

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
The figures have not been audited

	Note	Individual Period (2nd quarter)		Cumulative Period	
		Current Quarter Ended	Corresponding Quarter Ended	Current Year To-date Ended	Corresponding Year To-date Ended
		30/06/2018	30/06/2017	30/06/2018	30/06/2017
Continuing operations		RM'000	RM'000	RM'000	RM'000
Revenue		71,527	62,922	158,013	112,754
Cost of sales		(51,734)	(46,329)	(111,173)	(82,846)
Gross profit		19,793	16,593	46,840	29,908
Administrative and operating expenses		(11,365)	(9,683)	(22,183)	(18,646)
Other operating income		2,711	1,591	3,507	3,437
Results from operating activities		11,139	8,501	28,164	14,699
Finance costs		(311)	(4)	(570)	(4)
Share of profit/(loss) of equity-accounted associate, net of tax		37	(30)	14	(40)
Profit before tax		10,865	8,467	27,608	14,655
Tax expense	23	(1,524)	(1,405)	(3,079)	(2,926)
Profit for the period		9,341	7,062	24,529	11,729
Other comprehensive income/(expense), net of tax					
Items that will not be reclassified to profit or loss					
Equity investment at FVOCI* - net change in fair value		(152)	-	(227)	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations - foreign currency translation differences		973	(619)	(111)	(955)
Available-for-sale financial assets - net change in fair value		-	28	-	355
		973	(591)	(111)	(600)
Other comprehensive income/ (expense) for the period, net of tax		821	(591)	(338)	(600)
Total comprehensive income for the period		10,162	6,471	24,191	11,129

* FVOCI - Fair Value Through Other Comprehensive Income

	Individual Period (2nd quarter)		Cumulative Period	
	Current Quarter Ended 30/06/2018	Corresponding Quarter Ended 30/06/2017	Current Year To-date Ended 30/06/2018	Corresponding Year To-date Ended 30/06/2017
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Company	9,341	7,062	24,529	11,729
Profit for the period	9,341	7,062	24,529	11,729
Total comprehensive income attributable to :				
Owners of the Company	10,162	6,471	24,191	11,129
Total comprehensive income for the period	10,162	6,471	24,191	11,129
Earnings per ordinary share (sen)	28			
- Basic	1.40	1.07	3.68	1.78
- Diluted	1.40	1.07	3.67	1.77

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 2017. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018
Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 30/06/2018 RM'000	As at 31/12/2017 RM'000
Assets			
Property, plant and equipment	22	143,457	150,105
Investment property		6,979	7,107
Investment in an associate		5,323	5,309
Other investments		9,341	8,514
Deferred tax assets	24	1,329	1,379
Total non-current assets		<u>166,429</u>	<u>172,414</u>
Inventories		13,212	13,464
Current tax assets		282	403
Trade receivables	25	56,621	82,060
Other receivables, deposits and prepayments		6,961	12,450
Cash and cash equivalents		141,601	116,352
Total current assets		<u>218,677</u>	<u>224,729</u>
Total assets		<u>385,106</u>	<u>397,143</u>
Equity			
Share capital		181,098	178,904
Reserves			
Share option reserve		2,837	2,398
Capital reserve		32	32
Fair value reserve		429	656
Translation reserve		2,420	2,531
Retained earnings		104,216	96,824
Total equity attributable to owners of the Company		<u>291,032</u>	<u>281,345</u>
Liabilities			
Deferred income		5,433	6,552
Loans and borrowings	26	12,132	24,402
Total non-current liabilities		<u>17,565</u>	<u>30,954</u>
Loans and borrowings	26	33,112	26,794
Current tax liabilities		357	427
Trade payables		13,458	17,295
Other payables and accruals		29,582	40,328
Total current liabilities		<u>76,509</u>	<u>84,844</u>
Total liabilities		<u>94,074</u>	<u>115,798</u>
Total equity and liabilities		<u>385,106</u>	<u>397,143</u>
Net assets per share (RM)		0.44	0.43

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 31 December 2017. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018
Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	← <i>Attributable to owners of the Company</i> →						Total equity
	← <i>Non-distributable</i> →			→ <i>Distributable</i> →			
	Share capital RM'000	Share option reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	RM'000
6 months ended 30/06/2018							
At 1 January 2018	178,904	2,398	32	656	2,531	96,824	281,345
Total other comprehensive expense for the period	-	-	-	(227)	(111)	-	(338)
Profit for the period	-	-	-	-	-	24,529	24,529
Total comprehensive (expense)/income for the period	-	-	-	(227)	(111)	24,529	24,191
Contributions by and distributions to owners of the Company							
Issuance of new ordinary shares pursuant to ESOS 2014	2,194	-	-	-	-	-	2,194
Share-based payment transactions	-	439	-	-	-	-	439
Dividends to owners of the Company	-	-	-	-	-	(17,137)	(17,137)
Total transactions with owners of the Company	2,194	439	-	-	-	(17,137)	(14,504)
At 30 June 2018	181,098	2,837	32	429	2,420	104,216	291,032

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018
Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	← Attributable to owners of the Company →							
	← 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	Total equity RM'000
6 months ended 30/06/2017								
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	-	-	-	-	-	(955)	-	(955)
Fair value of available-for-sale financial assets	-	-	-	-	355	-	-	355
Total other comprehensive income/(expense) for the period	-	-	-	-	355	(955)	-	(600)
Profit for the period	-	-	-	-	-	-	11,729	11,729
Total comprehensive income/(expense) for the period	-	-	-	-	355	(955)	11,729	11,129
Contributions by and distributions to owners of the Company								
Issuance of new ordinary shares pursuant to ESOS 2014	9,136	36	-	-	-	-	-	9,172
Share-based payment transactions	-	-	445	-	-	-	-	445
Dividends to owners of the Company	-	-	-	-	-	-	(14,115)	(14,115)
Total transactions with owners of the Company	9,136	36	445	-	-	-	(14,115)	(4,498)
At 30 June 2017	150,083	24,199	3,385	32	574	3,760	88,745	270,778

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2017. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018
Condensed Consolidated Statement of Cash Flows

The figures have not been audited

		6 months ended 30/06/2018	6 months ended 30/06/2017
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		27,608	14,655
Adjustments for:-			
Depreciation of property, plant and equipment		13,894	7,958
Depreciation of investment property		128	128
Gain on disposal of property, plant and equipment	22	-	(1,083)
Interest income		(1,339)	(1,380)
Amortisation of deferred income		(1,118)	(1,474)
Share of (profit)/loss of equity-accounted associate, net of tax		(14)	40
Share-based payments		439	445
Finance costs		570	4
Operating profit before changes in working capital		<u>40,168</u>	<u>19,293</u>
Change in inventories		239	(2,660)
Change in trade and other receivables		30,902	(23,027)
Change in trade and other payables		(14,564)	33,768
Cash generated from operations		<u>56,745</u>	<u>27,374</u>
Tax paid		<u>(2,977)</u>	<u>(2,456)</u>
Net cash generated from operating activities		53,768	24,918
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	22	(7,246)	(44,869)
Acquisition of other investments	8	(1,072)	(69)
Proceeds from disposal of property, plant and equipment	22	-	1,484
Interest received		1,339	1,380
Net cash used in investing activities		(6,979)	(42,074)

	6 months ended 30/06/2018 RM'000	6 months ended 30/06/2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(17,137)	(14,115)
(Repayment)/drawdown of bank borrowings (net)	(5,937)	3,001
Proceeds from issue of ordinary shares	2,194	9,172
Interest paid	(570)	(4)
Net cash used in financing activities	(21,450)	(1,946)
Net increase/(decrease) in cash and cash equivalents	25,339	(19,102)
Effect of exchange rate fluctuations on cash held	(90)	(778)
Cash and cash equivalents as at 1 January	116,352	165,642
Cash and cash equivalents as at 30 June	141,601	145,762

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	64,977	80,829
- Short term deposits	25,531	26,677
Cash and bank balances	51,093	38,256
	141,601	145,762

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2017. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018
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 2017.

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 2017.

The Group has adopted the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January, 2018. The adoption of MFRS 9 and MFRS 15 from 1 January 2018 does not have any significant impact to the financial report of the Group.

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 2017 except for those as disclosed in Note 1 above.

The changes in the accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

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 2017 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 2017.

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

5. Comparative Figures

Certain comparative figures have been reclassified to conform with current period's presentation.

6. Material Impairment of Assets

There was no material impairment of assets during the period under review.

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

During the financial period 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.

8. **Quoted Securities and Bond**

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

	6 months ended 30/06/2018 RM'000
Purchases	1,072
Sales	-
Gain on disposal of investments	-

9. **Unquoted Investments**

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

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

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

11. **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 to date except for the following:

- (i) 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
1.41	23.3
1.78	201.6
2.17	2.3
3.29	272.1
3.90	2.0
4.17	57.4
4.77	22.1
5.07	92.6
5.86	13.6

- (ii) Subdivision of every one (1) existing ordinary share of the Company into two (2) ordinary shares ("subdivided shares") where by 285,763,840 ordinary shares in the Company was subdivided into 571,527,680 ordinary shares on 30 May 2018; and

- (iii) Issuance of 95,252,488 ordinary shares on 30 May 2018 pursuant to a bonus issue exercise on the basis of one (1) bonus shares for every six (6) subdivided shares held in the Company.

12. **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 RM106.4 million of which RM49.1 million has been utilized as at 30 June 2018, a decrease of RM5.4 million as compared to 31 December 2017.

13. Operating Segments

The Group's operating segment comprises of only one key business activities, 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 period-to-date is as follows:-

Analysis By Geographical Segments

6 months ended 30/06/2018

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit/(loss) before taxation	25,273	1,618	(52)	26,839
Revenue from external customer	149,390	8,516	107	158,013

6 months ended 30/06/2017

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit before taxation	11,239	1,915	125	13,279
Revenue from external customer	103,911	8,782	61	112,754

	30/06/2018 RM'000	30/06/2017 RM'000
Reconciliation of segment profit:		
Reportable segments	26,839	13,279
Finance costs	(570)	(4)
Interest income	1,339	1,380
Consolidated profit before taxation	<u>27,608</u>	<u>14,655</u>
Tax expense	(3,079)	(2,926)
Consolidated profit after taxation	<u><u>24,529</u></u>	<u><u>11,729</u></u>

14. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly 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 2017;
- ii) Key management personnel; and
- iii) Companies in which a Director, 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:

	6 months ended 30/06/2018 RM'000
i) Transactions with an associate <i>NGK Globetronics Technology Sdn Bhd</i>	
Rental of investment property	941
Provision of management support services	<u>96</u>

15. Events Subsequent to the Balance Sheet Date

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

16. Seasonal/Cyclical Factors

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

17. Dividends Paid

A third interim single tier ordinary dividend of 2 sen (2017: 2 sen) per share and a single tier special dividend of 4 sen (2017: 3 sen) per share, totalling RM17.14 million in respect of the financial year ended 31 December 2017 was paid on 30 March 2018 to Depositors who are registered in the Record of Depositors of the Company on 19 March 2018.

A first interim single tier ordinary dividend of 1 sen (2017: 1 sen) per share and a single tier special dividend of 2 sen (2017: 1 sen) per share, totalling RM20.01 million (2017: RM14.23 million) in respect of the financial year ending 31 December 2018 was paid on 11 July 2018 to Depositors who are registered in the Record of Depositors of the Company on 29 June 2018.

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

Financial review for current quarter and financial period to date

	Individual Period (2nd quarter)			Cumulative Period		
	Current Quarter Ended	Corresponding Quarter Ended	Changes	Current Year To-date Ended	Corresponding Year To-date Ended	Changes
	30/06/2018	30/06/2017		30/06/2018	30/06/2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	71,527	62,922	14	158,013	112,754	40
Operating Profit	11,139	8,501	31	28,164	14,699	92
Profit Before Interest and Tax	11,176	8,471	32	28,178	14,659	92
Profit Before Tax	10,865	8,467	28	27,608	14,655	88
Profit After Tax	9,341	7,062	32	24,529	11,729	> 100
Profit Attributable to Owners of the Company	9,341	7,062	32	24,529	11,729	> 100

The Group's revenue and net profit for the quarter under review was RM71.5 million and RM9.3 million, an increase of 14% and 32% respectively as compared to RM62.9 million and RM7.1 million in the corresponding quarter ended 30 June 2017.

The higher revenue and net profit in the current quarter was mainly due to:

- (i) Higher volume loadings of products from certain customers in the Group; and
- (ii) Forex gain of RM0.71 million recognised in the income statement as compared to corresponding quarter ended 30 June 2017 forex loss of RM1 million.

For the period under review, the Group recorded a higher revenue and net profit of RM158 million and RM24.5 million as compared to RM112.8 million and RM11.7 million respectively in the corresponding period last year (increase of 40% and more than 100% respectively). South East Asia segment recorded sales increase as compared to the last corresponding period.

The higher revenue and net profit achieved in the current period was mainly due to the pick up in volume loadings from the mass production of new products since Quarter 3, 2017.

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

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	30/06/2018	31/3/2018	
	RM'000	RM'000	%
Revenue	71,527	86,486	-17
Operating Profit	11,139	17,025	-35
Profit Before Interest and Tax	11,176	17,002	-34
Profit Before Tax	10,865	16,743	-35
Profit After Tax	9,341	15,188	-38
Profit Attributable to Owner of the Company	9,341	15,188	-38

The Group's revenue for the quarter under review was RM71.5 million, a decrease of 17% from the preceding quarter of RM86.5 million while the profit after tax of the Group for the quarter was RM9.3 million, a decrease of 38% from the preceding quarter of RM15.2 million.

The lower revenue and net profit were mainly due to lower volume loadings from certain customers in the Group starting March 2018.

20. Prospects

Based on the current customers' forecast, volume loadings have improved since June 2018 with the successful qualification and manufacturing of new products.

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 moving forward.

21. Variance of Actual Profit from Forecast Profit

Not Applicable.

22. Property, Plant and Equipment

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

(a) Acquisitions

During the six months ended 30 June 2018, the Group acquired assets with a cost of RM7.25 million (Six months ended 30 June 2017: RM44.87 million).

(b) Capital commitments

As at 30 June 2018, the Group has entered into contracts to purchase property, plant and equipment for RM19.1 million (30 June 2017: RM35.1 million).

(c) Disposals

Assets with a carrying amount of RM3 were disposed of during the six months ended 30 June 2018 (Six months ended 30 June 2017: RM0.4 million), resulting in a gain on disposal of RM307 (Six months ended 30 June 2017: gain of RM1.08 million), 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.

23. Tax Expense

	3 months ended		6 months ended	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysia	- current period	1,474	1,624	3,029
	- prior periods	-	(219)	(219)
		<u>1,474</u>	<u>1,405</u>	<u>2,926</u>
Deferred tax expense				
Malaysia	- current period	50	-	50
		<u>1,524</u>	<u>1,405</u>	<u>2,926</u>

The effective tax rate of the Group is lower than the statutory tax rate in the current quarter and period-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:-

- Unutilised investment tax allowance of a subsidiary; and
- 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:

	Current Quarter Ended 30/06/2018 RM'000	Corresponding Quarter Ended 30/06/2017 RM'000
Not past due	48,550	48,571
Past due but not impaired:		
1-30 days	6,741	5,934
31-60 days	1,174	-
Above 60 days	156	-
	8,071	5,934
Past due and impaired:		
Above 60 days	-	-
	<u>56,621</u>	<u>54,505</u>

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

26. **Loans and borrowings**

Loans and borrowings denominated in foreign currency:

	As at 30/06/2018		As at 30/06/2017	
	USD'000	RM'000 Equivalent	USD'000	RM'000 Equivalent
Non - Current				
Revolving credits - unsecured	3,000	12,132	-	-
Current				
Term loans - unsecured	1,188	4,805	698	3,001
Revolving credits - unsecured	7,000	28,307	-	-
	8,188	33,112	698	3,001
Total loans and borrowings	<u>11,188</u>	<u>45,244</u>	<u>698</u>	<u>3,001</u>

The term loans are backed by corporate guarantees of a subsidiary of the Group whilst revolving credits are backed by a corporate guarantee of the Company.

27. **Profit Before Tax**

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

	Current Quarter Ended 30/06/2018 RM'000	Corresponding Quarter Ended 30/06/2017 RM'000	Current Year To-date Ended 30/06/2018 RM'000	Corresponding Year To-date Ended 30/06/2017 RM'000
Depreciation of property, plant and equipment	5,532	3,855	13,894	7,958
Depreciation of investment property	64	64	128	128
Rental of office equipment	32	50	56	104
Rental expenses	388	64	855	196
Rental income	(578)	(520)	(1,257)	(1,041)
Amortization of deferred income	(558)	(602)	(1,118)	(1,474)
Gain on disposal of property, plant and equipment	-	(760)	-	(1,083)
Interest income	(783)	(614)	(1,339)	(1,380)
Finance expense	311	4	570	4
(Gain)/loss on foreign exchange – realised	(439)	2,082	2,865	1,300
(Gain)/loss on foreign exchange – unrealised	(267)	(1,063)	(2,699)	311

28. Earnings Per Ordinary Share

After the effects of the subdivision of shares and bonus issue on basic and diluted EPS

Pursuant to the requirements of MFRS 133 Earnings per Share, the weighted average number of ordinary shares used in the calculation of basic and diluted EPS for the current and previous quarter and period ended 30 June 2018 and 30 June 2017 have been retrospectively adjusted to reflect the subdivision of shares and bonus issue, as follows:

		3 months ended		6 months ended	
		30/06/2018	30/06/2017	30/06/2018	30/06/2017
(i) Basic earnings per ordinary share					
Net profit for the period	(RM'000)	9,341	7,062	24,529	11,729
Issued ordinary shares at beginning of the period	('000)	285,304	281,894	285,304	281,894
Effect of shares issued during the period	('000)	349	988	349	988
Effect of subdivision of shares on 30 May 2018	('000)	285,764	282,882	285,764	282,882
Effect of bonus issue on 30 May 2018	('000)	95,252	94,285	95,252	94,285
Weighted average number of ordinary shares	('000)	666,669	660,049	666,669	660,049
Basic earnings per ordinary share	(sen)	1.40	1.07	3.68	1.78
(ii) Diluted earnings per ordinary share					
Net profit for the period	(RM'000)	9,341	7,062	24,529	11,729
Issued ordinary shares at beginning of the period	('000)	285,304	281,894	285,304	281,894
Effect of shares issued during the period	('000)	349	988	349	988
Effect of share option-ESOS	('000)	1,242	1,377	1,242	1,377
Effect of subdivision of shares on 30 May 2018	('000)	285,764	282,882	285,764	282,882
Effect of bonus issue on 30 May 2018	('000)	95,252	94,285	95,252	94,285
Weighted average number of ordinary shares (diluted)		667,911	661,426	667,911	661,426
Diluted earnings per ordinary share	(sen)	1.40	1.07	3.67	1.77

29. Corporate Proposals

The shareholders of the Company in an Extraordinary General Meeting held on 8 May 2018, unanimously approved the following resolutions as disclosed below:-

- (a) proposed subdivision of every one (1) existing ordinary share of the Company into two (2) ordinary shares (“subdivided shares”) held on an entitlement date to be determined;
- (b) proposed bonus issue of up to 96,651,980 bonus shares on the basis of one (1) bonus share for every six (6) subdivided shares held on the same entitlement date as proposed. The bonus issue will be effected by the capitalisation of share premium of the Company.

The subdivision of shares and bonus issue arising from the above Corporate Proposals were completed on 30 May 2018; and

- (c) proposed constitution amendments.

There were no unutilised proceeds raised from corporate proposals by the Company during the financial period to date.

30. Changes In Material Litigation

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

31. Foreign Currency Risk Management

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

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

32. Dividends Declared

The Board of Directors has declared a first interim dividend single tier ordinary dividend of 1 sen (2017: 1 sen) per share and a single tier special dividend of 2 sen (2017: 1 sen) per share, totalling RM20.01 million (2017: RM14.23 million) in respect of the financial year ending 31 December 2018 to Depositors who are registered in the Record of Depositors of the Company on 29 June 2018.

The above interim dividend was paid on 11 July 2018 as disclosed in Note 17 of this announcement.

By Order of the Board

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

Joint Secretaries

Dated this 31 July 2018