

**GLOBETRONICS TECHNOLOGY BHD 199601037932 (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2019**  
**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
The figures have not been audited

	Note	Individual Period (4th quarter)		Cumulative Period	
		Current Quarter Ended	Corresponding Quarter Ended	Current Year To-date Ended	Corresponding Year To-date Ended
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
<b>Continuing operations</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		58,956	82,239	216,316	327,956
Cost of sales		(39,153)	(52,829)	(142,494)	(216,497)
Gross profit		19,803	29,410	73,822	111,459
Administrative and operating expenses		(7,328)	(10,450)	(36,071)	(45,344)
Other operating income		1,545	3,483	8,525	9,704
Results from operating activities		14,020	22,443	46,276	75,819
Finance costs		(33)	(222)	(333)	(1,073)
Share of profit of equity-accounted associate, net of tax		6	14	95	39
Profit before tax		13,993	22,235	46,038	74,785
Tax expense	22	544	(251)	(1,324)	(4,668)
Profit for the period/year		14,537	21,984	44,714	70,117
<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")		211	(234)	676	(569)
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		(326)	115	(154)	500
<b>Other comprehensive (expense)/income for the period/year, net of tax</b>		(115)	(119)	522	(69)
<b>Total comprehensive income for the period/year</b>		14,422	21,865	45,236	70,048

	Individual Period (4th quarter)		Cumulative Period	
	Current Quarter Ended 31/12/2019	Corresponding Quarter Ended 31/12/2018	Current Year To-date Ended 31/12/2019	Corresponding Year To-date Ended 31/12/2018
	RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to :</b>				
Owners of the Company	14,537	21,984	44,714	70,117
<b>Profit for the period/year</b>	<b>14,537</b>	<b>21,984</b>	<b>44,714</b>	<b>70,117</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	14,422	21,865	45,236	70,048
<b>Total comprehensive income for the period/year</b>	<b>14,422</b>	<b>21,865</b>	<b>45,236</b>	<b>70,048</b>
<b>Earnings per ordinary share (sen)</b>	27			
- Basic	2.17	3.29	6.68	10.50
- Diluted	2.17	3.29	6.68	10.49

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 2018. The accompanying notes are an integral part of this Statement.

**GLOBETRONICS TECHNOLOGY BHD 199601037932 (410285-W)****INTERIM REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2019****Condensed Consolidated Statement of Financial Position**

The figures have not been audited

	Note	As at 31/12/2019 RM'000	As at 31/12/2018 RM'000
<b>Assets</b>			
Property, plant and equipment	21	118,503	145,441
Investment property		6,593	6,850
Investment in an associate		5,443	5,348
Other investments		10,210	8,191
Deferred tax assets	23	213	899
<b>Total non-current assets</b>		<b>140,962</b>	<b>166,729</b>
Inventories		8,301	12,619
Current tax assets		954	1,169
Trade receivables	24	38,129	72,055
Other receivables, deposits and prepayments		3,195	2,490
Cash and cash equivalents		146,236	121,007
<b>Total current assets</b>		<b>196,815</b>	<b>209,340</b>
<b>Total assets</b>		<b>337,777</b>	<b>376,069</b>
<b>Equity</b>			
Share capital		186,463	185,772
Reserves			
Share option reserve		-	2,500
Capital reserve		41	41
Fair value reserve		719	87
Translation reserve		2,877	3,031
Retained earnings		106,692	109,714
<b>Total equity attributable to owners of the Company</b>		<b>296,792</b>	<b>301,145</b>
<b>Liabilities</b>			
Deferred income		2,053	4,038
Loans and borrowings	25	-	4,157
<b>Total non-current liabilities</b>		<b>2,053</b>	<b>8,195</b>
Loans and borrowings	25	4,128	20,785
Current tax liabilities		28	71
Trade payables		5,398	6,915
Other payables and accruals		29,378	38,958
<b>Total current liabilities</b>		<b>38,932</b>	<b>66,729</b>
<b>Total liabilities</b>		<b>40,985</b>	<b>74,924</b>
<b>Total equity and liabilities</b>		<b>337,777</b>	<b>376,069</b>
<b>Net assets per share (RM)</b>		<b>0.44</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 2018. The accompanying notes are an integral part of this Statement.

**GLOBETRONICS TECHNOLOGY BHD 199601037932 (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2019**  
**Condensed Consolidated Statement of Changes in Equity**

The figures have not been audited

	← <i>Attributable to owners of the Company</i> →						Total equity
	← <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	RM'000
<b>12 months ended 31/12/2019</b>							
At 1 January 2019	185,772	2,500	41	87	3,031	109,714	301,145
Foreign currency translation differences for foreign operations	-	-	-	-	(154)	-	(154)
Net change in fair value of equity investment designated at FVOCI	-	-	-	676	-	-	676
Total other comprehensive income/(expense) for the year	-	-	-	676	(154)	-	522
Profit for the year	-	-	-	-	-	44,714	44,714
<b>Total comprehensive income/(expense) for the year</b>	-	-	-	676	(154)	44,714	45,236
<b>Contributions by and distributions to owners of the Company</b>							
Issuance of new ordinary shares pursuant to Employees Share Option Scheme 2014 ("ESOS 2014")	602	-	-	-	-	-	602
Dividends to owners of the Company	-	-	-	-	-	(50,191)	(50,191)
<b>Total transactions with owners of the Company</b>	602	-	-	-	-	(50,191)	(49,589)
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	-
<b>At 31 December 2019</b>	186,463	-	41	719	2,877	106,692	296,792

**GLOBETRONICS TECHNOLOGY BHD 199601037932 (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2019**  
**Condensed Consolidated Statement of Changes in Equity**

The figures have not been audited

	← Attributable to owners of the Company →						Total equity
	← Non-distributable →			Distributable			
	Share capital	Share option reserve	Capital reserve	Fair Value reserve	Translation reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended 31/12/2018</b>							
At 1 January 2018	178,904	2,398	32	656	2,531	96,824	281,345
Foreign currency translation differences for foreign operations	-	-	-	-	500	-	500
Net change in fair value of equity investment designated at FVOCI	-	-	-	(569)	-	-	(569)
Total other comprehensive (expense)/income for the year	-	-	-	(569)	500	-	(69)
Profit for the year	-	-	-	-	-	70,117	70,117
<b>Total comprehensive (expense)/income for the year</b>	-	-	-	(569)	500	70,117	70,048
<b>Contributions by and distributions to owners of the Company</b>							
Issuance of new ordinary shares pursuant to ESOS 2014	5,878	-	-	-	-	-	5,878
Share-based payment transactions	-	1,092	-	-	-	-	1,092
Dividends to owners of the Company	-	-	-	-	-	(57,218)	(57,218)
Capital redemption reserve	-	-	9	-	-	(9)	-
<b>Total transactions with owners of the Company</b>	5,878	1,092	9	-	-	(57,227)	(50,248)
Transfer to share capital for share options exercised	990	(990)	-	-	-	-	-
<b>At 31 December 2018</b>	185,772	2,500	41	87	3,031	109,714	301,145

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2018. The accompanying notes are an integral part of this Statement.

**GLOBETRONICS TECHNOLOGY BHD 199601037932 (410285-W)****INTERIM REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2019****Condensed Consolidated Statement of Cash Flows**

The figures have not been audited

		12 months ended 31/12/2019	12 months ended 31/12/2018
	Note	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations		46,038	74,785
Adjustments for:-			
Depreciation of property, plant and equipment		37,842	37,022
Depreciation of investment property		257	257
Property, plant and equipment written off		49	100
Impairment loss on plant and equipment		1,028	3,042
Net impairment loss on financial assets		169	302
(Gain)/loss on disposal of :			
- property, plant and equipment	21	(74)	(7)
- other investments	8	11	-
Interest income		(3,449)	(2,937)
Amortisation of deferred income		(1,986)	(3,151)
Share of profit of equity-accounted associate, net of tax		(95)	(39)
Share-based payments		-	1,092
Interest expense		333	1,073
Unrealised loss on foreign exchange for loans and borrowings		63	441
Operating profit before changes in working capital		<u>80,186</u>	<u>111,980</u>
Change in inventories		4,294	894
Change in trade and other receivables		33,048	19,759
Change in trade and other payables		(11,094)	(11,424)
Cash generated from operations		<u>106,434</u>	<u>121,209</u>
Tax paid		<u>(467)</u>	<u>(5,310)</u>
Net cash generated from operating activities		<b>105,967</b>	<b>115,899</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	21	(11,988)	(35,890)
Acquisition of other investments	8	(2,445)	(1,181)
Proceeds from disposal of:			
- property, plant and equipment		81	10
- other investments	8	1,070	1,000
Interest received		3,449	2,937
Net cash used in investing activities		<b>(9,833)</b>	<b>(33,124)</b>

	<b>12 months ended 31/12/2019 RM'000</b>	<b>12 months ended 31/12/2018 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to owners of the Company	(50,191)	(57,218)
Drawdown of term loans	-	18,660
Repayment of term loans	-	(21,398)
Repayment of other borrowings	(20,877)	(23,957)
Proceeds from issue of ordinary shares	602	5,878
Interest paid	(333)	(1,073)
Grant received	-	637
Net cash used in financing activities	<b>(70,799)</b>	<b>(78,471)</b>
Net increase in cash and cash equivalents	<b>25,335</b>	<b>4,304</b>
Effect of exchange rate fluctuations on cash held	(106)	351
<b>Cash and cash equivalents as at 1 January</b>	121,007	116,352
<b>Cash and cash equivalents as at 31 December</b>	<b>146,236</b>	<b>121,007</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	65,500	63,292
- Short term deposits	26,941	25,802
Cash and bank balances	53,795	31,913
	<b>146,236</b>	<b>121,007</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2018. The accompanying notes are an integral part of this Statement.

**GLOBETRONICS TECHNOLOGY BHD 199601037932 (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2019**  
**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 2018.

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 2018.

**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 2018.

New and revised MFRSs and IC Interpretations below that are relevant and came into effect for accounting periods beginning on or after 1 January, 2019 did not have any significant impact to the unaudited consolidated financial statements upon their initial application:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Plan Amendments, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures*

**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 2018 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 2018.

There were no changes in estimates of amounts reported in the prior financial periods that have a material effect in the current period/year.

**5. Comparative Figures**

Certain comparative figures have been reclassified to conform with current period/year's presentation.



6. **Material Impairment of Assets**

During the year, the Group assessed the recoverable amount of a number of assets related to the manufacturing of certain product lines. Based on the assessment, the recoverable amount of the assets were lower than the carrying amount. Therefore, an impairment loss of RM1 million (2018: RM3 million) in relation to the assets was recognised in the accounts.

7. **Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

During the financial period/year 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 year under review, as disclosed below:

	<b>12 months ended</b>
	<b>31/12/2019</b>
	<b>RM'000</b>
Purchases	2,445
Sales	1,070
Loss on disposal of investments	11

9. **Changes in Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial year to date except for the acquisition of a wholly-owned subsidiary, namely Trillion Suntech Sdn Bhd on 30 August 2019 for a purchase consideration of RM2.

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 year to date except for the issuance of the following ordinary shares exercised by the eligible employees pursuant to the Company's ESOS 2014:

ESOS Option Price RM per share	Number of Shares '000
1.41	354.0
1.78	57.5

The Group's current ESOS 2014 had expired on 12 August 2019.

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 RM68.7 million of which RM7.8 million has been utilized as at 31 December 2019, a decrease of RM21 million as compared to 31 December 2018.

## 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 year-to-date is as follows:-

### Analysis By Geographical Segments

#### 12 months ended 31/12/2019

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit before taxation	41,112	1,518	292	42,922
Revenue from external customer	201,084	14,374	858	216,316

#### 12 months ended 31/12/2018

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit/(loss) before taxation	69,116	3,837	(32)	72,921
Revenue from external customer	310,509	17,193	254	327,956

	31/12/2019 RM'000	31/12/2018 RM'000
Reconciliation of segment profit:		
Reportable segments	42,922	72,921
Finance costs	(333)	(1,073)
Interest income	3,449	2,937
Consolidated profit before taxation	46,038	74,785
Tax expense	(1,324)	(4,668)
Consolidated profit after taxation	<u>44,714</u>	<u>70,117</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 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 2018;
- 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)
  - Wiselite Sdn. Bhd. (Company No: 410593 - W)
  - Glencare Sdn. Bhd. (Company No: 549058 - U)

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

	<b>12 months ended 31/12/2019 RM'000</b>
i) Transactions with an associate	
<i>NGK Globetronics Technology Sdn Bhd</i>	
Rental of investment property	2,247
Provision of management support services	<u>182</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 (2018: 2 sen but equivalent to approximately 0.9 sen of the current enlarged share capital) per share and a single tier special dividend of 2 sen (2018: 4 sen but equivalent to approximately 1.7 sen of the current enlarged share capital) per share, totalling RM20.1 million (2018: RM17.1 million) in respect of the financial year ended 31 December 2018 was paid on 26 March 2019 to Depositors who are registered in the Record of Depositors of the Company on 13 March 2019.

A first interim single tier ordinary dividend of 1 sen (2018: 1 sen) per share and a single tier special dividend of 1 sen (2018: 2 sen) per share, totalling RM13.4 million (2018: RM20 million) in respect of the financial year ended 31 December 2019 was paid on 02 July 2019 to Depositors who are registered in the Record of Depositors of the Company on 20 June 2019.

A second interim single tier ordinary dividend of 1 sen (2018: 1 sen) per share and a single tier special dividend of 1.5 sen (2018: 2 sen) per share, totalling RM16.7 million (2018: RM20.1 million) in respect of the financial year ended 31 December 2019 was paid on 4 December 2019 to Depositors who are registered in the Record of Depositors of the Company on 18 November 2019.

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

*Financial review for current quarter and financial year to date*

	Individual Period (4th quarter)			Cumulative Period		
	Current Quarter Ended	Corresponding Quarter Ended	Changes	Current Year To-date Ended	Corresponding Year To-date Ended	Changes
	31/12/2019	31/12/2018		31/12/2019	31/12/2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	58,956	82,239	-28	216,316	327,956	-34
Operating Profit	14,020	22,443	-38	46,276	75,819	-39
Profit Before Interest and Tax	14,026	22,457	-38	46,371	75,858	-39
Profit Before Tax	13,993	22,235	-37	46,038	74,785	-38
Profit After Tax	14,537	21,984	-34	44,714	70,117	-36
Profit Attributable to Owners of the Company	14,537	21,984	-34	44,714	70,117	-36

The Group's revenue and net profit for the quarter under review was RM59 million and RM14.5 million, a decrease of 28% and 34% respectively as compared to RM82.2 million and RM22 million in the corresponding quarter ended 31 December 2018.

The lower revenue and net profit achieved in the current quarter were mainly due to lower volume loadings of products from certain customers in the Group.

For the year under review, the Group recorded a lower revenue and net profit of RM216.3 million and RM44.7 million as compared to RM328 million and 70.1 million respectively in last year (decrease of 34% and 36% respectively). South East Asia and North America segments recorded sales decrease as compared to last year.

The lower revenue and net profit achieved in the current year was mainly due to:-

- i) Phased out of certain matured products of a Japanese customer; and
- ii) Lower capacity utilisation and volatile volume loadings of certain products especially in the first half of 2019.

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

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	31/12/2019	30/9/2019	%
	RM'000	RM'000	%
Revenue	58,956	66,264	-11
Operating Profit	14,020	19,277	-27
Profit Before Interest and Tax	14,026	19,304	-27
Profit Before Tax	13,993	19,240	-27
Profit After Tax	14,537	18,944	-23
Profit Attributable to Owner of the Company	14,537	18,944	-23

The Group's revenue for the quarter under review was RM59 million, a decrease of 11% from the preceding quarter of RM66.3 million while the net profit after tax of the Group for the quarter was RM14.5 million, a decrease of 23% from the preceding quarter of RM18.9 million.

The lower revenue and net profit were mainly due to:

- i) Lower volume loadings of products from certain customers in the Group; and
- ii) Impairment loss on plant and equipment of RM0.5 million.

19. **Prospects**

Based on our customers' recent forecast and guidance, the Group's financial performance may be impacted by the Covid-19 outbreak and the disruption in the supply chain in China. The Group has taken strong initiative to mitigate the exposure and disruption in supply chain.

Other than the above, the Group is cautiously optimistic of achieving satisfactory financial performance for Year 2020.

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

Not Applicable.

21. **Property, Plant and Equipment**

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

**(a) Acquisitions**

During the year ended 31 December 2019, the Group acquired property, plant and equipment with a cost of RM12 million (Year ended 31 December 2018: RM35.9 million).

**(b) Capital commitments**

As at 31 December 2019, the Group has entered into contracts to purchase property, plant and equipment for RM0.8 million (31 December 2018: RM4 million).

**(c) Disposals**

Assets with a carrying amount of RM7K were disposed of during the year ended 31 December 2019 (Year ended 31 December 2018: RM3.2K), resulting in a gain on disposal of RM73.7K (Year ended 31 December 2018: gain of RM7K), 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		12 months ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
Malaysia	- current period/year	(602)	608	1,165
	- prior periods/years	(528)	(637)	(527)
		(1,130)	(29)	638
				4,188
<b>Deferred tax expense</b>				
Malaysia	- current period/years	586	280	686
		(544)	251	1,324
				4,668

The effective tax rate of the Group is lower than the statutory tax rate in the year ended 31 December 2019 mainly due to tax incentives enjoyed by certain subsidiaries in the Group.

23. **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.

## 24. Trade Receivables

The age analysis of trade receivables is as follow:

	<b>Current Quarter Ended 31/12/2019 RM'000</b>	<b>Corresponding Quarter Ended 31/12/2018 RM'000</b>
Not past due	36,579	52,090
1-30 days past due	1,547	19,225
31-60 days past due	3	740
Above 60 days past due	471	302
	2,021	20,267
<b>Credit impaired</b>		
Individually impaired	(471)	(302)
	<u>38,129</u>	<u>72,055</u>

The Group recognised an impairment loss of RM0.5 million relating to customers' past due invoices. The Group will continue to monitor all past due invoices closely and is confident of their eventual recovery.

## 25. Loans and borrowings

Loans and borrowings denominated in foreign currency:

	<b>As at 31/12/2019</b>		<b>As at 31/12/2018</b>	
	<b>USD'000</b>	<b>RM'000 Equivalent</b>	<b>USD'000</b>	<b>RM'000 Equivalent</b>
<b>Non - Current</b>				
Revolving credits - unsecured	-	-	1,000	4,157
<b>Current</b>				
Revolving credits - unsecured	1,000	4,128	5,000	20,785
<b>Total loans and borrowings</b>	<u>1,000</u>	<u>4,128</u>	<u>6,000</u>	<u>24,942</u>

The revolving credits are backed by a corporate guarantee of the Company.

## 26. Profit Before Tax

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

	<b>Current Quarter Ended 31/12/2019 RM'000</b>	<b>Corresponding Quarter Ended 31/12/2018 RM'000</b>	<b>Current Year To-date Ended 31/12/2019 RM'000</b>	<b>Corresponding Year To-date Ended 31/12/2018 RM'000</b>
Depreciation of property, plant and equipment	13,907	13,782	37,842	37,022
Depreciation of investment property	64	64	257	257
Property, plant and equipment written off	49	100	49	100
Impairment loss on:				
- plant and equipment	495	3,042	1,028	3,042
- trade receivables	430	302	169	302
Inventories written down/(reversal)	74	(172)	74	(172)
Rental expenses	419	597	1,712	2,001
Rental income	(891)	(674)	(3,123)	(2,703)
Amortization of deferred income	(456)	(1,161)	(1,986)	(3,151)
Gain on disposal of property, plant and equipment	-	(6)	(74)	(7)
Loss on disposal of other investments	-	-	11	-
Interest income	(868)	(868)	(3,449)	(2,937)
Interest expense	33	222	333	1,073
Loss/(gain) on foreign exchange – realised	161	(1,074)	(373)	(1,080)
Loss on foreign exchange – unrealised	402	344	107	93

27. **Earnings Per Ordinary Share ("EPS")**

**After the effects of the subdivision of shares and bonus issue on basic and diluted EPS**

Pursuant to the requirements of MFRS 133 Earnings per Share, the weighted average number of ordinary shares used in the calculation of basic and diluted EPS for the previous quarter and year ended 31 December 2019 have been retrospectively adjusted to reflect the subdivision of shares and bonus issue, as follows:

		3 months ended		12 months ended	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
<b>(i) Basic earnings per ordinary share</b>					
Net profit for the period/year	(RM'000)	14,537	21,984	44,714	70,117
Issued ordinary shares at beginning of the period/year	('000)	669,033	285,304	669,033	285,304
Effect of shares issued during the period/year	('000)	207	1,251	207	1,251
Effect of subdivision of shares on 30 May 2018	('000)	-	285,764	-	285,764
Effect of bonus issue on 30 May 2018	('000)	-	95,252	-	95,252
<b>Weighted average number of ordinary shares</b>	('000)	669,240	667,571	669,240	667,571
Basic earnings per ordinary share	(sen)	2.17	3.29	6.68	10.50
<b>(ii) Diluted earnings per ordinary share</b>					
Net profit for the period/year	(RM'000)	14,537	21,984	44,714	70,117
Issued ordinary shares at beginning of the period/year	('000)	669,033	285,304	669,033	285,304
Effect of shares issued during the period/year	('000)	207	1,251	207	1,251
Effect of share option-ESOS 2014	('000)	-	798	-	798
Effect of subdivision of shares on 30 May 2018	('000)	-	285,764	-	285,764
Effect of bonus issue on 30 May 2018	('000)	-	95,252	-	95,252
<b>Weighted average number of ordinary shares (diluted)</b>		669,240	668,369	669,240	668,369
Diluted earnings per ordinary share	(sen)	2.17	3.29	6.68	10.49

**28. Corporate Proposals**

(a) There were no corporate proposals by the Company during the financial year to date.

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

**29. Changes In Material Litigation**

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

**30. Foreign Currency Risk Management**

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents and 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.

**31. Dividends Declared**

No dividends were declared in the quarter ended 31 December 2019.

By Order of the Board

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

Joint Secretaries

Dated this 24 February 2020