Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
30 June 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 30 June 2019.

CARLSBERG BREWERY MALAYSIA BERHAD
(Company No.: 9210-K)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Second quarter ended		**Financial period ended**	
	30 June 2019 RM'000	**30 June 2018 RM'000**	**30 June 2019 RM'000**	**30 June 2018 RM'000**
Revenue	480,524	415,454	1,140,445	963,924
Operating expenses	(397,800)	(336,072)	(946,928)	(785,550)
Other operating income	289	210	1,086	1,517
Profit from operations	83,013	79,592	194,603	179,891
Finance income	300	616	496	1,003
Finance costs	(2,531)	(1,692)	(5,237)	(3,533)
Share of profit of equity accounted associate, net of tax	4,620	5,312	9,356	10,960
Profit before taxation	85,402	83,828	199,218	188,321
Taxation	(17,985)	(17,469)	(42,539)	(39,392)
Profit for the financial period	67,417	66,359	156,679	148,929
Profit attributable to:				
Owners of the Company	65,255	63,911	152,858	144,734
Non-controlling interests	2,162	2,448	3,821	4,195
Profit for the financial period	67,417	66,359	156,679	148,929
Other comprehensive expenses				
Cash flow hedge	(555)	449	514	(1,484)
Foreign currency translation differences for foreign operations	1,358	1,751	2,922	(3,309)
Total comprehensive income for the period	68,220	68,559	160,115	144,136
Total comprehensive income attributable to:				
Owners of the Company	66,058	66,111	156,294	139,941
Non-controlling interests	2,162	2,448	3,821	4,195
Total comprehensive income for the period	68,220	68,559	160,115	144,136
EPS - Basic (sen)	21.34	20.90	49.99	47.34
- 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 30 June 2019 RM'000	As at 31 December 2018 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	199,345	192,987
Right-of-use assets	16,956	-
Other intangible assets	3,056	3,219
Investment in an associate	83,298	72,970
Deferred tax assets	887	3,353
	303,542	272,529
Current assets		
Inventories	58,775	96,723
Receivables, deposits and prepayments	255,195	207,633
Tax recoverable	13,564	9,026
Cash and cash equivalents	64,183	96,612
	391,717	409,994
TOTAL ASSETS	695,259	682,523
EQUITY		
Total equity attributable to equity holders of the Company		
Share capital	149,363	149,363
Reserves	(35,834)	19,764
	113,529	169,127
Non-controlling interests	11,149	11,870
TOTAL EQUITY	124,678	180,997
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	16,376	15,777
Provision	331	329
Lease liabilities	15,184	-
	31,891	16,106
Current liabilities		
Payables and accruals	359,837	379,150
Current tax liabilities	39,338	31,270
Lease liabilities	2,015	-
Loans and borrowings	137,500	75,000
	538,690	485,420
TOTAL LIABILITIES	570,581	501,526
TOTAL EQUITY AND LIABILITIES	695,259	682,523
Net assets per share (RM)	0.41	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*

Group	Share Capital RM'000	Exchange Reserve RM'000	Cash flow Hedge Reserve RM'000	Capital Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total RM'000
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	-	(3,309)	(1,484)	-	-	144,734	139,941	4,195	144,136
Dividends to owners of the Company	-	-	-	-	-	(296,576)	(296,576)	-	(296,576)
Effects of share-based payments	-	-	-	-	605	-	605	-	605
At 30 June 2018	149,363	7,364	(46)	3,931	495	(18,119)	142,988	17,643	160,631
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	-	2,922	514	-	-	152,858	156,294	3,821	160,115
Dividends to owners of the Company	-	-	-	-	-	(213,412)	(213,412)	-	(213,412)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(4,542)	(4,542)
Effects of share-based payments	-	-	-	-	1,520	-	1,520	-	1,520
At 30 June 2019	149,363	3,096	(1,913)	3,931	2,227	(43,175)	113,529	11,149	124,678

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

	6 months ended 30 June	
	2019 RM'000	**2018 RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	199,218	188,321
Adjustments for:		
Non-cash items	26,214	17,957
Share of results in associate, net of tax	(9,356)	(10,960)
Finance costs	5,237	3,533
Finance income	(496)	(1,003)
Operating profit before working capital changes	220,817	197,848
Changes in working capital:		
Inventories	37,197	5,254
Receivables, deposits and prepayments	(47,456)	54,885
Payables and accruals	(35,967)	(44,523)
Cash generated from operations	174,591	213,464
Lease liabilities interest paid	(352)	-
Tax paid	(36,157)	(25,922)
Net cash generated from operating activities	138,082	187,542
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(28,476)	(12,314)
Acquisition of intangible assets	(44)	(9)
Dividend received from an associate	1,605	1,772
Interest received	496	1,003
Proceeds from disposal of property, plant and equipment	49	540
Net cash used in investing activities	(26,370)	(9,008)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(196,596)	(235,426)
Dividends paid to non-controlling interests of a subsidiary	(4,542)	-
Interest paid	(4,885)	(3,533)
(Reimbursement)/Payment to ultimate holding company for share options granted	(113)	57
Payment of lease liabilities	(897)	-
Net drawdown of short-term borrowings	62,500	53,271
Net cash used in financing activities	(144,533)	(185,631)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(32,821)	(7,097)
Effect of exchange rate fluctuations on cash held	392	(1,614)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	96,612	70,330
CASH AND CASH EQUIVALENTS AT 30 JUNE	64,183	61,619

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:

	As at 30 June	
	2019 RM'000	**2018 RM'000**
Cash at bank	64,170	61,398
Cash held on hand	13	221
	64,183	61,619

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, except as described below.

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 RM18,096,000 as at 1 January 2019. Comparative figures are not restated.

1. Basis of Preparation (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
Non-current assets				
Right-of-use assets	(a)	-	18,096	18,096
Non-current liabilities				
Loans and borrowings		-	16,210	16,210
Current liabilities				
Loans and borrowings		-	1,886	1,886
Total lease liabilities	(b)	-	18,096	18,096

(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)

The Group has also adopted the following amendments to MFRS and IC Interpretation 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.

IC Interpretation 23 'Uncertainty over Income Tax Treatments'
Annual Improvements to MFRSs 2015 - 2017 Cycle

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 3	Definition of a Business (Amendments to MFRS 3)	1 January 2020
Amendments to MFRS 101	Definition of Material (Amendments to MFRS 101)	1 January 2020
Amendments to MFRS 108	Definition of Material (Amendments to MFRS 108)	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 period ended 30 June 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
8 April 2019	FOURTH quarter single tier interim dividend 2018	16.6	50,754
31 May 2019	FINAL single tier interim dividend 2018	22.4	68,488
31 May 2019	SPECIAL single tier interim dividend 2018	9.3	28,434
	Total		**196,596**

The Board of Directors declared on 16 May 2019 a FIRST quarter single tier interim dividend of 21.5 sen per share for the year ended 31 December 2019. The total amount of RM65.7 milion was paid on 31 July 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.

Quarter Ended 30 June 2019	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	340,359	140,165	-	480,524
Inter segment revenue	15,176	-	(15,176)	-
Total revenue	355,535	140,165	(15,176)	480,524
Profit from operations	58,366	24,284	363	83,013

Quarter Ended 30 June 2018	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	278,813	136,641	-	415,454
Inter segment revenue	16,176	-	(16,176)	-
Total revenue	294,989	136,641	(16,176)	415,454
Profit from operations	57,017	22,590	(15)	79,592

Financial Period Ended 30 June 2019	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	842,227	298,218	-	1,140,445
Inter segment revenue	33,277	-	(33,277)	-
Total revenue	875,504	298,218	(33,277)	1,140,445
Profit from operations	148,639	45,008	956	194,603

Financial Period Ended 30 June 2018	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	684,565	279,359	-	963,924
Inter segment revenue	32,126	-	(32,126)	-
Total revenue	716,691	279,359	(32,126)	963,924
Profit from operations	138,815	40,400	676	179,891

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 30 June 2019 are as follows:

	RM'000
Approved and contracted for	20,895
Approved but not contracted for	16,360
	37,255

14. Financial Instruments

Derivatives

The outstanding derivative as at 30 June 2019 is as follows:

Aluminium Hedging Contract	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
Less than one year	22,273	19,768	(2,505)
One to five years	5,159	5,148	(11)
	27,432	24,916	(2,516)

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

	Financial period ended 30 June 2019 RM'000
Transactions with holding company:	
Purchases of materials and products	233
Purchases of services	3,700
Royalties payable	18,725
Net settlements in respect of loss from hedging contracts	1,761
Transactions with related companies:	
Management fees payable	5,314
Purchases of materials and products	8,030
Purchases of services	2,639
Sales of goods	29,190

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)	Second Quarter Ended 30 June 2019	Second Quarter Ended 30 June 2018	% Change
Revenue	480,524	415,454	15.7%
Profit from operations	83,013	79,592	4.3%
Share of profit in associate company	4,620	5,312	-13.0%
Profit attributable to Owners of the Company ("Net profit")	65,255	63,911	2.1%

The Group's revenue grew 15.7% to RM480.5 million compared to the same quarter last year, whilst profit from operations increased by 4.3% to RM83.0 million mainly from effective execution of consumer promotions and continuous premiumisation of our portfolio in both Malaysia and Singapore. On a comparable basis, recognising the changes from the Goods and Services Tax ("GST") to a Sales and Services Tax ("SST") regime , the Group's organic revenue growth would be 11.2%.

17. Review of Performance (continued)

Current Quarter Performance (continued)

Total external revenue for Malaysia grew by 22.1% to RM340.4 million whilst profit from operations increased by 3.0% to RM58.7 million primarily due to higher sales in the current quarter. The organic revenue growth for the quarter would be 15.4%, if excluding the SST impact. Malaysia operations sustained its growth momentum driven by volume growth across all major product segments contributed by continuous marketing investments.

Singapore reported an increase of 2.6% in revenue to RM140.2 million whilst its profit from operations grew by 7.5% to RM24.3 million compared to the same quarter last year. The improved performance was a result of higher sales and better cost management.

The Group registered a lower share of profit in its associate company, Lion Brewery (Ceylon) PLC ("LBCP") of RM4.6 million compared to a share of profit of RM5.3 million in the corresponding quarter last year.

The Group's net profit for the quarter grew by 2.1% to RM65.3 million compared to the same quarter last year, driven by top-line growth and higher profits in both the Malaysia and Singapore operations.

17. Review of Performance (continued)

Year-to-date Performance

Key Financials (RM'000)	Financial Period Ended 30 June 2019	Financial Period Ended 30 June 2018	% Change
Revenue	1,140,445	963,924	18.3%
Profit from operations	194,603	179,891	8.2%
Share of profit in associate company	9,356	10,960	-14.6%
Profit attributable to Owners of the Company ("Net profit")	152,858	144,734	5.6%

For the first half year ended 30 June 2019, the Group reported a revenue of RM1,140 million, which represented a growth of 18.3% over the same period last year. On a comparable basis, if excluding the SST impact, the Group's organic revenue growth would be 13.1%. Profit from operations of the Group increased by 8.2% to RM194.6 million.

Malaysia total external revenue for the first half ended 30 June 2019 increased by 23.0% to RM842.2 million. The organic revenue growth for the quarter would be 15.7%, if excluding the SST impact. Profit from operations improved by RM10.1 million or 7.2% contributed by volume growth across all major product segments. The Group's flagship brand Carlsberg Green Label and Carlsberg Smooth Draught, as well as premium brands like Kronenbourg 1664 Blanc, Somersby Cider and Connor's Stout Porter continued to post strong improvement in sales.

In Singapore, revenue for the first half ended 30 June 2019 increased by 6.8% to RM298.2 million whilst profit from operations grew by 11.4% to RM45.0 million.

The Group registered a lower share of profit in its associate company, LBCP of RM9.4 million for the first half ended 30 June 2019 compared to a share of profit of RM11.0 million in the coresponding period last year. The prior period's results included a one-off recognition of final insurance compensation of RM4.7 million relating to the 2016 flooding of the brewery in Sri Lanka. Excluding this non-recurring gain, the organic share of profit of LBCP would increase by 49.1% attributable to improved operational performance.

The Group's net profit grew by 5.6% to RM152.9 million over the same period last year primarily driven by higher profit contribution from Malaysia and Singapore operations. Whilst the Group's organic net profit grew by 9.1% when excluding the RM4.7 million share of one-off income in LBCP last year.

18. Variation of Result against the Preceding Quarter

Key Financials (RM'000)	Second quarter ended 30 June 2019	First quarter ended 31 March 2019	% Change
Revenue	480,524	659,921	-27.2%
Profit from operations	83,013	111,591	-25.6%
Net profit	65,255	87,603	-25.5%

The Group's revenue decreased by RM179.4 million or 27.2%, against the preceding quarter mainly due to higher sales in Malaysia and Singapore during the Chinese Near Year festive period in the first quarter of the year.

The Group's profit from operations and net profit decreased by RM28.6 million or 25.6% and RM22.3 million or 25.5% respectively 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. 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.

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 the Group's pursuit to continue investing on product innovations, quality and consumer promotions, Carlsberg has just launched its new Danish inspired brand identity, which balances simplicity with contemporary design, applied across its products, packaging, visibilities and amenities in Malaysia and Singapore.

To overcome the challenging market conditions as well as intense competition, we are confident that our focus in executing the SAIL'22 strategy will enable us to continue delivering growth in 2019.

20. Profit Forecast

Not applicable as no profit forecast was published.

21. Taxation

	Financial period ended 30 June	
	2019 RM'000	**2018 RM'000**
Taxation		
- Malaysia	30,840	35,363
- Outside Malaysia	8,798	6,595
	39,638	**41,958**
Deferred tax		
- Malaysia	3,271	(2,566)
- Outside Malaysia	(370)	-
Tax expense	**42,539**	**39,392**
Profit before taxation	199,218	188,321
Share of profit of equity accounted associate, net of tax	(9,356)	(10,960)
Profit before taxation excluding share of profit of equity accounted associate, net of tax	**189,862**	**177,361**
Effective tax rate	**22.4%**	**22.2%**

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 30 June 2019 RM'000**	**As at 31 December 2018 RM'000**
Revolving credits	137,500	75,000
Total short term loans	**137,500**	**75,000**

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:

	Financial period ended	
	30 June 2019	**30 June 2018**
Profit attributable to owners of the Company (RM'000)	152,858	144,734
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	49.99	47.34

Diluted earnings per share
Not applicable.

26. Dividends

The Board of Directors has declared on this date a SECOND quarter single tier interim dividend of 16.1 sen per share for the year ending 31 December 2019, in respect of the second quarter profits to 30 June 2019 (2018: 15.7 sen per share). The total amount payable is RM49.2 million (2018: RM48.0 million).

The Board had declared on 16 May 2019, 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 entitlement date for the FIRST interim dividend for 2019 was on 18 July 2019. The total amount of RM65,736,000 was paid on 31 July 2019.

Accordingly, the total single tier interim dividends declared for the financial period ended 30 June 2019 is 37.6 sen per share based on 305,748,000 ordinary shares (2018: 35.7 sen per share, based on 305,748,000 ordinary shares for the financial period ended 30 June 2018).

27. Notes to the Statement of Comprehensive Income

	Financial period ended	
	30 June 2019 RM'000	**30 June 2018 RM'000**
Allowance for inventories written down	(150)	(150)
Depreciation and amortisation	(23,461)	(17,681)
Gain on disposal of property, plant and equipment	52	521
Inventories written off	(601)	(161)
Net foreign exchange gain/(loss)	255	(367)
Property, plant and equipment written off	(37)	(9)
Reversal of impairment loss/(impairment loss) on receivables	408	(302)

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 15 August 2019.