

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
The figures have not been audited

	Note	Individual Period (1st quarter)		Cumulative Period	
		Current Quarter Ended	Corresponding Quarter Ended	Current Year To-date Ended	Corresponding Year To-date Ended
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
Continuing operations		RM'000	RM'000	RM'000	RM'000
Revenue		86,486	49,832	86,486	49,832
Cost of sales		(59,439)	(36,517)	(59,439)	(36,517)
Gross profit		27,047	13,315	27,047	13,315
Administrative and operating expenses		(10,818)	(8,963)	(10,818)	(8,963)
Other operating income		796	1,846	796	1,846
Results from operating activities		17,025	6,198	17,025	6,198
Finance costs		(259)	-	(259)	-
Share of loss of equity-accounted associate, net of tax		(23)	(10)	(23)	(10)
Profit before tax		16,743	6,188	16,743	6,188
Tax expense	23	(1,555)	(1,521)	(1,555)	(1,521)
Profit for the period		15,188	4,667	15,188	4,667
Other comprehensive income/(expense), net of tax					
Items that will not be reclassified to profit or loss					
Equity investment at FVOCI* - net change in fair value		(75)	-	(75)	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations - foreign currency translation differences		(1,084)	(336)	(1,084)	(336)
Available-for-sale financial assets - net change in fair value		-	327	-	327
		(1,084)	(9)	(1,084)	(9)
Other comprehensive expense for the period, net of tax		(1,159)	(9)	(1,159)	(9)
Total comprehensive income for the period		14,029	4,658	14,029	4,658

* FVOCI - Fair Value Through Other Comprehensive Income

	Individual Period (1st quarter)		Cumulative Period	
	Current Quarter Ended 31/03/2018	Corresponding Quarter Ended 31/03/2017	Current Year To-date Ended 31/03/2018	Corresponding Year To-date Ended 31/03/2017
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Company	15,188	4,667	15,188	4,667
Profit for the period	15,188	4,667	15,188	4,667
Total comprehensive income attributable to :				
Owners of the Company	14,029	4,658	14,029	4,658
Total comprehensive income for the period	14,029	4,658	14,029	4,658
Earnings per ordinary share (sen)	28			
- Basic	5.32	1.65	5.32	1.65
- Diluted	5.29	1.65	5.29	1.65

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 2017. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018
Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 31/03/2018 RM'000	As at 31/12/2017 RM'000
Assets			
Property, plant and equipment	22	144,459	150,105
Investment property		7,043	7,107
Investment in an associate		5,286	5,309
Other investments		9,327	8,514
Deferred tax assets	24	1,379	1,379
Total non-current assets		<u>167,494</u>	<u>172,414</u>
Inventories		12,254	13,464
Current tax assets		176	403
Trade receivables	25	65,644	82,060
Other receivables, deposits and prepayments		5,253	12,450
Cash and cash equivalents		129,508	116,352
Total current assets		<u>212,835</u>	<u>224,729</u>
Total assets		<u>380,329</u>	<u>397,143</u>
Equity			
Share capital		180,147	178,904
Reserves			
Share option reserve		2,398	2,398
Capital reserve		32	32
Fair value reserve		581	656
Translation reserve		1,447	2,531
Retained earnings		94,875	96,824
Total equity attributable to owners of the Company		<u>279,480</u>	<u>281,345</u>
Liabilities			
Deferred income		5,992	6,552
Loans and borrowings	26	15,452	24,402
Total non-current liabilities		<u>21,444</u>	<u>30,954</u>
Loans and borrowings	26	28,871	26,794
Current tax liabilities		408	427
Trade payables		15,723	17,295
Other payables and accruals		34,403	40,328
Total current liabilities		<u>79,405</u>	<u>84,844</u>
Total liabilities		<u>100,849</u>	<u>115,798</u>
Total equity and liabilities		<u>380,329</u>	<u>397,143</u>
Net assets per share (RM)		0.98	0.99

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 31 December 2017. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018
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
3 months ended 31/03/2018							
At 1 January 2018	178,904	2,398	32	656	2,531	96,824	281,345
Total other comprehensive (expense)/income for the period	-	-	-	(75)	(1,084)	-	(1,159)
Profit for the period	-	-	-	-	-	15,188	15,188
Total comprehensive (expense)/income for the period	-	-	-	(75)	(1,084)	15,188	14,029
Contributions by and distributions to owners of the Company							
Issuance of new ordinary shares pursuant to ESOS 2014	1,243	-	-	-	-	-	1,243
Dividends to owners of the Company	-	-	-	-	-	(17,137)	(17,137)
Total transactions with owners of the Company	1,243	-	-	-	-	(17,137)	(15,894)
At 31 March 2018	180,147	2,398	32	581	1,447	94,875	279,480

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018
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 premium RM'000	Share option reserve RM'000	Capital reserve RM'000	Fair Value reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
3 months ended 31/03/2017								
At 1 January 2017	140,947	24,163	2,940	32	219	4,715	91,131	264,147
Foreign currency translation differences for foreign operations	-	-	-	-	-	(336)	-	(336)
Fair value of available-for-sale financial assets	-	-	-	-	327	-	-	327
Total other comprehensive income/(expense) for the period	-	-	-	-	327	(336)	-	(9)
Profit for the period	-	-	-	-	-	-	4,667	4,667
Total comprehensive income/(expense) for the period	-	-	-	-	327	(336)	4,667	4,658
Contributions by and distributions to owners of the Company								
Issuance of new ordinary shares pursuant to ESOS 2014	1,822	36	-	-	-	-	-	1,858
Dividends to owners of the Company	-	-	-	-	-	-	(14,115)	(14,115)
Total transactions with owners of the Company	1,822	36	-	-	-	-	(14,115)	(12,257)
At 31 March 2017	142,769	24,199	2,940	32	546	4,379	81,683	256,548

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2017. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018
Condensed Consolidated Statement of Cash Flows

The figures have not been audited

		3 months ended 31/03/2018	3 months ended 31/03/2017
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		16,743	6,188
Adjustments for:-			
Depreciation of property, plant and equipment		8,362	4,103
Depreciation of investment property		64	64
Gain on disposal of property, plant and equipment	22	-	(323)
Interest income		(556)	(614)
Amortisation of deferred income		(560)	(872)
Share of loss of equity-accounted associate, net of tax		23	10
Finance costs		259	-
Operating profit before changes in working capital		<u>24,335</u>	<u>8,556</u>
Change in inventories		1,099	(1,469)
Change in trade and other receivables		23,394	(5,789)
Change in trade and other payables		(7,354)	(5,260)
Cash generated from/(used in) operations		<u>41,474</u>	<u>(3,962)</u>
Tax paid		<u>(1,346)</u>	<u>(1,165)</u>
Net cash generated from/(used in) operating activities		40,128	(5,127)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	22	(2,716)	(5,399)
Acquisition of other investments	9	(1,036)	(4)
Proceeds from disposal of property, plant and equipment	22	-	715
Interest received		556	614
Net cash used in investing activities		(3,196)	(4,074)

	3 months ended 31/03/2018 RM'000	3 months ended 31/03/2017 RM'000
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CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid to owners of the Company	(17,137)	(14,115)
Repayment of bank borrowings (net)	(6,736)	-
Proceeds from issue of ordinary shares	1,243	1,858
Interest paid	(259)	-
Net cash used in financing activities	(22,889)	(12,257)
Net increase/(decrease) in cash and cash equivalents	14,043	(21,458)
Effect of exchange rate fluctuations on cash held	(887)	(273)
Cash and cash equivalents as at 1 January	116,352	165,642
Cash and cash equivalents as at 31 March	129,508	143,911

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	49,794	76,906
- Short term deposits	25,351	24,636
Cash and bank balances	54,363	42,369
	129,508	143,911

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2017. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018
Notes to the condensed consolidated interim financial statements

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia, requirements of the Companies Act 2016 ("CA 2016") that became effective on 31 January 2017 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 2017.

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 2017.

The Group has adopted the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January, 2018. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group as mentioned below:

(i) MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*. MFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations. The standard specifies that the revenue is to be recognised when control over the goods or services is transferred to the customer, moving from the transfer of risks and rewards.

In the implementation of MFRS 15, the Group has established cross-functional team to manage the implementation of MFRS 15 which included undertaking impact assessment, guidelines and training program to ensure readiness and smooth implementation of MFRS 15.

Based on the assessment, the initial application of MFRS 15 does not have significant financial impact on its consolidated financial statements.

(ii) MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

In the implementation of MFRS 9, the Group has established cross-functional team to manage the implementation of MFRS 9 which includes undertaking impact assessment, guidelines and training program to ensure readiness and smooth implementation of MFRS 9.

1. Basis of Preparation (cont'd)

(ii) MFRS 9, Financial Instruments (cont'd)

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. In respect of impairment of financial assets, MFRS 9 replaces the “incurred loss” model in MFRS 139 with an expected credit loss (“ECL”) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments.

On 1 January 2018 (the date of initial application of MFRS 9), the group has assessed the financial assets held by the group and has classified its financial instruments into the appropriate MFRS 9 categories as below:

	<i>Note</i>	Original classification under MFRS 139	New classification under MFRS 9	Original carrying amount under MFRS 139 RM'000	New carrying amount under MFRS 9 RM'000
Financial assets					
Equity securities	(a)	Available-for-sale	FVOCI	8,514	8,514
Trade and other receivables (exclude prepayments and deposits)	(b)	Loans and receivables	Amortised Cost	91,796	91,796
Cash and cash equivalents	(c)	Loans and receivables	Amortised Cost	116,352	116,352
Total financial assets				216,662	216,662

(a) These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by MFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike MFRS 139, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

(b) Trade and other receivables that are classified as loans and receivables under MFRS139 are now classified as amortised cost.

(c) Cash and cash equivalents that are classified as loans and receivables under MFRS139 are now classified as amortised cost.

Other than the above classification of financial assets, the Group has assessed the impact of the initial application of MFRS 9 on its consolidated financial statements and it does not have material financial impact on its consolidated financial statements.

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 2017 except for those as disclosed in Note 1 above.

The changes in the accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

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 2017 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 2017.

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 quarter's presentation.

6. Material Impairment of Assets

There was no material impairment of assets during the quarter 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 of quoted investments during the financial period under review, as disclosed below:

	3 months ended
	31/03/2018
	RM'000
Purchases	1,036
Sales	-
Gain on disposal of investments	-

9. Unquoted Investments

During the financial period to date, there was no disposal of unquoted investment by the Group.

10. 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.

11. Debt and Equity Securities

There were no issuance and repayments of debt and equity securities, share buy back, shares held as treasury stocks and resale of treasury shares for the financial period to date except for the issuance of the following ordinary shares exercised by the eligible employees pursuant to the Company's ESOS :

ESOS Option Price RM per share	Number of Shares '000
3.29	183.2
4.77	19.1
5.07	92.6
5.86	13.6

12. 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 RM110.3 million of which RM47.4 million has been utilized as at 31 March 2018, a decrease of RM7.1 million as compared to 31 December 2017.

13. 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

3 months ended 31/03/2018

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit before taxation	15,607	799	40	16,446
Revenue from external customer	82,157	4,283	46	86,486

3 months ended 31/03/2017

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit before taxation	4,608	892	74	5,574
Revenue from external customer	45,512	4,293	27	49,832

	31/03/2018 RM'000	31/03/2017 RM'000
Reconciliation of segment profit:		
Reportable segments	16,446	5,574
Finance costs	(259)	-
Interest income	556	614
Consolidated profit before taxation	<u>16,743</u>	<u>6,188</u>
Tax expense	(1,555)	(1,521)
Consolidated profit after taxation	<u><u>15,188</u></u>	<u><u>4,667</u></u>

14. 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 or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group has related party relationship with:

- i) Subsidiaries and associate of the Company as disclosed in Note 5 and Note 6 of the audited Consolidated Financial Statements of the Group as at and for the year ended 31 December 2017;
- ii) Key management personnel; and
- iii) Companies in which a Director, Mr. Ng Kweng Chong is deemed to have substantial financial interest:
 - Ng Kweng Chong Holdings Sdn. Bhd. (Company No: 51580 - M)
 - Wiserite Sdn. Bhd. (Company No: 410593 - W)
 - Glencare Sdn. Bhd. (Company No: 549058 - U)

Significant related party transactions are as follows:

	3 months ended 31/03/2018 RM'000
i) Transactions with an associate <i>NGK Globetronics Technology Sdn Bhd</i>	
Rental of investment property	471
Provision of management support services	<u>48</u>

15. Events Subsequent to the Balance Sheet Date

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

16. Seasonal/Cyclical Factors

The business operations of the Group are not affected by any major seasonal or cyclical factors.

17. Dividends Paid

A third interim single tier ordinary dividend of 2 sen (2017: 2 sen) per share and a single tier special dividend of 4 sen (2017: 3 sen) per share, totalling RM17.14 million in respect of the financial year ended 31 December 2017 was paid on 30 March 2018 to Depositors who are registered in the Record of Depositors of the Company on 19 March 2018.

18. Overall Review of Group's Financial Performance And Segmental Analysis

Financial review for current quarter and financial period to date

	Individual Period (1st quarter)			Cumulative Period		
	Current Quarter Ended	Corresponding Quarter Ended	Changes	Current Year To-date Ended	Corresponding Year To-date Ended	Changes
	31/03/2018	31/03/2017		31/03/2018	31/03/2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	86,486	49,832	74	86,486	49,832	74
Operating Profit	16,766	6,198	> 100	16,766	6,198	> 100
Profit Before Interest and Tax	17,002	6,188	> 100	17,002	6,188	> 100
Profit Before Tax	16,743	6,188	> 100	16,743	6,188	> 100
Profit After Tax	15,188	4,667	> 100	15,188	4,667	> 100
Profit Attributable to Owners of the Company	15,188	4,667	> 100	15,188	4,667	> 100

The Group's revenue and net profit for the quarter/period under review was RM86.5 million and RM15.2 million, an increase of 74% and more than 100% respectively as compared to RM49.8 million and RM4.7 million in the corresponding quarter/period ended 31 March 2017. The higher revenue and net profit in the current quarter/period was due to the higher volume loadings of products from certain customers in the Group.

The higher revenue and net profit achieved in the current period was mainly due to the pick up in volume loadings from the mass production of new products since Quarter 3, 2017.

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

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	31/03/2018	31/12/2017	%
	RM'000	RM'000	
Revenue	86,486	104,790	-17
Operating Profit	16,766	25,201	-33
Profit Before Interest and Tax	17,002	25,350	-33
Profit Before Tax	16,743	25,156	-33
Profit After Tax	15,188	25,039	-39
Profit Attributable to Owner of the Company	15,188	25,039	-39

The Group's revenue for the quarter under review was RM86.5 million, a decrease of 17% from the preceding quarter of RM104.8 million while the profit after tax of the Group for the quarter was RM15.2 million, a decrease of 39% from the preceding quarter of RM25 million.

The lower revenue and net profit were mainly due to:

- i) Lower volume loadings from certain customers in the Group starting March 2018; and
- ii) Forex loss (net) of RM872K recognised in the income statement as compared to the preceding quarter's forex gain of RM55K.

20. **Prospects**

The Group expects to see softer business and volume loadings in April and May 2018 due to decrease in end customers' demand and the need to deplete existing inventory in the supply chain.

Based on the current customers' forecast, volume loadings is expected to improve starting June 2018 with the successful qualification and manufacturing of new products.

The Group will continue to focus on escalating up the value chain and riding on the R&D initiatives in new products design and development with our key customers moving forward.

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

Not Applicable.

22. **Property, Plant and Equipment (PPE)**

The carrying amount of land and buildings has been brought forward, without amendment from the previous audited financial statements.

(a) Acquisitions

During the three months ended 31 March 2018, the Group acquired assets with a cost of RM2.72 million (Three months ended 31 March 2017: RM5.40 million).

(b) Capital commitments

During the three months ended 31 March 2018, the Group entered into contracts to purchase property, plant and equipment for RM23 million (Three months ended 31 March 2017: RM46.50 million).

(c) Disposals

No disposal of assets during the three months ended 31 March 2018 (Three months ended 31 March 2017: RM392K), resulting in no gain/(loss) on disposal (Three months ended 31 March 2017: gain of RM323K).

There were no amendments to the valuation of property, plant and equipment brought forward.

23. **Tax Expense**

	3 months ended		3 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian - current period	1,555	1,521	1,555	1,521

The effective tax rate of the Group is lower than the statutory tax rate in the current quarter and period-to-date mainly due to tax incentives enjoyed by certain subsidiaries in the Group.

24. **Deferred Tax Assets**

Deferred tax assets of the Group are in relation to the following:-

- i) Unutilised investment tax allowance of a subsidiary; and
- ii) Other temporary timing differences arising from accounting depreciation and capital allowances.

The Board of Directors is of the view that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

25. **Trade Receivables**

The age analysis of trade receivables is as follow:

	Current Quarter Ended 31/03/2018	Corresponding Quarter Ended 31/03/2017
Not past due	58,326	38,323
Past due but not impaired:		
1-30 days	7,022	2,747
31-60 days	223	247
Above 60 days	73	149
	7,318	3,143
Past due and impaired:		
Above 60 days	-	-
	<u>65,644</u>	<u>41,466</u>

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

26. **Loans and borrowings**

Loans and borrowings denominated in foreign currency:

	As at 31/03/2018		As at 31/03/2017	
	USD'000	RM'000 Equivalent	USD'000	RM'000 Equivalent
Non - Current				
Revolving credits - unsecured	4,000	15,452	-	-
Current				
Term loans - unsecured	474	1,831	-	-
Revolving credits - unsecured	7,000	27,040	-	-
	7,474	28,871	-	-
Total loans and borrowings	<u>11,474</u>	<u>44,323</u>	<u>-</u>	<u>-</u>

The term loans are backed by corporate guarantees of a subsidiary of the Group whilst revolving credits are backed by a corporate guarantee of the Company.

27. **Profit Before Tax**

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

	Current Quarter Ended 31/03/2018 RM'000	Corresponding Quarter Ended 31/03/2017 RM'000	Current Year To-date Ended 31/03/2018 RM'000	Corresponding Year To-date Ended 31/03/2017 RM'000
Depreciation of property, plant and equipment	8,362	4,103	8,362	4,103
Depreciation of investment property	64	64	64	64
Interest expense	259	-	259	-
Rental of office equipment	24	57	24	57
Rental expenses	467	132	467	132
Rental income	(679)	(521)	(679)	(521)
Amortization of deferred income	(560)	(872)	(560)	(872)
Gain on disposal of property, plant and equipment	-	(323)	-	(323)
Interest income	(556)	(614)	(556)	(614)
Finance expense	259	-	259	-
Loss/(gain) on foreign exchange – realised	3,305	(783)	3,305	(783)
(Gain)/loss on foreign exchange – unrealised	(2,433)	1,374	(2,433)	1,374

28. Earnings Per Ordinary Share

(a) Basic earnings per ordinary share

		3 months ended		3 months ended	
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
Net profit for the period	(RM'000)	15,188	4,667	15,188	4,667
Issued ordinary shares at beginning of the period	('000)	285,304	281,894	285,304	281,894
Effect of shares issued during the period	('000)	251	223	251	223
Weighted average number of ordinary shares	('000)	285,555	282,117	285,555	282,117
Basic earnings per ordinary share	(sen)	5.32	1.65	5.32	1.65

(b) Diluted earnings per ordinary share

		3 months ended		3 months ended	
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
Net profit for the period	(RM'000)	15,188	4,667	15,188	4,667
Issued ordinary shares at beginning of the period	('000)	285,304	281,894	285,304	281,894
Effect of shares issued during the period	('000)	251	223	251	223
Effect of share option-ESOS	('000)	1,717	1,018	1,717	1,018
Weighted average number of ordinary shares (diluted)		287,272	283,135	287,272	283,135
Diluted earnings per ordinary share	(sen)	5.29	1.65	5.29	1.65

29. Corporate Proposals

- (a) There were no corporate proposals by the Company during the financial period to date except of the following:
- (i) proposed subdivision of every one (1) existing ordinary share of the Company into 2 ordinary shares (“subdivided shares”) held on an entitlement date to be determined; and
 - (ii) proposed bonus issue of up to 96,651,980 bonus shares on the basis of one (1) bonus share for every six (6) subdivided shares held on the same entitlement date as proposed subdivision. The bonus issue will be effected by the capitalisation of share premium of the Company.

All requisite approvals had been obtained from Bursa Malaysia Securities Berhad on 5 April 2018 and an Extraordinary General Meeting will be held on 8 May 2018 immediately after the conclusion of the Annual General Meeting of the Company for the resolutions to be tabled and approved by the shareholders.

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

30. Changes In Material Litigation

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

31. Foreign Currency Risk Management

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents and other borrowings that are denominated in a currency other than the respective functional currencies of the Group entities.

The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

32. Dividends Declared

No dividends were declared in the quarter ended 31 March 2018.

By Order of the Board

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

Joint Secretaries

Dated this 24 April 2018