

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

	Note	Individual Period (3rd quarter)		Cumulative Period	
		Current Quarter Ended	Corresponding Quarter Ended	Current Year To-date Ended	Corresponding Year To-date Ended
		30/09/2018	30/09/2017	30/09/2018	30/09/2017
<b>Continuing operations</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		87,704	87,014	245,717	199,768
Cost of sales		(52,768)	(61,945)	(163,668)	(144,791)
Gross profit		34,936	25,069	82,049	54,977
Administrative and operating expenses		(12,438)	(10,774)	(34,894)	(29,420)
Other operating income		2,714	1,871	6,221	5,308
Results from operating activities		25,212	16,166	53,376	30,865
Finance costs		(281)	(79)	(851)	(83)
Share of profit/(loss) of equity-accounted associate, net of tax		11	(25)	25	(65)
Profit before tax		24,942	16,062	52,550	30,717
Tax expense	23	(1,338)	(1,683)	(4,417)	(4,609)
Profit for the period		23,604	14,379	48,133	26,108
<b>Other comprehensive income/(expense), net of tax</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Equity investment at FVOCI* - net change in fair value		(108)	-	(335)	-
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign operations - foreign currency translation differences		496	(358)	385	(1,313)
Available-for-sale financial assets - net change in fair value		-	84	-	439
		496	(274)	385	(874)
<b>Other comprehensive income/ (expense) for the period, net of tax</b>		388	(274)	50	(874)
<b>Total comprehensive income for the period</b>		23,992	14,105	48,183	25,234

\* FVOCI - Fair Value Through Other Comprehensive Income

	Individual Period (3rd quarter)		Cumulative Period	
	Current Quarter Ended 30/09/2018	Corresponding Quarter Ended 30/09/2017	Current Year To-date Ended 30/09/2018	Corresponding Year To-date Ended 30/09/2017
	RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to :</b>				
Owners of the Company	23,604	14,379	48,133	26,108
<b>Profit for the period</b>	<b>23,604</b>	<b>14,379</b>	<b>48,133</b>	<b>26,108</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	23,992	14,105	48,183	25,234
<b>Total comprehensive income for the period</b>	<b>23,992</b>	<b>14,105</b>	<b>48,183</b>	<b>25,234</b>
<b>Earnings per ordinary share (sen)</b>	28			
- Basic	3.54	2.17	7.22	3.95
- Diluted	3.53	2.17	7.20	3.94

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 SEPTEMBER 2018**  
**Condensed Consolidated Statement of Financial Position**

The figures have not been audited

	Note	As at 30/09/2018 RM'000	As at 31/12/2017 RM'000
<b>Assets</b>			
Property, plant and equipment	22	157,943	150,105
Investment property		6,914	7,107
Investment in an associate		5,334	5,309
Other investments		8,337	8,514
Deferred tax assets	24	1,179	1,379
<b>Total non-current assets</b>		<u>179,707</u>	<u>172,414</u>
Inventories		13,507	13,464
Current tax assets		230	403
Trade receivables	25	69,393	82,060
Other receivables, deposits and prepayments		4,360	12,450
Cash and cash equivalents		123,858	116,352
<b>Total current assets</b>		<u>211,348</u>	<u>224,729</u>
<b>Total assets</b>		<u><b>391,055</b></u>	<u><b>397,143</b></u>
<b>Equity</b>			
Share capital		184,397	178,904
Reserves			
Share option reserve		3,276	2,398
Capital reserve		32	32
Fair value reserve		321	656
Translation reserve		2,916	2,531
Retained earnings		107,810	96,824
<b>Total equity attributable to owners of the Company</b>		<u>298,752</u>	<u>281,345</u>
<b>Liabilities</b>			
Deferred income		4,562	6,552
Loans and borrowings	26	8,272	24,402
<b>Total non-current liabilities</b>		<u>12,834</u>	<u>30,954</u>
Loans and borrowings	26	24,816	26,794
Current tax liabilities		349	427
Trade payables		10,702	17,295
Other payables and accruals		43,602	40,328
<b>Total current liabilities</b>		<u>79,469</u>	<u>84,844</u>
<b>Total liabilities</b>		<u>92,303</u>	<u>115,798</u>
<b>Total equity and liabilities</b>		<u><b>391,055</b></u>	<u><b>397,143</b></u>
<b>Net assets per share (RM)</b>		<b>0.45</b>	<b>0.43</b>

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 SEPTEMBER 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
<b>9 months ended 30/09/2018</b>							
At 1 January 2018	178,904	2,398	32	656	2,531	96,824	281,345
Foreign currency translation differences for foreign operations	-	-	-	-	385	-	385
Fair value of available-for-sale financial assets	-	-	-	(335)	-	-	(335)
Total other comprehensive (expense)/income for the period	-	-	-	(335)	385	-	50
Profit for the period	-	-	-	-	-	48,133	48,133
<b>Total comprehensive (expense)/income for the period</b>	-	-	-	(335)	385	48,133	48,183
<b>Contributions by and distributions to owners of the Company</b>							
Issuance of new ordinary shares pursuant to ESOS 2014	5,493	-	-	-	-	-	5,493
Share-based payment transactions	-	878	-	-	-	-	878
Dividends to owners of the Company	-	-	-	-	-	(37,147)	(37,147)
<b>Total transactions with owners of the Company</b>	5,493	878	-	-	-	(37,147)	(30,776)
<b>At 30 September 2018</b>	184,397	3,276	32	321	2,916	107,810	298,752

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

The figures have not been audited

	←——— Attributable to owners of the Company ———→							Total equity
	←——— 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	RM'000
<b>9 months ended 30/09/2017</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	-	-	-	-	-	(1,313)	-	(1,313)
Fair value of available-for-sale financial assets	-	-	-	-	439	-	-	439
Total other comprehensive income/(expense) for the period	-	-	-	-	439	(1,313)	-	(874)
Profit for the period	-	-	-	-	-	-	26,108	26,108
<b>Total comprehensive income/(expense) for the period</b>	-	-	-	-	439	(1,313)	26,108	25,234
<b>Contributions by and distributions to owners of the Company</b>								
Issuance of new ordinary shares pursuant to ESOS 2014	10,830	36	-	-	-	-	-	10,866
Share-based payment transactions	-	-	890	-	-	-	-	890
Dividends to owners of the Company	-	-	-	-	-	-	(28,341)	(28,341)
<b>Total transactions with owners of the Company</b>	10,830	36	890	-	-	-	(28,341)	(16,585)
<b>At 30 September 2017</b>	<b>151,777</b>	<b>24,199</b>	<b>3,830</b>	<b>32</b>	<b>658</b>	<b>3,402</b>	<b>88,898</b>	<b>272,796</b>

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 SEPTEMBER 2018**  
**Condensed Consolidated Statement of Cash Flows**

The figures have not been audited

		9 months ended 30/09/2018	9 months ended 30/09/2017
	Note	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations		52,550	30,717
Adjustments for:-			
Depreciation of property, plant and equipment		23,240	16,455
Depreciation of investment property		193	193
Plant and equipment written off		-	3
Gain on disposal of property, plant and equipment	22	(1)	(1,085)
Interest income		(2,069)	(2,381)
Amortisation of deferred income		(1,990)	(2,076)
Share of (profit)/loss of equity-accounted associate, net of tax		(25)	65
Share-based payments		878	890
Finance costs		851	83
Operating profit before changes in working capital		73,627	42,864
Change in inventories		(6)	(8,431)
Change in trade and other receivables		20,831	(48,264)
Change in trade and other payables		(3,365)	47,157
Cash generated from operations		91,087	33,326
Tax paid		(4,122)	(4,948)
Net cash generated from operating activities		<b>86,965</b>	<b>28,378</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	22	(31,079)	(94,752)
Acquisition of other investments	8	(1,108)	(103)
Proceeds from disposal of:			
- property, plant and equipment	22	2	1,487
- other investments	8	1,000	291
Interest received		2,069	2,381
Net cash used in investing activities		<b>(29,116)</b>	<b>(90,696)</b>

	<b>9 months ended 30/09/2018 RM'000</b>	<b>9 months ended 30/09/2017 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to owners of the Company	(37,147)	(28,341)
(Repayment)/drawdown of bank borrowings (net)	(18,155)	37,883
Proceeds from issue of ordinary shares	5,493	10,866
Interest paid	(851)	(83)
Net cash (used in)/generated from financing activities	<b>(50,660)</b>	<b>20,325</b>
Net increase/(decrease) in cash and cash equivalents	<b>7,189</b>	<b>(41,993)</b>
Effect of exchange rate fluctuations on cash held	317	(1,069)
<b>Cash and cash equivalents as at 1 January</b>	116,352	165,641
<b>Cash and cash equivalents as at 30 September</b>	<b>123,858</b>	<b>122,579</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	67,588	74,011
- Short term deposits	22,064	25,424
Cash and bank balances	34,206	23,144
	<b>123,858</b>	<b>122,579</b>

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 SEPTEMBER 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:

	<b>9 months ended 30/09/2018 RM'000</b>
Purchases	1,108
Sales	1,000
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	176.7
1.67	14.0
1.78	1,519.5
2.04	22.9
2.17	267.1
2.51	36.9
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") whereby 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 RM97.5 million of which RM36.9 million has been utilized as at 30 September 2018, a decrease of RM17.6 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

##### 9 months ended 30/09/2018

	<b>South East Asia RM'000</b>	<b>North America RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Segment profit/(loss) before taxation	48,505	2,856	(29)	51,332
Revenue from external customer	232,407	13,116	194	245,717

##### 9 months ended 30/09/2017

	<b>South East Asia RM'000</b>	<b>North America RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
Segment profit before taxation	25,354	2,861	204	28,419
Revenue from external customer	186,496	13,127	145	199,768

	<b>30/09/2018 RM'000</b>	<b>30/09/2017 RM'000</b>
Reconciliation of segment profit:		
Reportable segments	51,332	28,419
Finance costs	(851)	(83)
Interest income	2,069	2,381
Consolidated profit before taxation	<u>52,550</u>	<u>30,717</u>
Tax expense	(4,417)	(4,609)
Consolidated profit after taxation	<u><u>48,133</u></u>	<u><u>26,108</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:

	<b>9 months ended 30/09/2018 RM'000</b>
i) Transactions with an associate <i>NGK Globetronics Technology Sdn Bhd</i>	
Rental of investment property	1,412
Provision of management support services	<u>144</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 other than the volatility of the customers' demand which is inherent in the industry we operate in.

#### 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 (3rd quarter)			Cumulative Period		
	Current Quarter Ended	Corresponding Quarter Ended	Changes	Current Year To-date Ended	Corresponding Year To-date Ended	Changes
	30/09/2018	30/09/2017		30/09/2018	30/09/2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	87,704	87,014	1	245,717	199,768	23
Operating Profit	25,212	16,166	56	53,376	30,865	73
Profit Before Interest and Tax	25,223	16,141	56	53,401	30,800	73
Profit Before Tax	24,942	16,062	55	52,550	30,717	71
Profit After Tax	23,604	14,379	64	48,133	26,108	84
Profit Attributable to Owners of the Company	23,604	14,379	64	48,133	26,108	84

The Group's revenue and net profit for the quarter under review was RM87.7 million and RM23.6 million, an increase of 1% and 64% respectively as compared to RM87 million and RM14.4 million in the corresponding quarter ended 30 September 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;
- (ii) Better utilisation of our operational resources and facilities; and
- (iii) Higher forex gain of RM0.42 million recognised in the income statement as compared to forex gain of RM0.05 million in the corresponding quarter ended 30 September 2017.

For the period under review, the Group recorded a higher revenue and net profit of RM245.7 million and RM48.1 million as compared to RM199.8 million and RM26.1 million respectively in the corresponding period last year (increase of 23% and 84% 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:

- (i) The pick up in volume loadings from certain customers in the Group;
- (ii) Better utilisation of our operational resources and facilities; and
- (iii) Forex gain of RM0.26 million recognised in the income statement as compared to forex loss of RM1.56 million in the last corresponding period ended 30 September 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
	30/09/2018	30/6/2018	
	RM'000	RM'000	%
Revenue	87,704	71,527	23
Operating Profit	25,212	11,139	>100
Profit Before Interest and Tax	25,223	11,176	>100
Profit Before Tax	24,942	10,865	>100
Profit After Tax	23,604	9,341	>100
Profit Attributable to Owner of the Company	23,604	9,341	>100

The Group's revenue for the quarter under review was RM87.7 million, an increase of 23% from the preceding quarter of RM71.5 million while the net profit after tax of the Group for the quarter was RM23.6 million, an increase of more than 100% from the preceding quarter of RM9.3 million.

The higher revenue and net profit were mainly due to higher volume loadings from certain customers in the Group as well as better utilisation of our operational resources and facilities.

20. **Prospects**

Based on the current customers' forecast, volume loadings have improved and remained strong 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 nine months ended 30 September 2018, the Group acquired assets with a cost of RM31.08 million (Nine months ended 30 September 2017: RM94.75 million).

**(b) Capital commitments**

As at 30 September 2018, the Group has entered into contracts to purchase property, plant and equipment for RM2.14 million (30 September 2017: RM14.8 million).

**(c) Disposals**

Assets with a carrying amount of RM1K were disposed of during the nine months ended 30 September 2018 (Nine months ended 30 September 2017: RM0.4 million), resulting in a gain on disposal of RM1.3K (Nine months ended 30 September 2017: gain of RM1.1 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		9 months ended	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
Malaysia	- current period	1,525	1,704	4,554
	- prior periods	(337)	(21)	(337)
		<u>1,188</u>	<u>1,683</u>	<u>4,217</u>
<b>Deferred tax expense</b>				
Malaysia	- current period	150	-	200
		<u>1,338</u>	<u>1,683</u>	<u>4,417</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:-

- 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 30/09/2018 RM'000</b>	<b>Corresponding Quarter Ended 30/09/2017 RM'000</b>
Not past due	57,276	66,166
Past due but not impaired:		
1-30 days	9,827	5,868
31-60 days	1,708	-
Above 60 days	582	-
	12,117	5,868
Past due and impaired:		
Above 60 days	-	-
	<u>69,393</u>	<u>72,034</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:

	<b>As at 30/09/2018</b>		<b>As at 30/09/2017</b>	
	<b>USD'000</b>	<b>RM'000 Equivalent</b>	<b>USD'000</b>	<b>RM'000 Equivalent</b>
<b>Non - Current</b>				
Revolving credits - unsecured	2,000	8,272	4,505	19,060
<b>Current</b>				
Term loans - unsecured	-	-	4,449	18,823
Revolving credits - unsecured	6,000	24,816	-	-
	6,000	24,816	4,449	18,823
<b>Total loans and borrowings</b>	<u>8,000</u>	<u>33,088</u>	<u>8,954</u>	<u>37,883</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):-

	<b>Current Quarter Ended 30/09/2018 RM'000</b>	<b>Corresponding Quarter Ended 30/09/2017 RM'000</b>	<b>Current Year To-date Ended 30/09/2018 RM'000</b>	<b>Corresponding Year To-date Ended 30/09/2017 RM'000</b>
Depreciation of property, plant and equipment	9,346	8,497	23,240	16,455
Depreciation of investment property	64	64	193	193
Rental of office equipment	32	29	104	133
Rental expenses	445	189	1,300	385
Rental income	(772)	(517)	(2,029)	(1,558)
Amortization of deferred income	(872)	(601)	(1,990)	(2,076)
Gain on disposal of property, plant and equipment	(1)	(2)	(1)	(1,085)
Interest income	(730)	(1,001)	(2,069)	(2,381)
Finance expense	281	79	851	83
(Gain)/loss on foreign exchange – realised	(2,871)	(282)	(6)	1,017
(Gain)/loss on foreign exchange – unrealised	2,448	227	(252)	539

## 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 September 2018 and 30 September 2017 have been retrospectively adjusted to reflect the subdivision of shares and bonus issue, as follows:

		3 months ended		9 months ended	
		30/09/2018	30/09/2017	30/09/2018	30/09/2017
<b>(i) Basic earnings per ordinary share</b>					
Net profit for the period	(RM'000)	23,604	14,379	48,133	26,108
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)	778	1,652	778	1,652
Effect of subdivision of shares on 30 May 2018	('000)	285,764	283,546	285,764	283,546
Effect of bonus issue on 30 May 2018	('000)	95,252	94,506	95,252	94,506
<b>Weighted average number of ordinary shares</b>	('000)	667,098	661,598	667,098	661,598
Basic earnings per ordinary share	(sen)	3.54	2.17	7.22	3.95
<b>(ii) Diluted earnings per ordinary share</b>					
Net profit for the period	(RM'000)	23,604	14,379	48,133	26,108
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)	778	1,652	778	1,652
Effect of share option-ESOS	('000)	1,151	1,648	1,151	1,648
Effect of subdivision of shares on 30 May 2018	('000)	285,764	283,546	285,764	283,546
Effect of bonus issue on 30 May 2018	('000)	95,252	94,506	95,252	94,506
<b>Weighted average number of ordinary shares (diluted)</b>		668,249	663,246	668,249	663,246
Diluted earnings per ordinary share	(sen)	3.53	2.17	7.20	3.94

**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 28 May 2018;
- (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 28 May 2018. 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**

No dividends were declared in the quarter ended 30 September 2018.

By Order of the Board

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

Joint Secretaries

Dated this 30 October 2018