

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019
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
		30/09/2019	30/09/2018	30/09/2019	30/09/2018
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		66,264	87,704	157,360	245,717
Cost of sales		(40,374)	(52,768)	(102,808)	(163,668)
Gross profit		25,890	34,936	54,552	82,049
Administrative and operating expenses		(9,495)	(12,438)	(29,276)	(34,894)
Other operating income		2,882	2,714	6,980	6,221
Results from operating activities		19,277	25,212	32,256	53,376
Finance costs		(64)	(281)	(300)	(851)
Share of profit of equity-accounted associate, net of tax		27	11	89	25
Profit before tax		19,240	24,942	32,045	52,550
Tax expense	22	(296)	(1,338)	(1,868)	(4,417)
Profit for the period		18,944	23,604	30,177	48,133
Other comprehensive income/(expense), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Net change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")		6	(108)	465	(335)
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		294	496	172	385
Other comprehensive income for the period, net of tax		300	388	637	50
Total comprehensive income for the period		19,244	23,992	30,814	48,183

	Individual Period (3rd quarter)		Cumulative Period	
	Current Quarter Ended 30/09/2019	Corresponding Quarter Ended 30/09/2018	Current Year To-date Ended 30/09/2019	Corresponding Year To-date Ended 30/09/2018
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Company	18,944	23,604	30,177	48,133
Profit for the period	18,944	23,604	30,177	48,133
Total comprehensive income attributable to :				
Owners of the Company	19,244	23,992	30,814	48,183
Total comprehensive income for the period	19,244	23,992	30,814	48,183
Earnings per ordinary share (sen)	27			
- Basic	2.83	3.54	4.51	7.21
- Diluted	2.83	3.53	4.51	7.20

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 2018. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019
Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 30/09/2019 RM'000	As at 31/12/2018 RM'000
Assets			
Property, plant and equipment	21	124,676	145,441
Investment property		6,657	6,850
Investment in an associate		5,437	5,348
Other investments		9,997	8,191
Deferred tax assets	23	799	899
Total non-current assets		<u>147,566</u>	<u>166,729</u>
Inventories		10,024	12,619
Current tax assets		1,494	1,169
Trade receivables	24	55,117	72,055
Other receivables, deposits and prepayments		6,421	2,490
Cash and cash equivalents		126,143	121,007
Total current assets		<u>199,199</u>	<u>209,340</u>
Total assets		<u>346,765</u>	<u>376,069</u>
Equity			
Share capital		186,463	185,772
Reserves			
Share option reserve		-	2,500
Capital reserve		41	41
Fair value reserve		508	87
Translation reserve		3,203	3,031
Retained earnings		108,891	109,714
Total equity attributable to owners of the Company		<u>299,106</u>	<u>301,145</u>
Liabilities			
Deferred income		2,508	4,038
Loans and borrowings	25	-	4,157
Total non-current liabilities		<u>2,508</u>	<u>8,195</u>
Loans and borrowings	25	8,376	20,785
Current tax liabilities		22	71
Trade payables		6,849	6,915
Other payables and accruals		29,904	38,958
Total current liabilities		<u>45,151</u>	<u>66,729</u>
Total liabilities		<u>47,659</u>	<u>74,924</u>
Total equity and liabilities		<u>346,765</u>	<u>376,069</u>
Net assets per share (RM)		0.45	0.45

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 31 December 2018. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019
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
9 months ended 30/09/2019							
At 1 January 2019	185,772	2,500	41	87	3,031	109,714	301,145
Foreign currency translation differences for foreign operations	-	-	-	-	172	-	172
Net change in fair value of equity investment designated at FVOCI	-	-	-	465	-	-	465
Total other comprehensive income for the period	-	-	-	465	172	-	637
Profit for the period	-	-	-	-	-	30,177	30,177
Total comprehensive income for the period	-	-	-	465	172	30,177	30,814
Contributions by and distributions to owners of the Company							
Issuance of new ordinary shares pursuant to Employees Share Option Scheme 2014 ("ESOS 2014")	602	-	-	-	-	-	602
Dividends to owners of the Company	-	-	-	-	-	(33,455)	(33,455)
Total transactions with owners of the Company	602	-	-	-	-	(33,455)	(32,853)
Transfer to share capital for share options exercised	89	(89)	-	-	-	-	-
Transfer to retained earnings for share options expired	-	(2,411)	-	-	-	2,411	-
Transfer upon the disposal of equity investment designated at FVOCI	-	-	-	(44)	-	44	-
At 30 September 2019	186,463	-	41	508	3,203	108,891	299,106

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019
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 option reserve RM'000	Capital reserve RM'000	Fair Value reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	RM'000
9 months ended 30/09/2018							
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
Net change in fair value of equity investment designated at FVOCI	-	-	-	(335)	-	-	(335)
Total other comprehensive (expense)/income for the period	-	-	-	(335)	385	-	50
Profit for the period	-	-	-	-	-	48,133	48,133
Total comprehensive (expense)/income for the period	-	-	-	(335)	385	48,133	48,183
Contributions by and distributions to owners of the Company							
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)
Total transactions with owners of the Company	5,493	878	-	-	-	(37,147)	(30,776)
At 30 September 2018	184,397	3,276	32	321	2,916	107,810	298,752

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2018. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019
Condensed Consolidated Statement of Cash Flows

The figures have not been audited

		9 months ended 30/09/2019	9 months ended 30/09/2018
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		32,045	52,550
Adjustments for:-			
Depreciation of property, plant and equipment		23,935	23,240
Depreciation of investment property		193	193
Plant and equipment written off		1	-
Impairment loss on plant and equipment		533	-
(Gain)/loss on disposal of :			
- property, plant and equipment	21	(74)	(1)
- other investments	8	11	-
Interest income		(2,581)	(2,069)
Amortisation of deferred income		(1,530)	(1,990)
Share of profit of equity-accounted associate, net of tax		(89)	(25)
Share-based payments		-	878
Interest expense		300	851
Unrealised loss on foreign exchange for loans and borrowings		131	505
Operating profit before changes in working capital		52,875	74,132
Change in inventories		2,620	(6)
Change in trade and other receivables		13,010	20,831
Change in trade and other payables		(9,119)	(3,365)
Cash generated from operations		59,386	91,592
Tax paid		(2,142)	(4,122)
Net cash generated from operating activities		57,244	87,470
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	21	(3,711)	(31,079)
Acquisition of other investments	8	(2,402)	(1,108)
Proceeds from disposal of:			
- property, plant and equipment		81	2
- other investments	8	1,072	1,000
Interest received		2,581	2,069
Net cash used in investing activities		(2,379)	(29,116)

9 months ended 30/09/2019 RM'000	9 months ended 30/09/2018 RM'000
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CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid to owners of the Company	(33,455)	(37,147)
Drawdown of term loans	-	18,566
Repayment of term loans	-	(21,350)
Repayment of other borrowings	(16,697)	(15,876)
Proceeds from issue of ordinary shares	602	5,493
Interest paid	(300)	(851)
Net cash used in financing activities	(49,850)	(51,165)
Net increase in cash and cash equivalents	5,015	7,189
Effect of exchange rate fluctuations on cash held	121	317
Cash and cash equivalents as at 1 January	121,007	116,352
Cash and cash equivalents as at 30 September	126,143	123,858

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	73,146	67,588
- Short term deposits	26,270	22,064
Cash and bank balances	26,727	34,206
	126,143	123,858

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2018. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019
Notes to the condensed consolidated interim financial statements

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting in Malaysia, requirements of the Companies Act 2016 ("CA 2016") 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 2018.

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 2018.

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 2018.

New and revised MFRSs and IC Interpretations below that are relevant and came into effect for accounting periods beginning on or after 1 January, 2019 did not have any significant impact to the unaudited consolidated financial statements upon their initial application:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Plan Amendments, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures*

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 2018 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 2018.

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 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 and disposal of quoted investments during the financial period under review, as disclosed below:

	9 months ended 30/09/2019 RM'000
Purchases	2,402
Sales	1,072
Loss on disposal of investments	11

9. **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 except for the acquisition of a wholly-owned subsidiary, namely Trilion Suntech Sdn Bhd on 30 August 2019 for a purchase consideration of RM2.

10. **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 issuance of the following ordinary shares exercised by the eligible employees pursuant to the Company's ESOS 2014:

ESOS Option Price RM per share	Number of Shares '000
1.41	354.0
1.78	57.5

The Group's current ESOS 2014 had expired on 12 August 2019.

11. **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 RM73.4 million of which RM12.1 million has been utilized as at 30 September 2019, a decrease of RM16.7 million as compared to 31 December 2018.

12. 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 30/09/2019

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit before taxation	27,887	1,717	160	29,764
Revenue from external customer	145,319	11,418	623	157,360

9 months ended 30/09/2018

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

	30/09/2019 RM'000	30/09/2018 RM'000
Reconciliation of segment profit:		
Reportable segments	29,764	51,332
Finance costs	(300)	(851)
Interest income	2,581	2,069
Consolidated profit before taxation	32,045	52,550
Tax expense	(1,868)	(4,417)
Consolidated profit after taxation	30,177	48,133

13. 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. 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 2018;
- 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:

	9 months ended 30/09/2019 RM'000
i) Transactions with an associate	
<i>NGK Globetronics Technology Sdn Bhd</i>	
Rental of investment property	1,620
Provision of management support services	<u>144</u>

14. Events Subsequent to the Balance Sheet Date

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

15. 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 that we operate in.

16. Dividends Paid

A third interim single tier ordinary dividend of 1 sen (2018: 2 sen but equivalent to approximately 0.9 sen of the current enlarged share capital) per share and a single tier special dividend of 2 sen (2018: 4 sen but equivalent to approximately 1.7 sen of the current enlarged share capital) per share, totalling RM20.1 million (2018: RM17.1 million) in respect of the financial year ended 31 December 2018 was paid on 26 March 2019 to Depositors who are registered in the Record of Depositors of the Company on 13 March 2019.

A first interim single tier ordinary dividend of 1 sen (2018: 1 sen) per share and a single tier special dividend of 1 sen (2018: 2 sen) per share, totalling RM13.4 million (2018: RM20 million) in respect of the financial year ending 31 December 2019 was paid on 02 July 2019 to Depositors who are registered in the Record of Depositors of the Company on 20 June 2019.

17. 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
	30/09/2019	30/09/2018		30/09/2019	30/09/2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	66,264	87,704	-24	157,360	245,717	-36
Operating Profit	19,277	25,212	-24	32,256	53,376	-40
Profit Before Interest and Tax	19,304	25,223	-23	32,345	53,401	-39
Profit Before Tax	19,240	24,942	-23	32,045	52,550	-39
Profit After Tax	18,944	23,604	-20	30,177	48,133	-37
Profit Attributable to Owners of the Company	18,944	23,604	-20	30,177	48,133	-37

The Group's revenue and net profit for the quarter under review was RM66.3 million and RM18.9 million, a decrease of 24% and 20% respectively as compared to RM87.7 million and RM23.6 million in the corresponding quarter ended 30 September 2018.

The lower revenue and net profit achieved in the current quarter were mainly due to lower volume loadings of products from certain customers in the Group.

For the period under review, the Group recorded a lower revenue and net profit of RM157.4 million and RM30.2 million as compared to RM245.7 million and 48.1 million respectively in the corresponding period last year (decrease of 36% and 37% respectively). South East Asia and North America segments recorded sales decrease as compared to the last corresponding period.

The lower revenue and net profit achieved in the current period was mainly due to:-

- i) Phased out of certain matured products of a Japanese customer; and
- ii) Lower capacity utilisation and volatile volume loadings of certain products especially in the first half of 2019.

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

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	30/09/2019	30/6/2019	%
	RM'000	RM'000	
Revenue	66,264	47,049	41
Operating Profit	19,277	8,667	>100
Profit Before Interest and Tax	19,304	8,707	>100
Profit Before Tax	19,240	8,612	>100
Profit After Tax	18,944	8,141	>100
Profit Attributable to Owner of the Company	18,944	8,141	>100

The Group's revenue for the quarter under review was RM66.3 million, an increase of 41% from the preceding quarter of RM47 million while the net profit after tax of the Group for the quarter was RM18.9 million, an increase of more than 100% from the preceding quarter of RM8.1 million.

The higher revenue and net profit were mainly due to:

- i) Higher volume loadings and better economies of scale achieved from certain of the Group's customers; and
- ii) Better utilisation of our operational resources and facilities.

19. **Prospects**

Based on the current customers' forecast, as compared with the first half of 2019, we expect a strong recovery in our overall business and volume loadings in the second half of 2019.

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.

20. **Variance of Actual Profit from Forecast Profit**

Not Applicable.

21. **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 2019, the Group acquired property, plant and equipment with a cost of RM3.7 million (Nine months ended 30 September 2018: RM31 million).

(b) Capital commitments

As at 30 September 2019, the Group has entered into contracts to purchase property, plant and equipment for RM2.1 million (30 September 2018: RM2.1 million).

(c) Disposals

Assets with a carrying amount of RM7K were disposed of during the nine months ended 30 September 2019 (Nine months ended 30 September 2018: RM1K), resulting in a gain on disposal of RM74K (Nine months ended 30 September 2018: gain of RM1.3K), 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.

22. **Tax Expense**

	3 months ended		9 months ended	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysia	- current period	295	1,767	4,554
	- prior periods / years	1	1	(337)
		<u>296</u>	<u>1,768</u>	<u>4,217</u>
Deferred tax expense				
Malaysia	- current period	-	100	200
		<u>296</u>	<u>1,868</u>	<u>4,417</u>

The effective tax rate of the Group is lower than the statutory tax rate in the period-to-date ended 30 September 2019 mainly due to tax incentives enjoyed by certain subsidiaries in the Group.

23. **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.

24. **Trade Receivables**

The age analysis of trade receivables is as follow:

	Current Quarter Ended 30/09/2019 RM'000	Corresponding Quarter Ended 30/09/2018 RM'000
Not past due	43,474	57,276
Past due but not impaired:		
1-30 days	9,400	9,827
31-60 days	837	1,708
Above 60 days	1,406	582
	11,643	12,117
Past due and impaired:		
Above 60 days	-	-
	<u>55,117</u>	<u>69,393</u>

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

25. **Loans and borrowings**

Loans and borrowings denominated in foreign currency:

	As at 30/09/2019		As at 30/09/2018	
	USD'000	RM'000 Equivalent	USD'000	RM'000 Equivalent
Non - Current				
Revolving credits - unsecured	-	-	2,000	8,272
Current				
Revolving credits - unsecured	2,000	8,376	6,000	24,816
Total loans and borrowings	<u>2,000</u>	<u>8,376</u>	<u>8,000</u>	<u>33,088</u>

The revolving credits are backed by a corporate guarantee of the Company.

26. **Profit Before Tax**

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

	Current Quarter Ended 30/09/2019 RM'000	Corresponding Quarter Ended 30/09/2018 RM'000	Current Year To-date Ended 30/09/2019 RM'000	Corresponding Year To-date Ended 30/09/2018 RM'000
Depreciation of property, plant and equipment	10,558	9,346	23,935	23,240
Depreciation of investment property	64	64	193	193
Property, plant and equipment written off	-	-	1	-
Impairment loss on plant and equipment	-	-	533	-
Rental of office equipment	62	32	187	104
Rental expenses	353	445	1,106	1,300
Rental income	(831)	(772)	(2,232)	(2,029)
Amortization of deferred income	(506)	(872)	(1,530)	(1,990)
Gain on disposal of property, plant and equipment	(74)	(1)	(74)	(1)
Loss on disposal of other investments	11	-	11	-
Interest income	(719)	(730)	(2,581)	(2,069)
Interest expense	64	281	300	851
Gain on foreign exchange – realised	(389)	(2,871)	(534)	(6)
(Gain)/loss on foreign exchange – unrealised	(255)	2,448	(296)	(252)

27. **Earnings Per Ordinary Share ("EPS")**

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 previous quarter and period ended 30 September 2019 have been retrospectively adjusted to reflect the subdivision of shares and bonus issue, as follows:

		3 months ended		9 months ended	
		30/09/2019	30/09/2018	30/09/2019	30/09/2018
(i) Basic earnings per ordinary share					
Net profit for the period	(RM'000)	18,944	23,604	30,177	48,133
Issued ordinary shares at beginning of the period	('000)	669,033	285,304	669,033	285,304
Effect of shares issued during the period	('000)	104	778	104	778
Effect of subdivision of shares on 30 May 2018	('000)	-	286,082	-	286,082
Effect of bonus issue on 30 May 2018	('000)	-	95,351	-	95,351
Weighted average number of ordinary shares	('000)	669,137	667,515	669,137	667,515
Basic earnings per ordinary share	(sen)	2.83	3.54	4.51	7.21
(ii) Diluted earnings per ordinary share					
Net profit for the period	(RM'000)	18,944	23,604	30,177	48,133
Issued ordinary shares at beginning of the period	('000)	669,033	285,304	669,033	285,304
Effect of shares issued during the period	('000)	104	778	104	778
Effect of share option-ESOS 2014	('000)	-	1,151	-	1,151
Effect of subdivision of shares on 30 May 2018	('000)	-	286,082	-	286,082
Effect of bonus issue on 30 May 2018	('000)	-	95,351	-	95,351
Weighted average number of ordinary shares (diluted)		669,137	668,666	669,137	668,666
Diluted earnings per ordinary share	(sen)	2.83	3.53	4.51	7.20

28. Corporate Proposals

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

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

29. Changes In Material Litigation

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

30. Foreign Currency Risk Management

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents and 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.

31. Dividends Declared

No dividends were declared in the quarter ended 30 September 2019.

By Order of the Board

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

Joint Secretaries

Dated this 29 October 2019