

# GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

## INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020

### 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 30/06/2020	Corresponding Quarter Ended 30/06/2019	Current Year To-date Ended 30/06/2020	Corresponding Year To-date Ended 30/06/2019
		RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>					
Revenue		44,913	47,049	98,832	91,096
Cost of sales		(33,010)	(30,581)	(68,958)	(62,967)
Gross profit		11,903	16,468	29,874	28,129
Administrative and operating expenses		(9,275)	(10,407)	(19,567)	(19,248)
Other operating income		2,724	2,606	6,379	4,098
Results from operating activities		5,352	8,667	16,686	12,979
Finance costs		-	(95)	-	(236)
Share of (loss)/profit of equity-accounted associate, net of tax		(28)	40	41	62
Profit before tax		5,324	8,612	16,727	12,805
Tax expense	22	(301)	(471)	(816)	(1,572)
Profit for the period		5,023	8,141	15,911	11,233
<b>Other comprehensive income/(expense), net of tax</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Net change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")		569	134	(444)	459
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		(316)	300	868	(122)
<b>Other comprehensive income for the period, net of tax</b>		253	434	424	337
<b>Total comprehensive income for the period</b>		5,276	8,575	16,335	11,570

	Individual Period (2nd quarter)		Cumulative Period	
	Current Quarter Ended 30/06/2020	Corresponding Quarter Ended 30/06/2019	Current Year To-date Ended 30/06/2020	Corresponding Year To-date Ended 30/06/2019
	RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to :</b>				
Owners of the Company	5,023	8,141	15,911	11,233
<b>Profit for the period</b>	<b>5,023</b>	<b>8,141</b>	<b>15,911</b>	<b>11,233</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	5,276	8,575	16,335	11,570
<b>Total comprehensive income for the period</b>	<b>5,276</b>	<b>8,575</b>	<b>16,335</b>	<b>11,570</b>
<b>Earnings per ordinary share (sen)</b>	26			
- Basic	0.75	1.22	2.38	1.68
- Diluted	0.75	1.22	2.38	1.68

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 2019. The accompanying notes are an integral part of this Statement.

# GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

## INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020

### Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 30/06/2020 RM'000	As at 31/12/2019 RM'000
<b>Assets</b>			
Property, plant and equipment	21	110,318	118,503
Investment property		6,465	6,593
Investment in an associate		5,484	5,443
Other investments		7,589	10,210
Deferred tax assets		213	213
<b>Total non-current assets</b>		<b>130,069</b>	<b>140,962</b>
Inventories		8,272	8,301
Current tax assets		837	954
Trade receivables	23	34,731	38,129
Other receivables, deposits and prepayments		4,136	3,195
Cash and cash equivalents		149,725	146,236
<b>Total current assets</b>		<b>197,701</b>	<b>196,815</b>
<b>Total assets</b>		<b>327,770</b>	<b>337,777</b>
<b>Equity</b>			
Share capital		186,463	186,463
Reserves			
Capital reserve		41	41
Fair value reserve		300	719
Translation reserve		3,745	2,877
Retained earnings		102,495	106,692
<b>Total equity attributable to owners of the Company</b>		<b>293,044</b>	<b>296,792</b>
<b>Liabilities</b>			
Deferred income		1,217	2,053
<b>Total non-current liabilities</b>		<b>1,217</b>	<b>2,053</b>
Loans and borrowings	24	-	4,128
Current tax liabilities		9	28
Trade payables		3,626	5,398
Other payables and accruals		29,874	29,378
<b>Total current liabilities</b>		<b>33,509</b>	<b>38,932</b>
<b>Total liabilities</b>		<b>34,726</b>	<b>40,985</b>
<b>Total equity and liabilities</b>		<b>327,770</b>	<b>337,777</b>
<b>Net assets per share (RM)</b>		<b>0.44</b>	<b>0.44</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 31 December 2019. The accompanying notes are an integral part of this Statement.

# GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

## INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020

### Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	← Attributable to owners of the Company →					Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
<b>6 months ended 30/06/2020</b>						
At 1 January 2020	186,463	41	719	2,877	106,692	296,792
Foreign currency translation differences for foreign operations	-	-	-	868	-	868
Net change in fair value of equity investment designated at FVOCI	-	-	(444)	-	-	(444)
Total other comprehensive (expenses)/income for the period	-	-	(444)	868	-	424
Profit for the period	-	-	-	-	15,911	15,911
<b>Total comprehensive (expense)/income for the period</b>	-	-	(444)	868	15,911	16,335
<b>Contributions by and distributions to owners of the Company</b>						
Dividends to owners of the Company	-	-	-	-	(20,083)	(20,083)
<b>Total transactions with owners of the Company</b>	-	-	-	-	(20,083)	(20,083)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	25	-	(25)	-
<b>At 30 June 2020</b>	<b>186,463</b>	<b>41</b>	<b>300</b>	<b>3,745</b>	<b>102,495</b>	<b>293,044</b>

# GLOBETRONICS TECHNOLOGY BHD (410285-W)

Registration No. 199601037932 (410285-W)

## INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020

### 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 option reserve RM'000	Capital reserve RM'000	Fair Value reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
<b>6 months ended 30/06/2019</b>							
At 1 January 2019	185,772	2,500	41	87	3,031	109,714	301,145
Foreign currency translation differences for foreign operations	-	-	-	-	(122)	-	(122)
Net change in fair value of equity investment designated at FVOCI	-	-	-	459	-	-	459
Total other comprehensive income/(expense) for the period	-	-	-	459	(122)	-	337
Profit for the period	-	-	-	-	-	11,233	11,233
<b>Total comprehensive income/(expense) for the period</b>	-	-	-	459	(122)	11,233	11,570
<b>Contributions by and distributions to owners of the Company</b>							
Issuance of new ordinary shares pursuant to ESOS 2014	146	-	-	-	-	-	146
Share-based payment transactions	-	319	-	-	-	-	319
Dividends to owners of the Company	-	-	-	-	-	(20,073)	(20,073)
<b>Total transactions with owners of the Company</b>	146	319	-	-	-	(20,073)	(19,608)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	-	4	-	(4)	-
<b>At 30 June 2019</b>	185,918	2,819	41	550	2,909	100,870	293,107

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2019. The accompanying notes are an integral part of this Statement.

# GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

## INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020

### Condensed Consolidated Statement of Cash Flows

The figures have not been audited

		6 months ended 30/06/2020	6 months ended 30/06/2019
	Note	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations		16,727	12,805
Adjustments for:-			
Depreciation of property, plant and equipment		18,221	13,377
Depreciation of investment property		128	128
Plant and equipment written off		-	1
Impairment loss on plant and equipment		-	533
Gain on disposal of property, plant and equipment	21	(54)	-
Interest income		(1,549)	(1,862)
Amortisation of deferred income		(836)	(1,024)
Share of profit of equity-accounted associate, net of tax		(41)	(62)
Share-based payments		-	319
Interest expense		-	236
Unrealised loss on foreign exchange for loans and borrowings		-	(15)
Operating profit before changes in working capital		<u>32,596</u>	<u>24,436</u>
Change in inventories		29	2,922
Change in trade and other receivables		2,460	31,443
Change in trade and other payables		(1,280)	(16,231)
Cash generated from operations		<u>33,805</u>	<u>42,570</u>
Tax paid		<u>(717)</u>	<u>(2,015)</u>
Net cash generated from operating activities		<b>33,088</b>	<b>40,555</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	21	(10,036)	(2,393)
Acquisition of other investments	8	(2,006)	(75)
Proceeds from disposal of:			
- property, plant and equipment		54	7
- other investments	8	4,356	250
Interest received		1,549	1,862
Net cash used in investing activities		<b>(6,083)</b>	<b>(349)</b>

	<b>6 months ended 30/06/2020 RM'000</b>	<b>6 months ended 30/06/2019 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to owners of the Company	(20,083)	(20,073)
Repayment of other borrowings	(4,128)	(12,525)
Proceeds from issue of ordinary shares	-	146
Interest paid	-	(236)
Net cash used in financing activities	<b>(24,211)</b>	<b>(32,688)</b>
Net increase in cash and cash equivalents	<b>2,794</b>	<b>7,518</b>
Effect of exchange rate fluctuations on cash held	695	(83)
<b>Cash and cash equivalents as at 1 January</b>	146,236	121,007
<b>Cash and cash equivalents as at 30 June</b>	<b>149,725</b>	<b>128,442</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	87,594	69,674
- Short term deposits	27,945	26,686
Cash and bank balances	34,186	32,082
	<b>149,725</b>	<b>128,442</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2019. The accompanying notes are an integral part of this Statement.

# GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

## INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020

### 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 2019.

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 2019.

#### 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 2019.

New and revised MFRSs and IC Interpretations below that are relevant and came into effect for accounting periods beginning on or after 1 January, 2020 did not have any significant impact to the unaudited consolidated financial statements upon their initial application:-

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instrument*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

#### 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 2019 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 2019.

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:-

	<b>6 months ended</b>
	<b>30/06/2020</b>
	<b>RM'000</b>
Purchases	2,006
Sales	4,356

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.

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.

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 RM31.9 million of which RM3.7 million has been utilized as at 30 June 2020, a decrease of RM4.1 million as compared to 31 December 2019.

## 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

#### 6 months ended 30/06/2020

	<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	14,592	119	467	15,178
Revenue from external customer	92,477	5,000	1,355	98,832

#### 6 months ended 30/06/2019

	<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	9,713	1,532	(66)	11,179
Revenue from external customer	83,178	7,681	237	91,096

	<b>30/06/2020 RM'000</b>	<b>30/06/2019 RM'000</b>
Reconciliation of segment profit:-		
Reportable segments	15,178	11,179
Finance costs	-	(236)
Interest income	1,549	1,862
Consolidated profit before taxation	16,727	12,805
Tax expense	(816)	(1,572)
Consolidated profit after taxation	15,911	11,233

### 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, 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 2019;
- 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. (Registration No: 197901007294 (51580 - M))
  - Wiserite Sdn. Bhd. (Registration No: 199601038240 (410593 - W))
  - Glencare Sdn. Bhd. (Registration No: 200101013301 (549058 - U))

#### Significant related party transactions are as follows:-

	<b>6 months ended 30/06/2020 RM'000</b>
i) Transactions with an associate <i>NGK Globetronics Technology Sdn Bhd</i>	
Rental of investment property	1,254
Provision of management support services	<u>61</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 (2019: 1 sen) per share and a single tier special dividend of 2 sen (2019: 2 sen) per share, totalling RM20.1 million (2019: RM20.1 million) in respect of the financial year ended 31 December 2019 was paid on 26 March 2020 to Depositors who are registered in the Record of Depositors of the Company on 16 March 2020.

A first interim single tier ordinary dividend of 1 sen (2019: 1 sen) per share and a single tier special dividend of 1 sen (2019: 1 sen) per share, totalling RM13.4 million (2019: RM13.4 million) in respect of the financial year ending 31 December 2020 was paid on 2 July 2020 to Depositors who are registered in the Record of Depositors of the Company on 18 June 2020.

## 17. 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
	30/06/2020	30/06/2019		30/06/2020	30/06/2019	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	44,913	47,049	-5	98,832	91,096	8
Operating Profit	5,352	8,667	-38	16,686	12,979	29
Profit Before Interest and Tax	5,324	8,707	-39	16,727	13,041	28
Profit Before Tax	5,324	8,612	-38	16,727	12,805	31
Profit After Tax	5,023	8,141	-38	15,911	11,233	42
Profit Attributable to Owners of the Company	5,023	8,141	-38	15,911	11,233	42

The Group's revenue and net profit for the quarter under review was RM44.9 million and RM5 million, a decrease of 5% and 38% respectively as compared to RM47 million and RM8.1 million in the corresponding quarter ended 30 June 2019.

The lower revenue and net profit achieved in the current quarter were mainly due to:-

- i) Lower volume loadings and supply chain inventory adjustment from most of the Group's customers; and
- ii) The implementation of Movement Control Order ("MCO") and work from home order (50% workforce capacity) resulted in lower economy of scale.

For the period under review, the Group recorded a higher revenue and net profit of RM98.8 million and RM15.9 million as compared to RM91.1 million and RM11.2 million respectively in the corresponding period last year (increase of 8% and 42% 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 were mainly due to:-

- i) Higher volume loadings achieved from certain of the Group's customers; and
- ii) Better economy of scale achieved with volume linearisation strategy implemented together with certain of the Group's customer.

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

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	30/06/2020	31/3/2020	
	RM'000	RM'000	%
Revenue	44,913	53,919	-17
Operating Profit	5,352	11,334	-53
Profit Before Interest and Tax	5,324	11,403	-53
Profit Before Tax	5,324	11,403	-53
Profit After Tax	5,023	10,888	-54
Profit Attributable to Owner of the Company	5,023	10,888	-54

The Group's revenue for the quarter under review was RM44.9 million, a decrease of 17% from the preceding quarter of RM53.9 million while the net profit after tax of the Group for the quarter was RM5 million, a decrease of 54% from the preceding quarter of RM10.9 million.

The lower revenue and net profit were mainly due to:-

- i) Lower volume loadings and supply chain inventory adjustment from most of the Group's customers; and
- ii) The implementation of Movement Control Order ("MCO") and work from home order (50% workforce capacity) resulted in lower economy of scale.

19. **Prospects**

The Group's financial performance may continue to be impacted by the Covid-19 outbreak and the disruption in the global supply chain as we saw collapse of economic activities arising from the implementation of MCO, lockdown or stay at home order. The Group has taken strong initiative to mitigate the exposure and disruption in the supply chain.

Based on our customers' recent forecast and guidance, the Group is cautiously optimistic of achieving satisfactory financial performance for Year 2020.

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 six months ended 30 June 2020, the Group acquired property, plant and equipment with a cost of RM10 million (Six months ended 30 June 2019: RM2.4 million).

**(b) Capital commitments**

As at 30 June 2020, the Group has entered into contracts to purchase property, plant and equipment for RM1.5 million (30 June 2019: RM0.8 million).

**(c) Disposals**

Assets with a carrying amount of RM3 were disposed of during the six months ended 30 June 2020 (Six months ended 30 June 2019: RM7K), resulting in a gain on disposal of RM54K (Six months ended 30 June 2019: gain of RM447), 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		6 months ended	
		30/06/2020	30/06/2019	30/06/2020	30/06/2019
		RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>					
Malaysia	- current period	301	471	839	1,472
	- prior year	-	-	(23)	-
		<u>301</u>	<u>471</u>	<u>816</u>	<u>1,472</u>
<b>Deferred tax expense</b>					
Malaysia	- current period	-	-	-	100
		<u>301</u>	<u>471</u>	<u>816</u>	<u>1,572</u>

The effective tax rate of the Group is lower than the statutory tax rate in the period-to-date ended 30 June 2020 mainly due to tax incentives enjoyed by a subsidiary in the Group.

23. **Trade Receivables**

The age analysis of trade receivables is as follow:-

	<b>Current Quarter Ended 30/06/2020 RM'000</b>	<b>Corresponding Quarter Ended 30/06/2019 RM'000</b>
Current (not past due)	30,312	32,954
1-30 days past due	4,224	3,684
31-60 days past due	10	769
Above 60 days past due	615	47
	4,849	4,500
<b>Credit Impaired</b>		
Individually impaired	(430)	-
	<u>34,731</u>	<u>37,454</u>

The Group recognised an impairment loss of RM0.4 million relating to customers' past due invoices. The Group will continue to monitor all past due invoices closely and is confident of their eventual recovery.

24. **Loans and borrowings**

Loans and borrowings denominated in foreign currency:-

	<b>As at 30/06/2020</b>		<b>As at 30/06/2019</b>	
	<b>USD'000</b>	<b>RM'000 Equivalent</b>	<b>USD'000</b>	<b>RM'000 Equivalent</b>
<b>Current</b>				
Revolving credits - unsecured	-	-	3,000	12,402
<b>Total loans and borrowings</b>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>12,402</u>

The revolving credits are backed by a corporate guarantee of the Company and was fully repaid in January 2020.

25. **Profit Before Tax**

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

	<b>Current Quarter Ended 30/06/2020 RM'000</b>	<b>Corresponding Quarter Ended 30/06/2019 RM'000</b>	<b>Current Year To-date Ended 30/06/2020 RM'000</b>	<b>Corresponding Year To-date Ended 30/06/2019 RM'000</b>
Depreciation of property, plant and equipment	8,883	7,394	18,221	13,377
Depreciation of investment property	64	64	128	128
Property, plant and equipment written off	-	1	-	1
Impairment loss on plant and equipment	-	533	-	533
Rental expenses	388	413	799	878
Rental income	(1,003)	(726)	(1,954)	(1,401)
Amortization of deferred income	(417)	(510)	(836)	(1,024)
Gain on disposal of property, plant and equipment	-	-	(54)	-
Interest income	(768)	(992)	(1,549)	(1,862)
Interest expense	-	95	-	236
Gain on foreign exchange – realised	(1,459)	(463)	(1,919)	(145)
Loss/(gain) on foreign exchange – unrealised	707	(235)	(309)	(41)

26. Earnings Per Ordinary Share ("EPS")

(i) Basic earnings per ordinary share

		3 months ended		6 months ended	
		30/06/2020	30/06/2019	30/06/2020	30/06/2019
Net profit for the period	(RM'000)	5,023	8,141	15,911	11,233
Issued ordinary shares at beginning of the period	('000)	669,445	669,033	669,445	669,033
Effect of shares issued during the period	('000)	-	52	-	52
<b>Weighted average number of ordinary shares</b>	('000)	669,445	669,085	669,445	669,085
Basic earnings per ordinary share	(sen)	0.75	1.22	2.38	1.68

(ii) Diluted earnings per ordinary share

		3 months ended		6 months ended	
		30/06/2020	30/06/2019	30/06/2020	30/06/2019
Net profit for the period	(RM'000)	5,023	8,141	15,911	11,233
Issued ordinary shares at beginning of the period	('000)	669,445	669,033	669,445	669,033
Effect of shares issued during the period	('000)	-	52	-	52
Effect of share option-ESOS 2014	('000)	-	104	-	104
<b>Weighted average number of ordinary shares (diluted)</b>		669,445	669,189	669,445	669,189
Diluted earnings per ordinary share	(sen)	0.75	1.22	2.38	1.68

**27. Corporate Proposals**

- (a) There were no corporate proposals by the Company during the financial period to date except for the proposed establishment of a new Employees Share Option Scheme (ESOS) to the eligible directors and employees, to subscribe for up to ten per cent of the total and issued paid up capital of the Company.

All requisite approvals had been obtained from Bursa Malaysia Securities Berhad and an Extraordinary General Meeting had been held on 22 July 2020 to approve all the said resolutions pertaining to the ESOS.

The new ESOS Scheme will be implemented by the Company in third quarter 2020.

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

**28. Changes In Material Litigation**

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

**29. Foreign Currency Risk Management**

The Group is exposed to foreign currency risk on sales, purchases and cash and cash equivalents that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the U.S. Dollar ("USD").

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.

**30. Dividends Declared**

The Board of Directors has declared a first interim single tier ordinary dividend of 1 sen (2019: 1 sen) per share and a single tier special dividend of 1 sen (2019: 1 sen) per share, totalling RM13.4 million (2019: RM13.4 million) in respect of the financial year ending 31 December 2020 to Depositors who are registered in the Record of Depositors of the Company on 18 June 2020.

The above interim dividend was paid on 2 July 2020 as disclosed in Note 16 of this announcement.

By Order of the Board

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

Joint Secretaries

Dated this 28 July 2020