

**GLOBETRONICS TECHNOLOGY BHD**

Registration No. 199601037932 (410285-W)

**INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022****Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

The figures have not been audited

	Note	Individual Period (2nd quarter)		Cumulative Period	
		Current Quarter Ended	Corresponding Quarter Ended	Current Year To-date Ended	Corresponding Year To-date Ended
		30/6/2022	30/6/2021	30/6/2022	30/6/2021
		RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>					
Revenue		47,638	46,403	90,269	101,798
Cost of sales		(27,995)	(31,070)	(53,352)	(66,416)
Gross profit		19,643	15,333	36,917	35,382
Administrative and operating expenses		(10,368)	(10,220)	(19,407)	(20,829)
Other operating income		2,261	1,932	3,962	5,069
Results from operating activities		11,536	7,045	21,472	19,622
Finance income		480	341	831	649
Share of (loss)/profit of equity-accounted associate, net of tax		(192)	38	(397)	94
Profit before tax		11,824	7,424	21,906	20,365
Tax expense	22	(636)	(1,173)	(1,271)	(1,577)
Profit for the period		11,188	6,251	20,635	18,788
<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")		(463)	12	(898)	(59)
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		762	(17)	905	493
<b>Other comprehensive income/(expense) for the period, net of tax</b>		299	(5)	7	434
<b>Total comprehensive income for the period</b>		11,487	6,246	20,642	19,222

	Individual Period (2nd quarter)		Cumulative Period	
	Current Quarter Ended	Corresponding Quarter Ended	Current Year To-date Ended	Corresponding Year To-date Ended
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to :</b>				
Owners of the Company	11,188	6,251	20,635	18,788
<b>Profit for the period</b>	11,188	6,251	20,635	18,788
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	11,487	6,246	20,642	19,222
<b>Total comprehensive income for the period</b>	11,487	6,246	20,642	19,222
<b>Earnings per ordinary share (sen)</b>	25			
- Basic	1.67	0.93	3.08	2.81
- Diluted	1.67	0.93	3.08	2.81

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 2021. The accompanying notes are an integral part of this Statement.

# GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

INTERIM REPORT FOR THE FINANCIAL QUARTER 30 JUNE 2022

## Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 30/6/2022 RM'000	As at 31/12/2021 RM'000
<b>Assets</b>			
Property, plant and equipment	21	65,147	68,521
Investment property		14,028	14,222
Investment in an associate		5,273	5,670
Other investments		6,556	9,555
Deferred tax assets		110	110
<b>Total non-current assets</b>		<u>91,114</u>	<u>98,078</u>
Inventories		10,985	8,190
Current tax assets		310	619
Trade receivables	23	35,519	30,267
Other receivables, deposits and prepayments		2,540	2,671
Cash and cash equivalents		188,954	195,097
<b>Total current assets</b>		<u>238,308</u>	<u>236,844</u>
<b>Total assets</b>		<u><b>329,422</b></u>	<u><b>334,922</b></u>
<b>Equity</b>			
Share capital		186,463	186,463
Reserves			
Share option reserve		1,264	1,057
Capital reserve		41	41
Fair value reserve		(377)	219
Translation reserve		4,089	3,184
Retained earnings		110,268	110,018
<b>Total equity attributable to owners of the Company</b>		<u>301,748</u>	<u>300,982</u>
<b>Liabilities</b>			
Current tax liabilities		481	699
Trade payables		3,840	5,005
Other payables and accruals		23,353	28,236
<b>Total current liabilities</b>		<u>27,674</u>	<u>33,940</u>
<b>Total liabilities</b>		<u>27,674</u>	<u>33,940</u>
<b>Total equity and liabilities</b>		<u><b>329,422</b></u>	<u><b>334,922</b></u>
<b>Net assets per share (RM)</b>		<b>0.45</b>	<b>0.45</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 31 December 2021. 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 2022

### Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	←——— <i>Attributable to owners of the Company</i> ———→						
	←——— <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	Total equity RM'000
<b>6 months ended 30/6/2022</b>							
At 1 January 2022	186,463	1,057	41	219	3,184	110,018	300,982
Foreign currency translation differences for foreign operations	-	-	-	-	905	-	905
Net change in fair value of equity investment designated at FVOCI	-	-	-	(898)	-	-	(898)
Total other comprehensive (expense)/income for the period	-	-	-	(898)	905	-	7
Profit for the period	-	-	-	-	-	20,635	20,635
<b>Total comprehensive (expense)/income for the period</b>	-	-	-	(898)	905	20,635	20,642
<b>Contributions by and distributions to owners of the Company</b>							
Share-based payment transactions	-	207	-	-	-	-	207
Dividends to owners of the Company	-	-	-	-	-	(20,083)	(20,083)
<b>Total transactions with owners of the Company</b>	-	207	-	-	-	(20,083)	(19,876)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	-	302	-	(302)	-
<b>At 30 June 2022</b>	<b>186,463</b>	<b>1,264</b>	<b>41</b>	<b>(377)</b>	<b>4,089</b>	<b>110,268</b>	<b>301,748</b>

# GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

## INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022

### 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	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 30/6/2021</b>							
At 1 January 2021	186,463	-	41	871	2,463	107,263	297,101
Foreign currency translation differences for foreign operations	-	-	-	-	493	-	493
Net change in fair value of equity investment designated at FVOCI	-	-	-	(59)	-	-	(59)
Total other comprehensive (expense)/income for the period	-	-	-	(59)	493	-	434
Profit for the period	-	-	-	-	-	18,788	18,788
<b>Total comprehensive (expense)/income for the period</b>	-	-	-	(59)	493	18,788	19,222
<b>Contributions by and distributions to owners of the Company</b>							
Share-based payment transactions	-	398	-	-	-	-	398
Dividends to owners of the Company	-	-	-	-	-	(20,083)	(20,083)
<b>Total transactions with owners of the Company</b>	-	398	-	-	-	(20,083)	(19,685)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	-	(14)	-	14	-
<b>At 30 June 2021</b>	<b>186,463</b>	<b>398</b>	<b>41</b>	<b>798</b>	<b>2,956</b>	<b>105,982</b>	<b>296,638</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 2021. The accompanying notes are an integral part of this Statement.

# GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

## INTERIM REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 30 JUNE 2022

### Condensed Consolidated Statement of Cash Flows

The figures have not been audited

		6 months ended 30/6/2022	6 months ended 30/6/2021
	Note	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations		21,906	20,365
Adjustments for:-			
Depreciation of property, plant and equipment		11,469	16,205
Depreciation of investment property		194	128
Property, plant and equipment written off		1	-
Gain on disposal of property, plant and equipment	21	(71)	(298)
Interest income		(983)	(928)
Amortisation of deferred income		-	(399)
Share of loss/(profit) of equity-accounted associate, net of tax		397	(94)
Share-based payments		207	398
Operating profit before changes in working capital		33,120	35,377
Change in inventories		(2,795)	(2,637)
Change in trade and other receivables		(5,121)	1,947
Change in trade and other payables		(6,050)	(124)
Cash generated from operations		19,154	34,563
Interest received		153	279
Tax (paid)/refunded		(1,180)	29
Net cash generated from operating activities		<b>18,127</b>	<b>34,871</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	21	(8,096)	(2,912)
Acquisition of other investments	8	(684)	(846)
Proceeds from disposal of:			
- property, plant and equipment		71	2,290
- other investments	8	3,016	1,788
Interest received		831	649
Net cash (used in)/generated from investing activities		<b>(4,862)</b>	<b>969</b>

	<b>6 months ended 30/6/2022 RM'000</b>	<b>6 months ended 30/6/2021 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to owners of the Company	(20,083)	(20,083)
Net cash used in financing activities	<b>(20,083)</b>	<b>(20,083)</b>
Net (decrease)/increase in cash and cash equivalents	<b>(6,818)</b>	<b>15,757</b>
Effect of exchange rate fluctuations on cash held	675	377
<b>Cash and cash equivalents as at 1 January</b>	195,097	163,664
<b>Cash and cash equivalents as at 30 June</b>	<b>188,954</b>	<b>179,798</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	131,810	99,143
- Short term deposits	26,653	30,771
Cash and bank balances	30,491	49,884
	<b>188,954</b>	<b>179,798</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2021. The accompanying notes are an integral part of this Statement.

# LOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

## INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022

### 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 2021.

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 2021.

#### 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 2021.

The following are accounting standard and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

##### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021***

- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*

##### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018 - 2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018 - 2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018 - 2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018 - 2020)*

##### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts - Initial application of MFRS 17 and MFRS 9 - Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*



2. **Significant Accounting Policies (Cont'd)**

***MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned amendments where applicable, in the respective financial years when the above amendments become effective.

The Group and the Company do not plan to apply MFRS 17, amendments to MFRS 17 and MFRS 141 that are effective for annual periods beginning on or after 1 January 2023 and 1 January 2022 respectively as they are not applicable to the Group and the Company.

The initial application of the abovementioned amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

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 2021 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 2021.

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>30/6/2022</b>
	<b>RM'000</b>
Purchases	684
Sales	3,016

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 RM21.5 million of which RM3.1 million has been utilized as at 30 June 2022, no changes as compared to 31 December 2021.

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 30/6/2022**

	<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	20,783	340	(200)	20,923
Revenue from external customer	87,200	2,995	74	90,269

**6 months ended 30/6/2021**

	<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	18,759	799	(121)	19,437
Revenue from external customer	96,023	5,683	92	101,798

	<b>30/6/2022 RM'000</b>	<b>30/6/2021 RM'000</b>
Reconciliation of segment profit:-		
Reportable segments	20,923	19,437
Finance costs	-	-
Interest income	983	928
Consolidated profit before taxation	21,906	20,365
Tax expense	(1,271)	(1,577)
Consolidated profit after taxation	20,635	18,788

### 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 2021;
- 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 30/6/2022 RM'000</b>
i) Transactions with an associate	
<i>NGK Globetronics Technology Sdn Bhd</i>	
Rental of investment property	1,257
Provision of management support services	<u>126</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 (2021: 1 sen) per share and a single tier special dividend of 2 sen (2021: 2 sen) per share, totalling RM20.1 million (2021: RM20.1 million) in respect of the financial year ended 31 December 2021 was paid on 24 March 2022 to Depositors who are registered in the Record of Depositors of the Company on 14 March 2022.

A first interim single tier ordinary dividend of 1 sen (2021: 1 sen) per share and a single tier special dividend of 1 sen (2021: 1 sen) per share, totalling RM13.4 million (2021: RM13.4 million) in respect of the financial year ending 31 December 2022 was paid on 20 July 2022 to Depositors who are registered in the Record of Depositors of the Company on 5 July 2022.

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	Corresponding	Changes	Current	Corresponding	Changes
	Quarter	Quarter		Year To-date	Year To-date	
	Ended	Ended	Ended	Ended		
30/6/2022	30/6/2021	%	30/6/2022	30/6/2021	%	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	47,638	46,403	3	90,269	101,798	-11
Operating Profit	11,536	7,045	64	21,472	19,622	9
Profit Before Tax	11,824	7,424	59	21,906	20,365	8
Profit After Tax	11,188	6,251	79	20,635	18,788	10
Profit Attributable to Owners of the Company	11,188	6,251	79	20,635	18,788	10

The Group's revenue and net profit for the quarter under review were RM47.6 million and RM11.2 million, an increase of 3% and 79% respectively as compared to RM46.4 million and RM6.3 million in the corresponding quarter ended 30 June 2021.

The higher sales and net profit achieved in the current quarter were mainly due to:-

- i) Better products' mix achieved; and
- ii) Forex gain of RM1.3 million recognised in the income statement as compared to forex gain of RM0.2 million in the corresponding quarter ended 30 June 2021.

For the period under review, the Group recorded a lower revenue of RM90.3 million and a higher net profit of RM20.6 million as compared to RM101.8 million and RM18.8 million respectively in the corresponding period last year (decrease of 11% and increase of 10% respectively). South East Asia segment recorded sales decrease as compared to corresponding period last year.

The lower revenue achieved in the current period was mainly due to lower volume loadings from certain of the Group's customers offset by higher net profit due to better products' mix achieved.

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

	Current	Immediate	Changes
	Quarter	Preceding	
	Ended	Quarter	
	30/6/2022	31/3/2022	%
	RM'000	RM'000	%
Revenue	47,638	42,631	12
Operating Profit	11,536	9,936	16
Profit Before Tax	11,824	10,082	17
Profit After Tax	11,188	9,447	18
Profit Attributable to Owner of the Company	11,188	9,447	18

The Group's revenue for the quarter under review was RM47.6 million, an increase of 12% from the preceding quarter of RM42.6 million while the net profit of the Group for the quarter was RM11.2 million, an increase of 18% from the preceding quarter of RM9.4 million.

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

- i) Higher volume loadings of products and better economy of scale from most of the Group's customers; and
- ii) Forex gain of RM1.3 million recognised in the income statement as compared to forex gain of RM0.5 million in the preceding quarter ended 31 March 2022.

19. **Prospects**

The Group's operations may continue to be impacted from the highly infectious Omicron variant of Covid-19. In addition, the semiconductor industry continues to experience challenging macroeconomic and geopolitical issues resulting in supply chain disruption, uncertain end demand, rising inflation and manpower shortages. The Group has taken measures and shall continue to strive to minimize any potential exposures or disruptions arising from these challenges.

The business outlook is challenging with the unpredictable market conditions. The Group cautiously expect the financial performance to remain satisfactory for Year 2022 amidst the uncertainties ahead.

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 quarter ended 30 June 2022, the Group acquired property, plant and equipment with a cost of RM8.1 million (Quarter ended 30 June 2021: RM2.9 million).

**(b) Capital commitments**

As at 30 June 2022, the Group has entered into contracts to purchase property, plant and equipment for RM1.0 million (Quarter ended 30 June 2021: RM4.6 million).

**(c) Disposals**

Assets with a carrying amount of RM4 were disposed of during the quarter ended 30 June 2022 (Quarter ended 30 June 2021: RM2 million), resulting in a gain on disposal of RM71K (Quarter ended 30 June 2021: loss of RM0.3 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.

22. **Tax Expense**

		3 months ended		6 months ended	
		30/6/2022	30/6/2021	30/6/2022	30/6/2021
		RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>					
Malaysia	- current period	636	1,173	1,271	1,577
		<u>636</u>	<u>1,173</u>	<u>1,271</u>	<u>1,577</u>

The effective tax rate of the Group is lower than the statutory tax rate in the period-to-date ended 30 June 2022 mainly due to tax incentives enjoyed by a subsidiary in the Group.

The current tax incentives enjoyed by a subsidiary in the Group expired on 30 June 2022.

23. **Trade Receivables**

The age analysis of trade receivables is as follow:-

	<b>Current Quarter Ended 30/6/2022 RM'000</b>	<b>Corresponding Quarter Ended 30/6/2021 RM'000</b>
Current (not past due)	32,852	37,713
1-30 days past due	2,517	1,878
31-60 days past due	150	199
Above 60 days past due	-	234
	2,667	2,311
<b>Credit Impaired</b>		
Individually impaired	-	-
	<u>35,519</u>	<u>40,024</u>

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

24. **Profit Before Tax**

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

	<b>Current Quarter Ended 30/6/2022 RM'000</b>	<b>Corresponding Quarter Ended 30/6/2021 RM'000</b>	<b>Current Period To-date Ended 30/6/2022 RM'000</b>	<b>Corresponding Period To-date Ended 30/6/2021 RM'000</b>
Depreciation of property, plant and equipment	5,949	6,916	11,469	16,205
Depreciation of investment property	97	64	194	128
Property, plant and equipment written off	-	-	1	-
Amortization of deferred income	-	-	-	(399)
Gain on disposal of property, plant and equipment	(35)	(418)	(71)	(298)
Interest income	(570)	(502)	(983)	(928)
Gain on foreign exchange – realised	(1,171)	(756)	(1,256)	(991)
(Gain)/loss on foreign exchange – unrealised	(154)	536	(565)	(726)
<b>Expenses/(income) arising from leases</b>				
Expenses relating to short-term leases	377	472	750	909
Income from:				
- subleasing of building	(180)	(361)	(360)	(735)
- investment property	(837)	(627)	(1,671)	(1,254)

25. Earnings Per Ordinary Share ("EPS")

(i) Basic earnings per ordinary share

		3 months ended		6 months ended	
		30/6/2022	30/6/2021	30/6/2022	30/6/2021
Net profit for the period	(RM'000)	11,188	6,251	20,635	18,788
Issued ordinary shares at beginning of the period	('000)	669,445	669,445	669,445	669,445
Effect of shares issued during the period	('000)	-	-	-	-
<b>Weighted average number of ordinary shares</b>	('000)	669,445	669,445	669,445	669,445
Basic earnings per ordinary share	(sen)	1.67	0.93	3.08	2.81

(ii) Diluted earnings per ordinary share

		3 months ended		6 months ended	
		30/6/2022	30/6/2021	30/6/2022	30/6/2021
Net profit for the period	(RM'000)	11,188	6,251	20,635	18,788
Issued ordinary shares at beginning of the period	('000)	669,445	669,445	669,445	669,445
Effect of shares issued during the period	('000)	-	-	-	-
<b>Weighted average number of ordinary shares (diluted)</b>		669,445	669,445	669,445	669,445
Diluted earnings per ordinary share	(sen)	1.67	0.93	3.08	2.81

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as the effect of the assumed exercise of ESOS is not considered as the exercise price of the ESOS is higher than the average market price of the Company's shares.

**26. 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.

**27. Changes In Material Litigation**

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

**28. 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.

**29. Dividends Declared**

The Board of Directors has declared a first interim single tier ordinary dividend of 1 sen (2021: 1 sen) per share and a single tier special dividend of 1 sen (2021: 1 sen) per share, totalling RM13.4 million (2021: RM13.4 million) in respect of the financial year ending 31 December 2022 to Depositors who are registered in the Record of Depositors of the Company on 5 July 2022.

The above interim dividend was paid on 20 July 2022 as disclosed in Note 16 of this announcement.

By Order of the Board

Lee Peng Loon (MACS 01258)  
SSM PC NO. 201908002340

P'ng Chiew Keem (MAICSA 7026443)  
SSM PC NO. 201908002334

Joint Secretaries

Dated this 26 July 2022