruments

### Derivatives

The outstanding derivative as at 31 March 2019 is as follows:

Aluminium Hedging Contract	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
Less than one year	23,471	21,621	(1,850)
One to five years	5,340	5,403	63
	28,811	27,024	(1,787)

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.

## 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 2019  
RM'000**

### Transactions with holding company:

Purchases of materials and products	133
Purchases of services	779
Royalties payable	10,550
Net settlements in respect of loss from hedging contracts	777

### Transactions with related companies:

Management fees payable	2,644
Purchases of materials and products	3,675
Purchases of services	1,334
Sales of goods	13,759

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

## 17. Review of Performance

### Current Quarter Performance

Key Financials (RM '000)	3 Months Ended 31 March 2019	3 Months Ended 31 March 2018	% Change
Revenue	659,921	548,470	20.3%
Profit from operations	111,591	100,299	11.3%
Share of profit in associate company	4,736	5,648	-16.1%
Profit attributable to Owners of the Company "Net profit"	87,603	80,823	8.4%

The Group's revenue grew 20.3% to RM659.9 million compared to the same quarter last year, whilst profit from operations increased by 11.3% to RM111.6 million mainly from higher sales during Chinese New Year ("CNY") in both Malaysia and Singapore.

Total external revenue for Malaysia grew by 23.7% to RM501.9 million whilst profit from operations increased by 10.2% to RM90.9 million primarily due to higher sales in the current quarter. The revenue increase of 23.7% is partly attributable to higher recorded prices resulting from the implementation of the Sales and Services Tax ("SST") in September 2018. On a comparable basis, if the SST impact is excluded, revenue growth would be 16.0%. Malaysia operations sustained its growth momentum driven by volume growth across all major product segments especially its premium brands, despite higher commercial-related investments during this quarter. Carlsberg Smooth Draught in particular continued its robust growth riding on the successful execution of consumer promotions.

Singapore reported an increase of 10.7% in revenue to RM158.1 million whilst its profit from operations grew by 16.4% to RM20.7 million compared to the same quarter last year. This was driven by effective execution of its CNY campaign.

The Group registered a lower share of profit in its associate company, Lion Brewery (Ceylon) PLC ("LBCP") of RM4.7 million compared to a share of profit of RM5.6 million in the corresponding quarter last year despite improved operational performance during the current quarter. The decline in share of profit of 16.1% is due to the one-off recognition of final insurance compensation settlement of RM4.7 million relating to the 2016 floods in last year's corresponding quarter which mitigated the increase of RM3.8 million in LBCP's operational performance in the current quarter.

The Group's net profit for the quarter grew by 8.4% to RM87.6 million compared to the same quarter last year, primarily driven by strong results from both the Malaysia and Singapore operations.

## 18. Variation of Result against the Preceding Quarter

Key Financials (RM '000)	3 Months Ended 31 March 2019	3 Months Ended 31 December 2018	% Change
Revenue	659,921	525,650	25.5%
Profit from operations	111,591	84,021	32.8%
Net profit	87,603	67,448	29.9%

The Group's revenue increased by RM134.3 million or 25.5%, against the preceding quarter mainly due to higher sales in Malaysia following the successful execution of Chinese Near Year promotions.

The Group's profit from operations increased by RM27.6 million or 32.8% against the preceding quarter mainly due to higher revenues in Malaysia partly offset by the increase in commercial investments.

The Group's net profit increased by RM20.2 million or 29.9% against the preceding quarter mainly due to the aforementioned reasons.

## 19. Prospects

In Malaysia, we expect consumer sentiment in 2019 to remain dampened amid uncertainty in the macroeconomic situation. The continued presence of contraband beer remains an issue in the Malaysian market that significantly depresses the legitimate tax paying beer market; in this regard, we acknowledge the good efforts by the Royal Malaysian Customs and other law enforcement agencies for their ongoing efforts in stepping up enforcement activities against contraband beer. Additionally, the smoking ban which was implemented from 1<sup>st</sup> January 2019 have had and will continue to have a negative impact on beer consumption in the On-Trade channel. Besides that, we welcome the Malaysian government's decision to reduce the restrictions on duty-free alcohol sales on duty-free islands.

In Singapore, the anticipated introduction of the European Free Trade Agreement in the fourth quarter of 2019 will pose a further challenge from cheaper imports.

In spite of the challenging market conditions as well as intense competition, we will continue our focus on product innovations, quality and consumer promotions as well as execution of our SAIL'22 strategy while keeping costs under control to deliver a satisfactory performance in 2019.

## 20. Profit Forecast

Not applicable as no profit forecast was published.

## 21. Taxation

	3 months ended 31 March	
	2019 RM'000	2018 RM'000
<u>Taxation</u>		
- Malaysia	17,053	21,022
- Outside Malaysia	4,697	3,031
	<b>21,750</b>	<b>24,053</b>
<u>Deferred tax</u>		
- Malaysia	3,174	(2,130)
- Outside Malaysia	(370)	-
<b>Tax expense</b>	<b>24,554</b>	<b>21,923</b>
Profit before taxation	113,816	104,493
Share of profit of equity accounted associate, net of tax	(4,736)	(5,648)
<b>Profit before taxation excluding share of profit of equity accounted associate, net of tax</b>	<b>109,080</b>	<b>98,845</b>
<b>Effective tax rate</b>	<b>22.5%</b>	<b>22.2%</b>

The Group's effective tax rate has remained relatively constant as compare to the same period in preceding year.

## 22. Corporate Proposals

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



## 23. Borrowing and Debt Securities

Group borrowings and debt securities are as follows:

Short term - Unsecured loans	As at 31 March 2019 RM'000	As at 31 December 2018 RM'000
Revolving credits	65,000	75,000
<b>Total short term loans</b>	<b>65,000</b>	<b>75,000</b>

## 24. Material Litigation

There have been no material litigation action since the last 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 profit attributable to Owners of the Company for the period by the weighted average number of ordinary shares outstanding during the period:

	3 months ended	
	31 March 2019	31 March 2018
Profit attributable to Owners of the Company (RM'000)	87,603	80,823
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	28.65	26.43

### *Diluted earnings per share*

Not applicable.

## 26. Dividends

The Board of Directors has declared on this date a FIRST quarter single tier interim dividend of 21.5 sen per share for the year ending 31 December 2019, in respect of the first quarter profits to 31 March 2019 (2018: 20.0 sen per share). The total amount payable is RM65.7 million (2018: RM61.1 million).

## 27. Notes to the Statement of Comprehensive Income

	<b>3 months ended 31 March 2019 RM'000</b>	<b>3 months ended 31 March 2018 RM'000</b>
Depreciation and amortisation	(11,504)	(8,777)
Gain on disposal of property, plant and equipment	-	503
Property, plant and equipment written off	-	(4)
Reversal of impairment loss/(impairment loss) on receivables	387	(356)
Inventories written off	(434)	(86)
Allowance for inventories written down	(75)	(75)
Net foreign exchange gain/(loss)	440	(643)

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 16 May 2019.