

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2017**  
**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
The figures have not been audited

	Note	Individual Period (4th quarter)		Cumulative Period	
		Current Quarter Ended	Corresponding Quarter Ended	Current Year To-date Ended	Corresponding Year To-date Ended
		31/12/2017	31/12/2016	31/12/2017	31/12/2016
<b>Continuing operations</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		104,790	46,734	304,558	215,346
Cost of sales		(70,196)	(35,552)	(214,987)	(156,539)
Gross profit		34,594	11,182	89,571	58,807
Administrative and operating expenses		(11,964)	(7,805)	(41,384)	(34,895)
Other operating income		2,128	4,609	6,130	7,252
Results from operating activities		24,758	7,986	54,317	31,164
Finance income		637	683	1,943	2,289
Finance costs		(194)	-	(277)	(37)
Net finance income		443	683	1,666	2,252
Share of (loss)/income of equity-accounted associate, net of tax		(45)	44	(110)	32
Profit before tax		25,156	8,713	55,873	33,448
Tax expense	23	(117)	(2,346)	(4,726)	(7,727)
Profit for the period / year		25,039	6,367	51,147	25,721
Other comprehensive income/(expense), net of tax					
Foreign currency translation differences for foreign operations		(869)	1,801	(2,182)	996
Fair value of available-for-sale financial assets		(2)	(183)	437	288
Total other comprehensive (expense)/income for the period / year, net of tax		(871)	1,618	(1,745)	1,284
Total comprehensive income for the period / year		24,168	7,985	49,402	27,005

	Individual Period (4th quarter)		Cumulative Period	
	Current Quarter Ended 31/12/2017	Corresponding Quarter Ended 31/12/2016	Current Year To-date Ended 31/12/2017	Corresponding Year To-date Ended 31/12/2016
	RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to :</b>				
Owners of the Company	25,039	6,367	51,147	25,721
<b>Profit for the period / year</b>	<b>25,039</b>	<b>6,367</b>	<b>51,147</b>	<b>25,721</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	24,168	7,985	49,402	27,005
<b>Total comprehensive income for the period / year</b>	<b>24,168</b>	<b>7,985</b>	<b>49,402</b>	<b>27,005</b>
<b>Earnings per ordinary share (sen)</b>	34			
- Basic	8.82	2.26	18.01	9.13
- Diluted	8.76	2.25	17.90	9.11

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 31 December 2016. The accompanying notes are an integral part of this Statement.

**GLOBETRONICS TECHNOLOGY BHD (410285-W)****INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017****Condensed Consolidated Statement of Financial Position**

The figures have not been audited

	Note	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
<b>Assets</b>			
Property, plant and equipment	6	150,105	72,602
Investment property		7,107	7,364
Investment in an associate		5,309	5,419
Other investments		8,514	8,655
Deferred tax assets	24	1,379	984
<b>Total non-current assets</b>		<b>172,414</b>	<b>95,024</b>
Inventories		13,464	8,995
Current tax assets		159	329
Trade receivables	25	82,002	39,555
Other receivables, deposits and prepayments		12,694	869
Cash and cash equivalents		116,352	165,642
<b>Total current assets</b>		<b>224,671</b>	<b>215,390</b>
<b>Total assets</b>		<b>397,085</b>	<b>310,414</b>
<b>Equity</b>			
Share capital	26	178,904	140,947
Reserves			
Share premium	27	-	24,163
Share option reserve		2,397	2,940
Capital reserve		32	32
Fair value reserve		656	219
Translation reserve		2,533	4,715
Retained earnings		96,824	91,131
<b>Total equity</b>		<b>281,346</b>	<b>264,147</b>
<b>Liabilities</b>			
Borrowings	28	20,335	-
Deferred income		6,552	9,226
<b>Total non-current liability</b>		<b>26,887</b>	<b>9,226</b>
Borrowings	28	31,042	-
Trade payables		17,295	6,939
Other payables and accruals		40,088	28,844
Current tax liabilities		427	1,258
<b>Total current liabilities</b>		<b>88,852</b>	<b>37,041</b>
<b>Total liabilities</b>		<b>115,739</b>	<b>46,267</b>
<b>Total equity and liabilities</b>		<b>397,085</b>	<b>310,414</b>
<b>Net assets per share (RM)</b>		<b>0.99</b>	<b>0.94</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 31 December 2016. The accompanying notes are an integral part of this Statement.

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**  
**Condensed Consolidated Statement of Changes in Equity**

The figures have not been audited

	← Attributable to owners of the Company →							Total equity RM'000
	← Non-distributable			→ Distributable				
	Share capital RM'000	Share premium RM'000	Share option reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
<b>12 months ended 31/12/2017</b>								
At 1 January 2017	140,947	24,163	2,940	32	219	4,715	91,131	264,147
Foreign currency translation differences for foreign operations	-	-	-	-	-	(2,182)	-	(2,182)
Fair value of available-for-sale financial assets	-	-	-	-	437	-	-	437
Total other comprehensive income/(expense) for the year	-	-	-	-	437	(2,182)	-	(1,745)
Profit for the year	-	-	-	-	-	-	51,147	51,147
<b>Total comprehensive income/(expense) for the year</b>	-	-	-	-	437	(2,182)	51,147	49,402
<b>Contributions by and distributions to owners of the Company</b>								
Issuance of new ordinary shares pursuant to ESOS 2014	11,907	36	-	-	-	-	-	11,943
Share-based payment transactions	-	-	1,308	-	-	-	-	1,308
Dividends to owners of the Company	-	-	-	-	-	-	(45,454)	(45,454)
<b>Total transactions with owners of the Company</b>	11,907	36	1,308	-	-	-	(45,454)	(32,203)
Transfer to share premium for share options exercised	1,851	-	(1,851)	-	-	-	-	-
Transition to no-par value regime on 31 January 2017*	24,199	(24,199)	-	-	-	-	-	-
<b>At 31 December 2017</b>	178,904	-	2,397	32	656	2,533	96,824	281,346

\* The new Companies Act, 2016 ("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM24,199,902 for the purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**  
**Condensed Consolidated Statement of Changes in Equity**

The figures have not been audited

	← Attributable to owners of the Company →							Total equity RM'000
	← Non-distributable			→ Distributable				
	Share capital RM'000	Share premium RM'000	Share option reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
<b>12 months ended 31/12/2016</b>								
At 1 January 2016	140,873	23,372	1,515	32	(69)	3,719	130,239	299,681
Foreign currency translation differences for foreign operations	-	-	-	-	-	996	-	996
Fair value of available-for-sale financial assets	-	-	-	-	288	-	-	288
Total other comprehensive income for the year	-	-	-	-	288	996	-	1,284
Profit for the year	-	-	-	-	-	-	25,721	25,721
<b>Total comprehensive income for the year</b>	-	-	-	-	288	996	25,721	27,005
<b>Contributions by and distributions to owners of the Company</b>								
Issuance of new ordinary shares pursuant to ESOS 2014	74	656	-	-	-	-	-	730
Share-based payment transactions	-	-	1,560	-	-	-	-	1,560
Dividends to owners of the Company	-	-	-	-	-	-	(64,829)	(64,829)
<b>Total transactions with owners of the Company</b>	74	656	1,560	-	-	-	(64,829)	(62,539)
Transfer to share premium for share options exercised	-	135	(135)	-	-	-	-	-
<b>At 31 December 2016</b>	140,947	24,163	2,940	32	219	4,715	91,131	264,147

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2016. The accompanying notes are an integral part of this Statement.

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**  
**Condensed Consolidated Statement of Cash Flows**

The figures have not been audited

		12 months ended 31/12/2017	12 months ended 31/12/2016
	Note	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations		55,873	33,448
Adjustments for:-			
Depreciation of property, plant and equipment		28,482	20,016
Depreciation of investment property		257	257
Plant and equipment written off		3	-
Impairment loss of plant and equipment		94	-
Gain on disposal of :			
- property, plant and equipment	6	(1,155)	(193)
- other investments		-	(173)
Interest income		(3,438)	(3,845)
Amortisation of deferred income		(3,007)	(2,428)
Share of loss/(profit) of equity-accounted associate, net of tax		110	(32)
Share-based payments		1,308	1,560
Finance costs		277	37
Operating profit before changes in working capital		<u>78,804</u>	<u>48,647</u>
Change in inventories		(4,577)	9,320
Change in trade and other receivables		(54,302)	14,383
Change in trade and other payables		21,638	(8,808)
Cash generated from operations		<u>41,563</u>	<u>63,542</u>
Tax paid		<u>(5,782)</u>	<u>(5,230)</u>
Net cash generated from operating activities		<b>35,781</b>	<b>58,312</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	6	(106,624)	(8,379)
Acquisition of other investments	9	(116)	(4,261)
Proceeds from disposal of:			
- property, plant and equipment	6	1,697	326
- other investments	9	394	3,294
Interest received		3,438	3,845
Net cash used in investing activities		<b>(101,211)</b>	<b>(5,175)</b>

	<b>12 months ended 31/12/2017 RM'000</b>	<b>12 months ended 31/12/2016 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to owners of the Company	(45,454)	(64,829)
Drawdown/(Repayment) of bank borrowings (net)	51,377	(11,007)
Proceeds from issue of ordinary shares	11,943	730
Interest paid	(277)	(37)
Grant received	333	9,178
Net cash generated from/(used in) financing activities	<b>17,922</b>	<b>(65,965)</b>
Net decrease in cash and cash equivalents	<b>(47,508)</b>	<b>(12,828)</b>
Effect of exchange rate fluctuations on cash held	(1,780)	564
<b>Cash and cash equivalents as at 1 January</b>	165,640	177,906
<b>Cash and cash equivalents as at 31 December</b>	<b>116,352</b>	<b>165,642</b>

### **Cash and cash equivalents**

Cash and cash equivalents included in the Condensed Consolidated Statement of Cash Flows comprise :

Funds placed with financial institutions:

- Short term investment funds	58,962	100,867
- Short term deposits	24,745	22,224
Cash and bank balances	32,645	42,551
	<b>116,352</b>	<b>165,642</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2016. The accompanying notes are an integral part of this Statement.

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2017**  
**Notes to the condensed consolidated interim financial statements**

**1. Basis of Preparation**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia, requirements of the Companies Act 2016 ("CA 2016") that became effective on 31 January 2017 and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR"). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January, 2017. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

The Group has assessed the effects of applying the applicable MFRSs, amendments to MFRSs and IC Interpretation issued but not yet effective. We have identified the following areas which will be affected:

**MFRS 15 Revenue from Contracts with Customers**

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance i.e MFRS 118 Revenue.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Upon the initial application of this new standard, it is not expected to have a material impact to the Group.

**MFRS 9 Financial 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.

For trade receivables, the Group applies the simplified approach, which permits the use of lifetime ECL. Provision rates are determined based on the grouping of trade receivables sharing the same credit risk characteristics and days past due.

The current impairment policy of the Group involves a relatively higher degree of judgement. The overall principle 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.

We are currently assessing the expected impact from the implementation of MFRS 9.



2. **Significant Accounting Policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2016.

3. **Audit Report of Preceding Annual Financial Statements**

The auditors' report of the Group's most recent annual audited financial statements for the year ended 31 December 2016 was unmodified.

4. **Changes in Estimates**

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that was applied to the financial statements as at and for the year ended 31 December 2016.

There were no changes in estimates of amounts reported in the prior financial periods that have a material effect in the current quarter.

5. **Comparative Figures**

Certain comparative figures have been reclassified to conform with current quarter/year's presentation.

6. **Property, Plant and Equipment (PPE)**

The carrying amount of land and buildings has been brought forward, without amendment from the previous audited financial statements.

**(a) Acquisitions**

During the year ended 31 December 2017, the Group acquired assets with a cost of RM106.62 million (Year ended 31 December 2016: RM8.93 million).

**(b) Capital commitments**

During the year ended 31 December 2017, the Group entered into contracts to purchase property, plant and equipment for RM0.49 million (Year ended 31 December 2016: RM46.29 million).

**(c) Disposals**

Assets with a carrying amount of RM0.5 million were disposed of during the year ended 31 December 2017 (Year ended 31 December 2016: RM131K), resulting in a gain on disposal of RM1.2 million (Year ended 31 December 2016: gain of RM195K), which is included as other operating income in the income statement.

There were no amendments to the valuation of property, plant and equipment brought forward.

**7. Material Impairment of Assets**

There was no material impairment of assets during the quarter under review and financial year to date.

**8. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

During the financial period/year under review, there were no items affecting assets, liabilities, equity, net income, or cash flow that are unusual because of their nature, size, or incidence.

**9. Quoted Securities and Bond**

There were purchases and disposals of quoted investments during the financial period/year under review, as disclosed below:

	<b>12 months ended</b>
	<b>31/12/2017</b>
	<b>RM'000</b>
Purchases	116
Sales	394
Gain on disposal of investments	-

**10. Unquoted Investments**

During the financial period/year to date, there was no disposal of unquoted investment by the Group.

**11. Changes in Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial year to date.

**12. Debt and Equity Securities**

There were no issuance and repayments of debt and equity securities, share buy back, shares held as treasury stocks and resale of treasury shares for the financial period/year to date except for the issuance of the following ordinary shares exercised by the eligible employees pursuant to the Company's ESOS :

ESOS Option Price RM per share	Number of Shares '000
3.29	2,972.4
3.90	6.3
4.77	217.3
5.07	189.4
5.86	24.3

**13. Changes in Contingent Liabilities**

The Group has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to a limit of RM125.1 million of which RM54.5 million has been utilized as at 31 December 2017, an increase of RM51.3 million as compared to 31 December 2016.

#### 14. Operating Segments

The Group's operating segment comprises of one business activity, which is the manufacture, assembly, testing and sales of integrated circuits, chip carrier quartz crystal products, optoelectronic products, LED lighting system, LED components and modules, small outline components, sensors and optical products and technical plating services for the semiconductor and electronics industries.

The Group's geographical segmental report for the financial year-to-date is as follows:-

##### Analysis By Geographical Segments

###### 12 months ended 31/12/2017

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit before taxation	48,418	4,018	276	52,712
Revenue from external customers	285,869	18,467	222	304,558

###### 12 months ended 31/12/2016

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit before taxation	26,401	3,085	154	29,640
Revenue from external customers	195,731	19,368	247	215,346

	31/12/2017 RM'000	31/12/2016 RM'000
Reconciliation of segment profit:		
Reportable segments	52,712	29,640
Finance costs	(277)	(37)
Interest income	3,438	3,845
Consolidated profit before taxation	55,873	33,448
Tax expense	(4,726)	(7,727)
Consolidated profit after taxation	<u>51,147</u>	<u>25,721</u>

## 15. Related parties

### Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group has related party relationship with:

- i) Subsidiaries and associate of the Company as disclosed in Note 5 and Note 6 of the audited Consolidated Financial Statements of the Group as at and for the year ended 31 December 2016;
- ii) Key management personnel; and
- iii) Companies in which Mr. Ng Kweng Chong is deemed to have substantial financial interest:
  - Ng Kweng Chong Holdings Sdn. Bhd. (Company No: 51580 - M)
  - Wiserite Sdn. Bhd. (Company No: 410593 - W)
  - Glencare Sdn. Bhd. (Company No: 549058 - U)

### Significant related party transactions are as follows:

	<b>12 months ended 31/12/2017 RM'000</b>
i) Transactions with an associate	
<i>NGK Globetronics Technology Sdn Bhd</i>	
Rental of investment property	1,883
Provision of management support services	<u>192</u>

## 16. Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the balance sheet date.

## 17. Seasonal/Cyclical Factors

The business operations of the Group are not affected by any major seasonal or cyclical factors.

## 18. Dividends Paid

A first interim single tier ordinary dividend of 2 sen (2016: 2 sen) per share and a single tier special dividend of 3 sen (2016: 7 sen) per share, totalling RM14.12 million in respect of the financial year ending 31 December 2017 was paid on 29 March 2017.

A final single tier ordinary dividend of 2 sen (2015: 2 sen) per share and a single tier special dividend of 3 sen (2015: 3 sen) per share, totalling RM14.23 million in respect of the financial year ended 31 December 2016, was paid on 04 July 2017.

A second interim single tier ordinary dividend of 2 sen (2016: 2 sen) per share and a single tier special dividend of 4 sen (2016: 7 sen) per share, totalling RM17.11 million in respect of the financial year ended 31 December 2017, was paid on 21 November 2017.

## 19. Overall Review of Performance of Group's Financial Performance And Segmental Analysis

*Financial review for current quarter and financial year to date*

	Individual Period (4th quarter)			Cumulative Period		
	Current Quarter Ended	Corresponding Quarter Ended	Changes	Current Year To-date Ended	Corresponding Year To-date Ended	Changes
	31/12/2017	31/12/2016	%	31/12/2017	31/12/2016	%
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	104,790	46,734	> 100	304,558	215,346	41
Operating Profit	34,594	11,182	> 100	89,571	58,807	52
Profit Before Interest and Tax	24,713	8,030	> 100	54,207	31,196	74
Profit Before Tax	25,156	8,713	> 100	55,873	33,448	67
Profit After Tax	25,039	6,367	> 100	51,147	25,721	99
Profit Attributable to Owners of the Company	25,039	6,367	> 100	51,147	25,721	99

The Group's revenue and net profit for the quarter under review was RM104.8 million and RM25 million, an increase more than 100% respectively as compared to RM46.7 million and RM6.4 million in the corresponding quarter ended 31 December 2016. The higher revenue and net profit in the current quarter was due to the higher volume loadings and mass production of new products from certain customers in the Group.

For the year under review, the Group recorded a higher revenue and net profit of RM304.6 million and RM51.1 million as compared to RM215.3 million and RM25.7 million respectively last year (increase of 41% and 99% respectively). South East Asia segment recorded sales increase as compared to last year.

The higher revenue and net profit achieved in the current year was mainly due to the pick up in volume loadings from the mass production of new products from certain customers in the Group.

## 20. Material Changes in the Quarterly Results Compared to the Results of the Immediate Preceding Quarter

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	31/12/2017	30/09/2017	%
	RM'000	RM'000	%
Revenue	104,790	87,014	20
Operating Profit	34,594	25,069	38
Profit Before Interest and Tax	24,713	15,678	58
Profit Before Tax	25,156	16,062	57
Profit After Tax	25,039	14,379	74
Profit Attributable to Owner of the Company	25,039	14,379	74

The Group's revenue for the quarter under review was RM104.8 million, an increase of 20% from the preceding quarter of RM87 million while the profit after tax of the Group for the quarter was RM25 million, an increase of 74% from the preceding quarter of RM14.4 million.

The higher revenue and net profit was due to the higher volume loadings and mass production of new products from certain customers in the Group.

## 21. Prospects

The Group expects to see softer business and volume loadings from March to May 2018 due to lower end customers' demand and the need to deplete existing inventory in the supply chain.

The Group will continue to focus on escalating up the value chain and riding on the R&D initiatives in new products design and development with our key customers. This initiative is expected to result in the manufacturing of additional new products in year 2018.

## 22. Variance of Actual Profit from Forecast Profit

Not Applicable.

## 23. Tax Expense

		3 months ended		12 months ended	
		31/12/2017	31/12/2016	31/12/2017	31/12/2016
		RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>					
Malaysian	- current period / year	618	2,003	5,451	7,106
	- prior periods / years	3	(1,925)	(241)	(1,703)
Overseas	- current period / year	30	2	50	68
	- prior periods / years	(13)	-	(13)	(10)
		<u>638</u>	<u>80</u>	<u>5,247</u>	<u>5,461</u>
<b>Deferred tax expense</b>					
Malaysian	- current period / year	(521)	2,302	(521)	2,302
	- prior periods / years	-	(36)	-	(36)
		<u>(521)</u>	<u>2,266</u>	<u>(521)</u>	<u>2,266</u>
		<u>117</u>	<u>2,346</u>	<u>4,726</u>	<u>7,727</u>

The effective tax rate of the Group is lower than the statutory tax rate in the current quarter and year-to-date mainly due to tax incentives enjoyed by certain subsidiaries in the Group.

## 24. Deferred Tax Assets

Deferred tax assets of the Group are in relation to the following:-

- i) Unutilised investment tax allowance of a subsidiary; and
- ii) Other temporary timing differences arising from accounting depreciation and capital allowances.

The Board of Directors is of the view that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

## 25. Trade Receivables

The age analysis of trade receivables is as follow:

	<b>Current Quarter Ended 31/12/2017 RM'000</b>	<b>Corresponding Quarter Ended 31/12/2016 RM'000</b>
Not past due	68,589	33,894
Past due but not impaired:		
1-30 days	10,986	5,290
31-60 days	2,427	250
Above 60 days	-	121
	13,413	5,661
Past due and impaired:		
Above 60 days	-	-
	<u>82,002</u>	<u>39,555</u>

The Group is satisfied that recovery of the amount is possible, therefore there is no impairment for past due trade receivables.

## 26. Share Capital

	<b>12 months ended</b>			
	<b>31/12/2017</b>		<b>31/12/2016</b>	
	<b>Number of shares '000</b>	<b>Amount RM'000</b>	<b>Number of shares '000</b>	<b>Amount RM'000</b>
Issued and fully paid:				
Balance at 1 January	281,894	140,947	281,746	140,873
Issued for cash under ESOS				
- Exercise of ESOS 2014	3,410	11,907	148	74
Share option exercised	-	1,851	-	-
Transition to no-par value regime on 31 January 2017*	-	24,199	-	-
Balance at 31 December	<u>285,304</u>	<u>178,904</u>	<u>281,894</u>	<u>140,947</u>

\* The new Companies Act, 2016 ("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM24,199,902 for the purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

## 27. Share Premium

	12 months ended	
	31/12/2017 RM'000	31/12/2016 RM'000
Balance at 1 January	24,163	23,372
Add: Issuance of new ordinary shares pursuant to ESOS 2014 before 31 January 2017	36	656
Transfer to share premium for share options exercised	-	135
Less: Transition to no-par value regime on 31 January 2017	(24,199)	-
Balance at 31 December	<u>-</u>	<u>24,163</u>

## 28. Borrowings

Borrowings denominated in foreign currency:

	As at 31/12/2017		As at 31/12/2016	
	USD'000	RM'000 Equivalent	USD'000	RM'000 Equivalent
<b>Non - Current</b>				
Term loans - unsecured	4,806	20,335	-	-
<b>Current</b>				
Term loans - unsecured	7,337	31,042	-	-
Total borrowings	<u>12,143</u>	<u>51,377</u>	<u>-</u>	<u>-</u>

The term loans are backed by corporate guarantees of the Company and a subsidiary of the Group.

## 29. Profit Before Tax

Profit before tax is arrived at after charging/(crediting):-

	Current Quarter Ended 31/12/2017 RM'000	Corresponding Quarter Ended 31/12/2016 RM'000	Current Year To-date Ended 31/12/2017 RM'000	Corresponding Year To-date Ended 31/12/2016 RM'000
Depreciation of property, plant and equipment	12,027	8,221	28,482	20,016
Depreciation of investment property	64	64	257	257
Interest expense	194	-	277	37
Rental of office equipment	24	80	157	178
Rental of premises	183	136	568	578
Rental income from premises and investment property	(754)	(517)	(2,312)	(2,070)
Amortization of deferred income	(931)	(632)	(3,007)	(2,428)
Gain on disposal of property, plant and equipment	(70)	(171)	(1,155)	(193)
Interest income	(1,057)	(1,272)	(3,438)	(3,845)
Loss on foreign exchange – realised	1,859	848	2,876	1,881
Gain on foreign exchange – unrealised	(1,914)	(3,957)	(1,375)	(1,952)



**30. Corporate Proposals**

(a) There were no corporate proposals by the Company during the financial year to date.

(b) There were no unutilised proceeds raised from corporate proposals by the Company during the financial year to date.

**31. Changes In Material Litigation**

To date, the Company has no material litigation case pending.

**32. Foreign Currency Risk Management**

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents that are denominated in a currency other than the respective functional currencies of Group entities.

The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies where necessary to address short-term imbalances.

**33. Dividends Declared**

No dividends were declared in the quarter ended 31 December 2017.

34. **Earnings Per Ordinary Share**

**(a) Basic earnings per ordinary share**

		3 months ended		12 months ended	
		31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net profit for the period/year	(RM'000)	25,039	6,367	51,147	25,721
Issued ordinary shares at beginning of the period/year	('000)	281,894	281,746	281,894	281,746
Effect of shares issued during the period/year	('000)	2,072	120	2,072	120
<b>Weighted average number of ordinary shares</b>	('000)	283,966	281,866	283,966	281,866
Basic earnings per ordinary share	(sen)	8.82	2.26	18.01	9.13

**(b) Diluted earnings per ordinary share**

		3 months ended		12 months ended	
		31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net profit for the period/year	(RM'000)	25,039	6,367	51,147	25,721
Issued ordinary shares at beginning of the period/year	('000)	281,894	281,746	281,894	281,746
Effect of shares issued during the period/year	('000)	2,072	120	2,072	120
Effect of share option-ESOS	('000)	1,801	608	1,801	608
<b>Weighted average number of ordinary shares (diluted)</b>		285,767	282,474	285,767	282,474
Diluted earnings per ordinary share	(sen)	8.76	2.25	17.90	9.11

By Order of the Board

Lee Peng Loon (MACS 01258)  
P'ng Chiew Keem (MAICSA 7026443)

Joint Secretaries

Dated this 27 February 2018