

GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

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
		30/09/2020	30/09/2019	30/09/2020	30/09/2019
Continuing operations		RM'000	RM'000	RM'000	RM'000
Revenue		65,542	66,264	164,374	157,360
Cost of sales		(40,579)	(40,374)	(109,537)	(103,341)
Gross profit		24,963	25,890	54,837	54,019
Administrative and operating expenses		(8,419)	(9,495)	(27,986)	(28,743)
Other operating income		1,592	2,882	7,971	6,980
Results from operating activities		18,136	19,277	34,822	32,256
Finance costs		-	(64)	-	(300)
Share of (loss)/profit of equity-accounted associate, net of tax		(3)	27	38	89
Profit before tax		18,133	19,240	34,860	32,045
Tax expense	22	(99)	(296)	(915)	(1,868)
Profit for the period		18,034	18,944	33,945	30,177
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")		159	6	(285)	465
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(612)	294	256	172
Other comprehensive income for the period, net of tax		(453)	300	(29)	637
Total comprehensive income for the period		17,581	19,244	33,916	30,814

	Individual Period (3rd quarter)		Cumulative Period	
	Current Quarter Ended 30/09/2020	Corresponding Quarter Ended 30/09/2019	Current Year To-date Ended 30/09/2020	Corresponding Year To-date Ended 30/09/2019
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Company	18,034	18,944	33,945	30,177
Profit for the period	18,034	18,944	33,945	30,177
Total comprehensive income attributable to :				
Owners of the Company	17,581	19,244	33,916	30,814
Total comprehensive income for the period	17,581	19,244	33,916	30,814
Earnings per ordinary share (sen)	26			
- Basic	2.69	2.83	5.07	4.51
- Diluted	2.69	2.83	5.07	4.51

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 SEPTEMBER 2020

Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 30/09/2020 RM'000	As at 31/12/2019 RM'000
Assets			
Property, plant and equipment	21	104,303	118,503
Investment property		6,400	6,593
Investment in an associate		5,481	5,443
Other investments		10,613	10,210
Deferred tax assets		213	213
Total non-current assets		127,010	140,962
Inventories		6,619	8,301
Current tax assets		874	954
Trade receivables	23	48,632	38,129
Other receivables, deposits and prepayments		3,669	3,195
Cash and cash equivalents		146,534	146,236
Total current assets		206,328	196,815
Total assets		333,338	337,777
Equity			
Share capital		186,463	186,463
Reserves			
Capital reserve		41	41
Fair value reserve		459	719
Translation reserve		3,133	2,877
Retained earnings		107,140	106,692
Total equity attributable to owners of the Company		297,236	296,792
Liabilities			
Deferred income		802	2,053
Total non-current liabilities		802	2,053
Loans and borrowings	24	-	4,128
Current tax liabilities		15	28
Trade payables		6,227	5,398
Other payables and accruals		29,058	29,378
Total current liabilities		35,300	38,932
Total liabilities		36,102	40,985
Total equity and liabilities		333,338	337,777
Net assets per share (RM)		0.44	0.44

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 SEPTEMBER 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	
9 months ended 30/09/2020						
At 1 January 2020	186,463	41	719	2,877	106,692	296,792
Foreign currency translation differences for foreign operations	-	-	-	256	-	256
Net change in fair value of equity investment designated at FVOCI	-	-	(285)	-	-	(285)
Total other comprehensive (expenses)/income for the period	-	-	(285)	256	-	(29)
Profit for the period	-	-	-	-	33,945	33,945
Total comprehensive (expense)/income for the period	-	-	(285)	256	33,945	33,916
Contributions by and distributions to owners of the Company						
Dividends to owners of the Company	-	-	-	-	(33,472)	(33,472)
Total transactions with owners of the Company	-	-	-	-	(33,472)	(33,472)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	25	-	(25)	-
At 30 September 2020	186,463	41	459	3,133	107,140	297,236

GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

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 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
9 months ended 30/09/2019	<hr/>						
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	<hr/>						
Issuance of new ordinary shares pursuant to 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	<hr/> 186,463	<hr/> -	<hr/> 41	<hr/> 508	<hr/> 3,203	<hr/> 108,891	<hr/> 299,106

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 SEPTEMBER 2020

Condensed Consolidated Statement of Cash Flows

The figures have not been audited

		9 months ended 30/09/2020	9 months ended 30/09/2019
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		34,860	32,045
Adjustments for:-			
Depreciation of property, plant and equipment		29,015	23,935
Depreciation of investment property		193	193
Plant and equipment written off		2	1
Impairment loss on plant and equipment		-	533
(Gain)/loss on disposal of :			
- property, plant and equipment	21	(370)	(74)
- other investments		-	11
Interest income		(2,063)	(2,581)
Amortisation of deferred income		(1,251)	(1,530)
Share of profit of equity-accounted associate, net of tax		(38)	(89)
Interest expense		-	300
Unrealised loss on foreign exchange for loans and borrowings		-	131
Operating profit before changes in working capital		60,348	52,875
Change in inventories		1,682	2,620
Change in trade and other receivables		(10,973)	13,010
Change in trade and other payables		507	(9,119)
Cash generated from operations		51,564	59,386
Tax paid		(848)	(2,142)
Net cash generated from operating activities		50,716	57,244
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	21	(15,740)	(3,711)
Acquisition of other investments	8	(4,993)	(2,402)
Proceeds from disposal of:			
- property, plant and equipment		1,293	81
- other investments	8	4,356	1,072
Interest received		2,063	2,581
Net cash used in investing activities		(13,021)	(2,379)

	9 months ended 30/09/2020 RM'000	9 months ended 30/09/2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(33,472)	(33,455)
Repayment of other borrowings	(4,128)	(16,697)
Proceeds from issue of ordinary shares	-	602
Interest paid	-	(300)
Net cash used in financing activities	(37,600)	(49,850)
Net increase in cash and cash equivalents	95	5,015
Effect of exchange rate fluctuations on cash held	203	121
Cash and cash equivalents as at 1 January	146,236	121,007
Cash and cash equivalents as at 30 September	146,534	126,143

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	89,131	73,146
- Short term deposits	29,575	26,270
Cash and bank balances	27,828	26,727
	146,534	126,143

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 SEPTEMBER 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:-

	9 months ended 30/09/2020 RM'000
Purchases	4,993
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 RM31.6 million of which RM3.6 million has been utilized as at 30 September 2020, a decrease of RM4.2 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

9 months ended 30/09/2020

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit before taxation	31,104	1,122	571	32,797
Revenue from external customer	154,010	8,446	1,918	164,374

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

	30/09/2020 RM'000	30/09/2019 RM'000
Reconciliation of segment profit:-		
Reportable segments	32,797	29,764
Finance costs	-	(300)
Interest income	2,063	2,581
Consolidated profit before taxation	<u>34,860</u>	<u>32,045</u>
Tax expense	(915)	(1,868)
Consolidated profit after taxation	<u><u>33,945</u></u>	<u><u>30,177</u></u>

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:-

	9 months ended 30/09/2020 RM'000
i) Transactions with an associate <i>NGK Globetronics Technology Sdn Bhd</i>	
Rental of investment property	1,881
Provision of management support services	<u>94</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 (3rd quarter)			Cumulative Period		
	Current	Corresponding	Changes	Current	Corresponding	Changes
	Quarter	Quarter		Year To-date	Year To-date	
	Ended	Ended	Ended	Ended		
30/09/2020	30/09/2019	%	30/09/2020	30/09/2019	%	
	RM'000	RM'000		RM'000	RM'000	
Revenue	65,542	66,264	-1	164,374	157,360	4
Operating Profit	18,136	19,277	-6	34,822	32,256	8
Profit Before Interest and Tax	18,133	19,304	-6	34,860	32,345	8
Profit Before Tax	18,133	19,240	-6	34,860	32,045	9
Profit After Tax	18,034	18,944	-5	33,945	30,177	12
Profit Attributable to Owners of the Company	18,034	18,944	-5	33,945	30,177	12

The Group's revenue and net profit for the quarter under review was RM65.5 million and RM18 million, a decrease of 1% and 5% respectively as compared to RM66.3 million and RM18.9 million in the corresponding quarter ended 30 September 2019.

The lower net profit achieved in the current quarter was mainly due to forex loss of RM1 million recognised in the income statement as compared to the corresponding quarter ended 30 September 2019's forex gain of RM0.6 million.

For the period under review, the Group recorded a higher revenue and net profit of RM164.4 million and RM33.9 million as compared to RM157.4 million and RM30.2 million respectively in the corresponding period last year (increase of 4% and 12% 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:-

- Higher volume loadings achieved from certain of the Group's customers; and
- 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	Immediate	Changes
	Quarter	Preceding	
	Ended	Quarter	
	30/09/2020	30/6/2020	
	RM'000	RM'000	%
Revenue	65,542	44,913	46
Operating Profit	18,136	5,352	239
Profit Before Interest and Tax	18,133	5,324	241
Profit Before Tax	18,133	5,324	241
Profit After Tax	18,034	5,023	260
Profit Attributable to Owner of the Company	18,034	5,023	260

The Group's revenue for the quarter under review was RM65.5 million, an increase of 46% from the preceding quarter of RM44.9 million while the net profit after tax of the Group for the quarter was RM18 million, an increase of 260% from the preceding quarter of RM5 million.

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

- Higher volume loadings from most of the Group's customers; and
- Operations running at 100% workforce capacity in Q3'20 (vs 50% workforce capacity from 18 March 20 until 28 April 20 during Movement Control Order ("MCO") in Malaysia).

19. **Prospects**

The Group's financial performance may continue to be impacted by the Covid-19 outbreak and the disruption of economic activities arising from continuous changes in the implementation of MCO, lockdown or stay at home order depending on the number of infected Covid-19 cases. 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 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 nine months ended 30 September 2020, the Group acquired property, plant and equipment with a cost of RM15.7 million (Nine months ended 30 September 2019: RM3.7 million).

(b) Capital commitments

As at 30 September 2020, the Group has entered into contracts to purchase property, plant and equipment for RM4.1 million (30 September 2019: RM2.1 million).

(c) Disposals

Assets with a carrying amount of RM0.9 million were disposed of during the nine months ended 30 September 2020 (Nine months ended 30 September 2019: RM7K), resulting in a gain on disposal of RM0.4 million (Nine months ended 30 September 2019: gain of RM74K), 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	
		30/09/2020	30/09/2019	30/09/2020	30/09/2019
		RM'000	RM'000	RM'000	RM'000
Current tax expense					
Malaysia	- current period	130	295	969	1,767
	- prior year	(31)	1	(54)	1
		<u>99</u>	<u>296</u>	<u>915</u>	<u>1,768</u>
Deferred tax expense					
Malaysia	- current period	-	-	-	100
		<u>99</u>	<u>296</u>	<u>915</u>	<u>1,868</u>

The effective tax rate of the Group is lower than the statutory tax rate in the period-to-date ended 30 September 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:-

	Current Quarter Ended 30/09/2020 RM'000	Corresponding Quarter Ended 30/09/2019 RM'000
Current (not past due)	45,362	43,474
1-30 days past due	3,186	9,400
31-60 days past due	84	837
Above 60 days past due	-	1,406
	3,270	11,643
Credit Impaired		
Individually impaired	-	-
	<u>48,632</u>	<u>55,117</u>

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

24. **Loans and borrowings**

Loans and borrowings denominated in foreign currency:-

	As at 30/09/2020		As at 30/09/2019	
	USD'000	RM'000 Equivalent	USD'000	RM'000 Equivalent
Current				
Revolving credits - unsecured	-	-	2,000	8,376
Total loans and borrowings	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>8,376</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):-

	Current Quarter Ended 30/09/2020 RM'000	Corresponding Quarter Ended 30/09/2019 RM'000	Current Year To-date Ended 30/09/2020 RM'000	Corresponding Year To-date Ended 30/09/2019 RM'000
Depreciation of property, plant and equipment	10,794	10,558	29,015	23,935
Depreciation of investment property	64	64	193	193
Property, plant and equipment written off	2	-	2	1
Impairment loss on plant and equipment	-	-	-	533
Rental expenses	365	415	1,164	1,293
Rental income	(1,009)	(831)	(2,963)	(2,232)
Amortization of deferred income	(415)	(506)	(1,251)	(1,530)
Gain on disposal of property, plant and equipment	(316)	(74)	(370)	(74)
Interest income	(514)	(719)	(2,063)	(2,581)
Interest expense	-	64	-	300
Loss/(gain) on foreign exchange – realised	737	(389)	(1,183)	(534)
Loss/(gain) on foreign exchange – unrealised	246	(255)	(64)	(296)

26. Earnings Per Ordinary Share ("EPS")

(i) Basic earnings per ordinary share

		3 months ended		9 months ended	
		30/09/2020	30/09/2019	30/09/2020	30/09/2019
Net profit for the period	(RM'000)	18,034	18,944	33,945	30,177
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)	-	104	-	104
Weighted average number of ordinary shares	('000)	669,445	669,137	669,445	669,137
Basic earnings per ordinary share	(sen)	2.69	2.83	5.07	4.51

(ii) Diluted earnings per ordinary share

		3 months ended		9 months ended	
		30/09/2020	30/09/2019	30/09/2020	30/09/2019
Net profit for the period	(RM'000)	18,034	18,944	33,945	30,177
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)	-	104	-	104
Weighted average number of ordinary shares (diluted)		669,445	669,137	669,445	669,137
Diluted earnings per ordinary share	(sen)	2.69	2.83	5.07	4.51

27. Corporate Proposals

- (a) There were no corporate proposals by the Company during the financial period to date except for the 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 first quarter 2021.

- (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

No dividends were declared in the quarter ended 30 September 2020.

By Order of the Board

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

Joint Secretaries

Dated this 27 October 2020