PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and Issuers Communication No. 1/2017 – Guidance on Disclosures in Notes to Quarterly Report issued by Bursa Securities. This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017.

A2. Adoption of Revised Financial Reporting

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2017, except for the adoption of the following Amendments and Annual improvement to Standards that came into effect on 1 January 2018:-

MFRS 9 Financial Instruments

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contract

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'

Amendments to MFRS 140 - Transfer of Investment Property

Annual Improvement to MFRS Standards 2014 - 2016 Cycles:

- Amendment to MFRS 1: Deletion of Short-term Exemptions for First- time Adopters
- Amendment to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The initial applications of the above do not have any material financial impacts to the financial statements of the Group.

The following Standards were issued but not yet effective and have not been adopted by the Group:

MFRSs and IC Interpretations (Including The Consequential Amendments	Effective Date
MFRS 16 Leases	1 January 2019
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: (Plan Amendment, Curtailment or Settlement)	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015-2017 Cycles	1 January 2019
Amendments to MFRS 2 Share-based Payment	1 January 2020
Amendments to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14 Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138 Intangible Assets	1 January 2020
Amendments to IC Interpretation 12 Service Concession Arrangements	1 January 2020

A2. Adoption of Revised Financial Reporting (Cont'd)

The following Standards were issued but not yet effective and have not been adopted by the Group (Cont'd):

MFRSs and IC Interpretations (Including The Consequential Amendments	Effective Date
Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132 Intangible Assets – Web Site Costs	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A3. Auditors' Report on Preceding Annual Financial Statements

The preceding annual financial statements of the Group were reported on without any qualification.

A4. Comments about Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

A5. Changes in Estimates

There was no significant change in estimates of amounts reported in prior financial years which have a material effect in the current quarter and period ended 30 September 2018.

A6. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter and period ended 30 September 2018.

A7. Dividend

No dividend was paid during the current quarter ended 30 September 2018.

A8. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment for the current quarter and period ended 30 September 2018.

A9. Debt and Equity Securities

During the current quarter and period ended 30 September 2018, the Company has:

(a) Issued new ordinary shares arising from the exercise of options under the Company's Employees' Share Option Scheme ("ESOS") as follows:-

	Issue Price per share RM	Current Year Quarter Ended 30 September 2018 No of shares	Current Year Period Ended 30 September 2018 No of shares
Exercise of ESOS	0.17	805,000	3,267,000
Exercise of ESOS	0.25	87,500	137,500
Exercise of ESOS	0.28	130,700	854,000
Exercise of ESOS	0.30	909,000	2,433,000
Total		1,932,200	6,691,500

The new ordinary shares rank pari passu with the existing ordinary shares of the Company.

(b) Issued new ordinary shares arising from the conversion of ICPS:

	Current Year Quarter Ended 30 September 2018 No of shares	Current Year Period Ended 30 September 2018 No of shares
Conversion of ICPS	-	30,077,868

Other than the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity security during the current quarter and period ended 30 September 2018.

A10. Segmental Information

The Group operates primarily in the semiconductor industry. Geographical segmental information is as follows:

Current Year Year-To-Date 30 September 2018	**Asia RM'000**	**Europe RM'000**	**USA RM'000**	**Others RM'000**	**Group RM'000**
Revenue	233,048	69,577	36,650	10,916	350,191
Segment assets	505,990	31,975	3,643	-	541,608
Capital expenditure	41,198	25	-	-	41,223

Preceding Year Year-To-Date 30 September 2017	**Asia RM'000**	**Europe RM'000**	**USA RM'000**	**Others RM'000**	**Group RM'000**
Revenue	216,042	73,419	33,507	7,843	330,811
Segment assets	453,088	26,010	1,521	183	480,802
Capital expenditure	41,580	7	27	-	41,614

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and period under review except for:

(i) Incorporation of a new subsidiary, Dominant Electronics Sdn Bhd

Dominant Opto Technologies Sdn Bhd ("Dominant"), a 89.79% subsidiary of the Company, had on 7 May 2018 incorporated a new wholly owned subsidiary known as Dominant Electronics Sdn Bhd ("Dominant Electronics"). Dominant Electronics was incorporated in Malaysia under the Malaysia Companies Act 2016 with its intended activities of design, production and sales of automotive LED modules and provision of engineering services.

(ii) Incorporation of a new subsidiary, Dominant Opto Technologies Japan K.K.

Dominant had on 12 June 2018 incorporated a new wholly owned subsidiary known as Dominant Opto Technologies Japan K.K. ("Dominant Japan"). Dominant Japan was incorporated in Japan under the Japanese Companies Act with its intended activities of merchandising semiconductor components including wholesale and retail of semiconductor devices, electronic components, electrical equipment for lighting, electronic display screen, lighting fittings; and import and export and receiving sales commission income of related products.

A12. Capital Commitments

Capital commitments authorised but not provided for in the financial statements are as follows:

	As at 30 September 2018 RM'000	As at 31 December 2017 RM'000
Purchase of property, plant and equipment	17,194	4,491
Renovations	24,828	16,709
	42,022	21,200

A13. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2018.

A14. Subsequent Material Events

There was no material event subsequent to the end of the financial period reported up to 22 November 2018, the latest practicable date which is not earlier than 7 days from the date of issue of these financial statements.

A15. Significant Related Party Transaction

The Group carried out the following significant transactions with related parties during the current quarter and period ended 30 September 2018.

	Current Year Quarter Ended 30 September 2018 RM'000	Preceding Year Quarter Ended 30 September 2017 RM'000	Current Year Period Ended 30 September 2018 RM'000	Preceding Year Period Ended 30 September 2017 RM'000
Sales	-	35	120	203
Purchases	38,533	23,441	89,229	72,117
Others	28	28	84	84

A16. Deferred Income

	As at 30 September 2018 RM'000	As at 31 December 2017 RM'000
Current		
- Government grant	-	143
Total Deferred Income	-	143

The Group received a government grant in year 2013 for a patent licence agreement. The grant is being amortised over 5 years. During the current period ended 30 September 2018, RM142,970 (2017 – RM142,970) has been amortised and recognised as other income in the profit or loss.

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Operating Segment review

3Q Year-on-Year Earnings Performance Review

	Current Year Quarter Ended 30 September 2018 (RM mil)	Preceding Year Quarter Ended 30 September 2017 (RM mil)	% Change
Revenue			
- Automotive	117.48	105.00	11.9%
- Non-Automotive	6.37	5.68	12.1%
	123.85	**110.68**	**11.9%**
Gross Profit	35.19	28.77	22.3%
Gross margin	***28.4%***	***26.0%***	
Other Income/(Expense)	0.50	4.32	-88.4%
Distribution expenses	(1.67)	(1.41)	18.4%
Administrative expenses	(11.76)	(11.31)	4.0%
R&D expenses	(8.01)	(4.97)	61.2%
Finance costs	(0.83)	(0.52)	59.6%
PBT	**13.42**	**14.88**	**-9.8%**
Income Tax	(1.85)	(3.84)	-51.8%
Net Profit	**11.57**	**11.04**	**4.8%**
Significant other income/(expense) items			
Foreign exchange gain/(loss)	0.68	(1.34)	NM
ESOS	(0.74)	(0.58)	27.6%
Dividend income	0.32	0.71	-54.9%
Customer compensation	-	(0.23)	NM
Insurance claim	-	5.93	NM

Despite a 4-6% appreciation of the Malaysia Ringgit against the major export currencies, Group revenue grew 11.9% year-on-year to RM123.8 million in the current quarter under review, driven by an 11.9% increase in Automotive LED sales to RM117.5 million. In constant term, revenue would have registered a 17% expansion.

Gross profit rose 22.3% to RM35.2 million, fueled by higher revenue and margin expansion. Gross profit margin posted a 2.4 percentage point increase to 28.4% on currency effects (a stronger Malaysia Ringgit lowered reported revenue without material impact on nominal gross profit in Ringgit term), better cost management and production efficiency improvements.

Operating profit before other income/expense and finance cost expanded 24.2% to RM13.8 million on higher gross profit and slower increase in distribution and administrative expenses, which grew 5.6% to RM13.4 million, partially offset by a 61.0% increase in R&D expenses to RM8.0 million. Higher R&D expenses were attributable to additional product stress test qualifications for new and existing products in compliance with new industry and/or automotive customers' quality standards.

However, overall pre-tax profit came in 9.8% lower at RM13.4 million as a result of the absence of a RM5.9 million gain from product liability insurance claim settlement recognised in the same period last year and a RM0.3 million increase in finance costs to RM0.8 million. Despite lower pre-tax profit, net profit rose 4.8% to RM11.6 million on lower effective tax rate on reinvestment allowances.

B1. Operating Segment review (cont'd)

9-Month period year-on-year Earnings Performance Review

	Current Year Period Ended 30 September 2018 (RM mil)	Preceding Year Period Ended 30 September 2017 (RM mil)	% Change
Revenue			
- Automotive	331.11	315.06	5.1%
- Non-Automotive	19.08	15.75	21.1%
	350.19	**330.81**	**5.9%**
Gross Profit	97.20	82.98	17.1%
Gross margin	***27.8%***	***25.1%***	
Other Income/(Expense)	(1.24)	0.21	NM
Distribution expenses	(4.75)	(3.89)	22.1%
Administrative expenses	(33.15)	(31.52)	5.2%
R&D expenses	(21.22)	(15.43)	37.5%
Finance costs	(1.75)	(1.64)	6.7%
PBT	**35.09**	**30.71**	**14.3%**
Income Tax	(6.74)	(6.03)	11.8%
Net Profit	**28.35**	**24.68**	**14.9%**
Significant other income/expense items			
Foreign exchange loss	(0.52)	(1.51)	-65.6%
ESOS	(2.27)	(1.80)	26.1%
Customer compensation	(0.28)	(3.01)	-90.7%
Provision for inventory impairment	(3.70)	(1.57)	135.7%
Profit/(loss) from asset realisation	0.50	(0.71)	NM
Government R&D grant	2.20	2.04	7.8%
Net gain on litigation settlement	3.15	-	NM
Insurance claim	-	5.96	NM

Revenue in the 9-month period was 6% higher year-on-year at RM350.2 million. During the period, the US Dollar and Reminbi which accounted for 86% of revenue, weakened 8% and 4% against the Malaysia Ringgit respectively. Removing the currency effects, revenue would have increased 13% year-on-year, underpinned mainly by growth in automotive LED sales.

Gross profit margin for the 9-month period stood at 27.8%, a 2.7 percentage point improvement from 25.1% registered in the same period last year. The margin improvement was achieved on the back of currency effect (as explained above), better cost management and productivity improvements. Consequently, gross profit rose 17.1% to RM97.2 million.

Operating profit before other income/expense and finance cost increased 18.4% to RM38.1 million on higher gross profit and a slower rate of growth of 7.1% in distribution and administrative expenses, partially offset by a sharper 37.5% rise in R&D expenses to RM21.2 million. As explained above the higher R&D expenses were caused by additional product stress test qualifications required by the automotive customers.

Pre-tax profit increased 14.3% to RM35.1 million as growth in operating profit was mitigated by a RM1.2 million net other expense, compared to a RM0.2 million net other income in the same period last year. Significant other income and expense items for both periods were disclosed in the earnings table above.

Net profit grew 14.9% to RM28.4 million on lower effective tax rate which was in turn due to reinvestment allowances in the current quarter.

B1. Operating Segment review (cont'd)

Changes in key Balance Sheet items during the 9 months period

	As At 30 September 2018 (RM mil)	As At 31 December 2017 (RM mil)	Explanation
Non-Current Assets			
Property, Plant and Equipment	184.7	166.1	Increase was due to RM41.2 million Capex on new production equipment, machine upgrades, process automation, new laboratory and QC equipment and renovation costs, partially offset by RM22.0 million depreciation charge and RM0.5 million asset disposal.
Current Assets			
Inventories	145.0	113.3	Inventory increased due to inventory build-up in anticipation of a stronger order book in 4Q2018.
Trade Receivables	101.7	101.2	Trade receivable was flat despite higher sales revenue on better collection.
Current Liabilities			
Trade Payables	124.4	92.0	Trade payable increased RM32.4 million as a result of increased raw material purchases in anticipation of a stronger 4Q2018 order book and higher Capex spending, including renovation of the new factory building.

Cash flow analysis for 9-month period ended 30 September 2018

The Group generated RM48.9million after tax free cash flow from its operations in the 9-month period ended 30 September 2018, RM4.5 million lower the same period last year. Despite higher operating profit, operational cash flow was weighed by an RM11.2 million increase in working capital mainly on inventory build-up in preparation for a stronger 4Q2018 and higher income tax payment following the expiry of Dominant's pioneer status in March 2017. A further RM1.6 million capital was raised from the exercise of ESOS.

In the same period, the Group spent RM41.2million (9M2017: RM41.6 million) on Capex and paid RM7.3 million in dividends to shareholders of the Company. Net cash position for the Group improved from RM5.6 million on 31 December 2017 to RM7.1 million at 30 September 2018.

2. Material Changes In The Quarterly Result As Compared To The Result of The Preceding Quarter

	Current Year Quarter Ended 30 September 2018 (RM mil)	Current Year Quarter Ended 30 June 2018 (RM mil)	% Change
Revenue			
- Automotive	117.48	106.89	9.9%
- Non-Automotive	6.37	6.37	-
	123.85	**113.26**	**9.4%**
Gross Profit	35.19	31.17	12.9%
Gross margin	***28.4%***	***27.5%***	
Other Income/(Expense)	0.50	2.33	-78.5%
Distribution expenses	(1.67)	(1.61)	3.7%
Administrative expenses	(11.76)	(10.79)	9.0%
R&D expenses	(8.01)	(8.86)	-9.6%
Finance costs	(0.83)	(0.45)	84.4%
PBT	**13.42**	**11.79**	**13.8%**
Income Tax	(1.85)	(2.67)	-30.7%
Net Profit	**11.57**	**9.12**	**26.9%**
Significant other income/expense items			
Foreign exchange gain/(loss)	0.68	0.70	-2.9%
ESOS	(0.74)	(0.76)	-2.6%
Inventory written off	0.18	(2.38)	NM
Government R&D grant	-	2.20	NM
Net gain on litigation settlement	-	3.15	NM

Revenue in the current quarter increased 9% to RM123.9 million from RM113.3 million in the preceding quarter on a 10% increase in sales of automotive LED. Compared to the previous quarter, the US Dollar was 5% stronger but the Renminbi weakened 3% against the Ringgit. In constant term, revenue increased 7% to RM121.1 million. The underlying quarter-on-quarter improvement was attributable to a combination of seasonality factors, industry demand growth and increased customer penetration.

Gross profit rose 12.9% to RM35.2 million on the back of higher revenue and margin expansion. Gross profit margin edged up from 27.5% in the preceding quarter to 28.4% in the current quarter mainly due to higher sales volume and better cost management.

Operating profit before other income/expense and finance cost increased 38.7% to RM13.8 million (9M2017: RM9.9 million). In addition to higher gross profit, the results were bolstered by a slower rate of increase of 8.3% in distribution and administrative expenses and a 9.6% decline in R&D expenses.

Pre-tax profit however expanded at a slower pace of 13.8% quarter-on-quarter to RM13.4 million on lower other income (RM0.5 million versus RM2.3 million in 2Q2018) and higher finance costs (RM0.8 versus RM0.5 million in 2Q2018). Significant other income items were disclosed in the earnings table above.

Net profit rose 26.9% to RM11.6 million as a result of lower effective tax rate on reinvestment allowances in the current quarter.

B3. Commentary on Prospects

The on-going trade dispute between the US and China is not expected to have a significant direct impact on demand for Dominant's automotive LED in the fourth quarter as trade volume of vehicles between the two countries is very small relative to the size of the respective domestic markets. Nonetheless, the dispute, if escalates and becomes protracted, poses significant risk to the global automotive market in the longer term as consumer sentiment may weaken, resulting in lower new vehicles sales and investment cut backs and/or deferrals by the major automotive players.

The order book of Dominant remains strong and Dominant is expected to sustain its growth momentum into the final quarter of 2018, underpinned by rising LED adoption in the exterior lighting and interior display applications and Dominant's improving position at the market place.

Capex over the next few years is expected to remain high as Dominant continues to build capacity, improve machine efficiencies and quality control processes, automate certain labour intensive processes and strengthen in-house test capabilities.

Renovation works at the new factory building next to Dominant's existing plant has started since July 2018 and is progressing as scheduled. Phase 1 of the renovation plan, comprising the office building and some infrastructure, is expected to be completed by 2Q2019 at a total cost of RM29 million.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

B5. Income Tax Expense

	Current Year Quarter Ended 30 September 2018 RM'000	Preceding Year Quarter Ended 30 September 2017 RM'000	Current Year Period Ended 30 September 2018 RM'000	Preceding Year Period Ended 30 September 2017 RM'000
Current tax	2,092	2,981	7,256	4,150
Withholding tax on dividend received	841	-	841	-
Deferred tax	275	909	-	1,933
Over provision in prior year	(1,362)	(55)	(1,362)	(56)
	1,846	3,835	6,735	6,027

Dominant Opto Technologies Sdn Bhd was granted pioneer status incentive under the Promotion of Investment Act 1986 in 2007. The pioneer status expired on 31 March 2017. The effective tax rate for the current quarter and period ended 30 September 2018 was lower than Malaysia statutory tax rate of 24% due to capital allowances, reinvestment allowance and over provision in prior year tax expenses.

B6. Borrowings

The Group's borrowings are as follows:

		As at 30 September 2018					
		Long term		**Short term**		**Total borrowings**	
		Foreign denomination **RM'000**	RM denomination **RM'000**	Foreign denomination **RM'000**	RM denomination **RM'000**	Foreign denomination **RM'000**	RM denomination **RM'000**
Secured:	**Exchange rate***						
Hire purchase		-	585	-	220	-	805
Term loan							
-USD	4.14	9,417	-	10,864	-	20,281	-
-EURO	4.80	-	-	3,363	-	3,363	-
-RM		-	4,565	-	1,690	-	6,255
Revolving credit		-	-	-	11,000	-	11,000
		9,417	5,150	14,227	12,910	23,644	18,060
Sub-total			14,567		27,137		41,704

		As at 31 December 2017					
		Long term		**Short term**		**Total borrowings**	
		Foreign denomination **RM'000**	RM denomination **RM'000**	Foreign denomination **RM'000**	RM denomination **RM'000**	Foreign denomination **RM'000**	RM denomination **RM'000**
Secured:	**Exchange rate***						
Hire purchase		-	219	-	104	-	323
Term loan							
-USD	4.05	4,981	-	5,100	-	10,081	-
-EURO	4.84	-	-	3,391	-	3,391	-
-RM		-	5,827	-	1,656		7,483
Revolving credit		-	-	-	10,000	-	10,000
Unsecured:							
Bankers acceptances							
-USD	4.05	-	-	7,033	-	7,033	-
		4,981	6,046	15,524	11,760	20,505	17,806
Sub-total			11,027		27,284		38,311

*The foreign exchange rate used is expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent for the translation of the foreign currency balances at the end of the reporting period.

B7. Unquoted Investments

Details of investment in unquoted investments are as follows:

Other unquoted investments

	As At 30 September 2018 RM'000	As At 31 December 2017 RM'000
Investment in unquoted shares (outside Malaysia)		
At the beginning of year, at cost	8,374	8,453
Disposal of an unquoted shares	(242)	(79)
At the end of the period/year, at cost	8,132	8,374

B8. Earnings per Share

1. Basic

	Current Year Quarter Ended 30 September 2018	Preceding Year Quarter Ended 30 September 2017	Current Year Period Ended 30 September 2018	Preceding Year Period Ended 30 September 2017
Continuing operations				
Profit after taxation (RM'000)	11,571	11,042	28,349	24,679
Non-controlling interests (RM'000)	(1,199)	(4,312)	(4,714)	(9,250)
Profit attributable to Owners of the Company (RM'000)	10,372	6,730	23,635	15,429
Weighted average number of ordinary shares:-				
Issued ordinary shares at 1 January ('000)	1,004,030	989,826	1,004,030	989,826
Effect of new ordinary shares issued under ESOS ('000)	6,026	9,085	4,312	5,672
Effect of new ordinary shares issued under ICPS ('000)	30,078	-	20,133	-
Weighted average number of ordinary shares for the period ('000)	1,040,134	998,911	1,028,475	995,498
Basic earnings per share (sen)	1.00	0.67	2.30	1.55

B8. Earnings per Share (con't)

2. Diluted

	Current Year Quarter Ended 30 September 2018	Preceding Year Quarter Ended 30 September 2017	Current Year Period Ended 30 September 2018	Preceding Year Period Ended 30 September 2017
Continuing operations				
Profit attributable to Owners of the Company (RM'000) (as above)	10,372	6,730	23,635	15,429
Weighted average number of ordinary shares for the period ('000) (as above)	1,040,134	998,991	1,028,475	995,498
Weighted average number of shares deemed to have been issued under ESOS at no consideration ('000)	50,141	43,569	50,141	43,569
Weighted average number of shares deemed to have been issued under ICPS at no consideration ('000)	421,090	-	330,775	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,511,365	1,042,560	1,409,391	1,039,067
Diluted earnings per share (Sen)	0.69	0.65	1.68	1.49

B9. Detailed Disclosure for Statement of Comprehensive Income

	Current Year Quarter Ended 30 September 2018 RM'000	Preceding Year Quarter Ended 30 September 2017 RM'000	Current Year Period Ended 30 September 2018 RM'000	Preceding Year Period Ended 30 September 2017 RM'000
After crediting:				
Interest income	112	25	179	96
Gain on disposal of unquoted investment	28	-	44	14
Gain on disposal of marketable securities	-	-	33	-
Net fair value gain/(loss) on marketable securities	-	15	(61)	63
After debiting:				
Amortisation of intangible assets	54	212	478	636
Depreciation	7,618	6,704	21,969	20,050
Interest expense	414	395	1,118	1,265
(Reversal of)/Inventories written down	(181)	75	3,703	1,760
(Gain)/Loss on disposal of property, plant and equipment	(88)	-	415	710
(Gain)/Loss on foreign exchange	(683)	1,340	522	1,509
Property, plant and equipment written off	-	1	85	1

The company and the group do not have the following items for the respective period:

a) gain or loss on derivatives; and
b) gain or loss on disposal of quoted investments

B10. Corporate Proposals

There was no corporate proposal announced but not completed as at 22 November 2018, the latest practicable date which is not earlier than 7 days from the date of issue of these financial statements.

B11. Off Balance Sheet Financial Instruments

There was no financial instrument with off balance sheet risk as at 22 November 2018, the latest practicable date which is not earlier than 7 days from the date of issue of these financial statements.

B12. Dividend

The Board has declared an interim single-tier dividend of 0.5 sen per ordinary shares in respect of the financial year ending 31 December 2018 (31 December 2017: 0.5 sen). The interim dividend will be paid on 28 December 2018 to the Depositors who are registered in the Record of Depositors at the close of business on 14 December 2018. This dividend has not been included as a liability in these financial statements.

B13. Material Litigation

The Group is not involved in any material litigation as at the date of this report.

B14. Authorisation for Issue

The Board of Directors of D & O approved this interim financial report announcement to the Bursa Malaysia at the Board meeting held on 28 November 2018.