



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER 30.06.2019	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2018	CURRENT YEAR TO DATE (UNAUDITED) 30.06.2019	PRECEDING YEAR CORRESPONDING PERIOD (UNAUDITED) 30.06.2018
Revenue	A7	229,711	205,715	446,900	420,924
Cost of goods sold		(195,966)	(177,715)	(380,530)	(365,738)
<b>Gross profit</b>		33,745	28,000	66,370	55,186
Other income		(54)	796	1,381	1,363
Selling and distribution expenses		(10,449)	(8,568)	(19,111)	(17,159)
Administrative expenses		(8,849)	(8,304)	(17,217)	(16,896)
Other expenses		1,241	(1,487)	(197)	(2,399)
<b>Results from operating activities</b>	B5	15,634	10,437	31,226	20,095
Interest income		1,144	690	2,081	1,330
Finance costs		(1,199)	(769)	(2,305)	(1,341)
<b>Profit before tax</b>	A7	15,579	10,358	31,002	20,084
Tax expense	B6	(2,250)	(1,696)	(4,803)	(2,792)
<b>Profit for the period</b>		13,329	8,662	26,199	17,292
<b>Other comprehensive income/(expense), net of tax</b>					
Foreign currency translation differences for foreign operations		(914)	(784)	92	(1,629)
<b>Total comprehensive income for the period</b>		12,415	7,878	26,291	15,663
<b>Profit attributable to:</b>					
Owners of the Company		13,774	8,615	26,698	17,110
Non-controlling interests		(445)	47	(499)	182
		13,329	8,662	26,199	17,292
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		12,860	7,831	26,790	15,481
Non-controlling interests		(445)	47	(499)	182
		12,415	7,878	26,291	15,663
<b>Earnings per ordinary share (sen)</b>					
- Basic	B14	9.15	6.32	17.74	12.55
- Diluted	B14	8.47	5.06	16.41	10.04

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	UNAUDITED AS AT 30.06.2019 RM'000	AUDITED AS AT 31.12.2018 RM'000
<b>ASSETS</b>			
Property, plant and equipment	A8	205,097	200,966
Investment property		7,335	7,455
Prepaid lease payments		14,637	14,288
Other investments		567	567
Deferred tax assets		93	515
<b>Total non-current assets</b>		<b>227,729</b>	<b>223,791</b>
Inventories		179,487	172,122
Trade and other receivables		207,841	170,927
Current tax assets		1,405	2,793
Fixed deposit with a licensed bank		30	30
Cash and cash equivalents		181,136	169,649
<b>Total current assets</b>		<b>569,899</b>	<b>515,521</b>
<b>TOTAL ASSETS</b>		<b>797,628</b>	<b>739,312</b>
<b>EQUITY</b>			
* Share capital		169,777	145,260
Reserves		353,379	349,588
<b>Total equity attributable to owners of the Company</b>		<b>523,156</b>	<b>494,848</b>
<b>Non-controlling interests</b>		<b>15,159</b>	<b>9,778</b>
<b>Total equity</b>		<b>538,315</b>	<b>504,626</b>
Long term borrowings		55,204	38,619
Deferred tax liabilities		5,865	4,853
<b>Total non-current liabilities</b>		<b>61,069</b>	<b>43,472</b>
Short term borrowings		77,367	88,307
Provision		87	150
Trade and other payables		120,790	101,867
Current tax liabilities		-	890
<b>Total current liabilities</b>		<b>198,244</b>	<b>191,214</b>
<b>Total LIABILITIES</b>		<b>259,313</b>	<b>234,686</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>797,628</b>	<b>739,312</b>
<b>Net Assets per share attributable to the owners of the Company (RM)</b>		<b>3.28</b>	<b>3.63</b>

\* Total number of shares as at 30 June 2019 is 159,543,954

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

## QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2019



### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Distributable Retained earnings	Total	Non- controlling interests	Total equity
	Share capital	Equity component of ICULS	Non-distributable				Treasury shares				
	RM'000	RM'000	Warrant reserve	Translation reserve	Fair value reserve	Statutory reserve	RM'000	RM'000	RM'000	RM'000	RM'000
<b>6 months year ended 30.06.2018</b>											
At 1 January 2018	143,905	13,320	14,374	20,133	-	4,141	-	270,380	466,253	9,850	476,103
Total comprehensive income for the period	-	-	-	(1,629)	-	-	-	17,110	15,481	182	15,663
Exercise of warrants	318	-	(96)	-	-	-	-	-	222	-	222
Convertible of ICULS	972	(486)	-	-	-	-	-	(417)	69	-	69
Purchase of treasury shares	-	-	-	-	-	-	(579)	-	(579)	-	(579)
<b>At 30 June 2018</b>	<b>145,195</b>	<b>12,834</b>	<b>14,278</b>	<b>18,504</b>	<b>-</b>	<b>4,141</b>	<b>(579)</b>	<b>287,073</b>	<b>481,446</b>	<b>10,032</b>	<b>491,478</b>
<b>6 months year ended 30.06.2019</b>											
At 1 January 2019	145,260	12,815	14,270	17,273	-	4,141	(579)	301,668	494,848	9,778	504,626
Total comprehensive income for the period	-	-	-	92	-	-	-	26,698	26,790	(499)	26,291
Exercise of warrants	2,630	-	(794)	-	-	-	-	-	1,836	-	1,836
Convertible of ICULS	21,887	(10,959)	-	-	-	-	-	(10,521)	407	-	407
Shares issued by a subsidiary and subscribed by non-controlling interests	-	-	-	-	-	-	-	-	-	5,880	5,880
Purchase of treasury shares	-	-	-	-	-	-	(725)	-	(725)	-	(725)
<b>At 30 June 2019</b>	<b>169,777</b>	<b>1,856</b>	<b>13,476</b>	<b>17,365</b>	<b>-</b>	<b>4,141</b>	<b>(1,304)</b>	<b>317,845</b>	<b>523,156</b>	<b>15,159</b>	<b>538,315</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6 months ended	
	UNAUDITED 30.06.2019 RM'000	UNAUDITED 30.06.2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	31,002	20,084
Adjustments for:		
Depreciation of property, plant and equipment	10,796	9,066
Depreciation of investment property	119	119
Amortisation of prepaid lease payments	137	137
Amortisation of intangible assets	-	9
(Gain)/Loss on disposal of property, plant and equipment	167	(79)
Written off of property, plant and equipment	9	203
Interest income	(2,081)	1,000
Interest expense	2,305	(1,330)
Reversal of impairment on other investments	-	1,341
Operating profit before changes in working capital	42,454	30,550
Changes in working capital:		
Trade and other receivables	(36,618)	(11,206)
Inventories	(7,340)	(16,765)
Trade and other payables	18,858	(22,541)
Cash generated from operations	17,354	(19,962)
Income taxes paid	(2,999)	(3,897)
<b>Net cash generated from operating activities</b>	<b>14,355</b>	<b>(23,859)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(15,597)	(9,586)
Additions to prepaid lease payments	(40)	(37)
Proceeds from disposal of property, plant and equipment	71	1,992
Interest received	2,081	1,329
Share subscribed by non-controlling interests in a subsidiary	5,880	-
<b>Net cash used in investing activities</b>	<b>(7,605)</b>	<b>(6,302)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
ICULS interest paid	(639)	(642)
Interest paid	(2,278)	(1,307)
Drawdown of revolving credit	-	12,133
(Repayment)/proceed of finance lease liabilities	143	(1,450)
(Repayment)/proceed of term loans, net	12,973	10,225
Other bank borrowings, net	(6,872)	10,282
Proceeds from conversion of warrants	1,837	222
Acquisition of treasury shares	(725)	(579)
<b>Net cash from/ (used in) financing activities</b>	<b>4,439</b>	<b>28,884</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,189	(1,277)
Effects of exchange rate fluctuations on cash held	17	(195)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	167,654	154,916
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>178,860</b>	<b>153,444</b>
REPRESENTED BY:-		
Cash and bank balances	91,351	78,140
Short-term deposits	89,785	76,250
Bank overdrafts	(2,276)	(946)
	<b>178,860</b>	<b>153,444</b>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.



## PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

**A1 Basis of preparation**

This quarterly report is unaudited and is prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") No 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read together with the Group's audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2018, except for the adoption of the following as applicable:

Description	Effective date
MFRS16, Leases	1 January 19
IC Interpretation 23, Uncertainty over Income Tax Treatments	1 January 19
Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 19
Amendments to MFRS 9 Financial Instruments - Prepayment Features with Negative Compensation	1 January 19
Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 19
Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 19
Amendments to MFRS 119, Employee Benefits (Plan Amendments, Curtailment or Settlement)	1 January 19
Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 19
Amendments to MFRS 128, Investments in Associates and Joint Ventures - Long-term Interests in Associate and Joint Ventures	1 January 19

The adoption of the above mentioned are not expected to have any material financial impact to the Group.

**A2 Seasonal or cyclical factors**

The cyclical nature of the manufacturing sector is generally correlated to the global economy while seasonally demand will normally peak for the year end festive periods.

**A3 Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date as a consequence of their nature, size or incidence.

**A4 Changes in estimates**

There were no material changes in estimates of amount reported in either the prior interim period of the current financial year or prior financial years that have a material effect on the results during the current quarter and financial year-to-date.



**A5 Debt and equity securities**

There were no issuance or repayment of debt and equity securities, share cancellations and resale of treasury shares for the current quarter ended 30 June 2019.

**Treasury Shares**

During the quarter ended 30 June 2019, the Company repurchase 285,800 of its issued ordinary shares from the open market at an average price RM2.5356 per share. The total consideration paid for the repurchased including transaction cost was RM724,670.42. The repurchased transactions were financed by internally generated funds. The share repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

During the quarter ended 30 June 2019, the total treasury shares are 472,000 units.

**A6 Dividends paid**

There was no dividend paid in the quarter under review.

**A7 Segment information**

The Group's operations can be divided into two products based operating segments.

Segment information for the year ended 30 June 2019 are as follow:

	<u>Plastic and petroleum products</u> RM'000	<u>Food, beverages and other consumable products</u> RM'000	<u>Consolidated</u> RM'000
<b>2019</b>			
<b>Revenue</b>			
Revenue from external customers	415,926	30,974	446,900
<b>Segment profit</b>	29,551	1,451	31,002
Included in the measure of segment profit is:			
-Depreciation and amortisation	10,257	794	11,051
<b>Segment assets</b>	758,930	38,264	797,194
Included in the measure of segment assets is:			
-Capital expenditure	15,384	243	15,627

Segment information for the year ended 30 June 2018 are as follow:

	<u>Plastic and petroleum products</u> RM'000	<u>Food, beverages and other consumable products</u> RM'000	<u>Consolidated</u> RM'000
<b>2018</b>			
<b>Revenue</b>			
Revenue from external customers	391,916	29,008	420,924
<b>Segment profit</b>	22,129	(2,045)	20,084
Included in the measure of segment profit is:			
-Depreciation and amortisation	8,454	877	9,331
<b>Segment assets</b>	659,746	47,564	707,310
Included in the measure of segment assets is:			
-Capital expenditure	8,551	454	9,005

**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2019

**A8 Revaluation of property, plant and equipment**

Land and buildings of the Group have not been revalued since certain properties were first revalued in 1995. The Directors have not adopted a policy of regular revaluation of such assets. As permitted under the transitional provisions of International Accounting Standard No. 16 (Revised): Property, Plant and Equipment adopted by the Malaysian Accounting Standard Board, these assets are stated at their respective valuation less accumulated depreciation.

**A9 Material events subsequent to the end of the financial period**

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements as the date of this report.

**A10 Changes in the composition of the Group**

On 18 March 2019, the Company through its wholly owned subsidiary, Syarikat Thong Guan Trading Sdn Bhd, completed the acquisition of 49% interest in Thong Guan Trading (Thailand) Company Limited ("TGT Thailand") representing 79% voting interest in TGT Thailand for a total cash consideration of RM620,000. Following the acquisition, TGT Thailand became an indirect subsidiary of the Company.

On 04 April 2019, the Group's wholly owned subsidiary company, Thong Guan Plastic & Paper Industries Sdn Bhd ("TGPP") completed the acquisition of 4,080,000 ordinary shares, inclusive of 2 ordinary shares held through nominees, representing 51% interest in TGW Plastic Packaging Sdn Bhd. for a total cash consideration of RM4,080,000.

On 25 April 2019, Thong Guan Plastic & Paper Industries Sdn Bhd further subscribed 2,040,000 ordinary shares in TGW plastic Packaging Sdn Bhd. for a total consideration of RM2,040,000. The percentage of shareholdings remains at 51%.

**A11 Contingent liabilities**

The Company has provided financial support to certain subsidiaries to enable them to continue operating as a going concern.

**B1 Review of performance**

	Individual quarter period			
	30.06.2019 RM'000	30.06.2018 RM'000	Variance RM'000	Variance %
<b>Revenue</b>				
Plastic and petroleum products	214,310	191,190	23,120	12.1
Food, beverages and other consumable products	15,401	14,525	876	6.0
<b>Group</b>	<u>229,711</u>	<u>205,715</u>	<u>23,996</u>	<u>11.7</u>
<b>Profit/(Loss) before tax</b>				
Plastic and petroleum products	14,732	12,077	2,655	22.0
Food, beverages and other consumable products	847	(1,719)	2,566	149.3
<b>Group</b>	<u>15,579</u>	<u>10,358</u>	<u>5,221</u>	<u>50.4</u>

**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2019



	Cumulative period			
	30.06.2019 RM'000	30.06.2018 RM'000	Variance RM'000	Variance %
<b>Revenue</b>				
Plastic and petroleum products	415,926	391,916	24,010	6.1
Food, beverages and other consumable products	30,974	29,008	1,966	6.8
<b>Group</b>	<u>446,900</u>	<u>420,924</u>	<u>25,976</u>	<u>6.2</u>
<b>Profit/(Loss) before tax</b>				
Plastic and petroleum products	29,551	22,129	7,422	33.5
Food, beverages and other consumable products	1,451	(2,045)	3,496	171.0
<b>Group</b>	<u>31,002</u>	<u>20,084</u>	<u>10,918</u>	<u>54.4</u>

*Current Quarter - Revenue*

For the quarter ended 30 June 2019 (2Q19), the Group registered a revenue of RM229.71 million as compared to RM205.72 million recorded in 30 June 2018 (2Q18). The 12.1% increase for the plastic and petroleum products' segment revenue was due to the increase in sales volume of its stretch film and the contribution from its new subsidiary company producing courier bags. The sales of the Group's food, beverages and other consumable products increased by 6.0% in 2Q19 compared to 2Q18. This is mainly contributed by the increase in sales of tea and coffee products.

*Current Quarter - Profit Before Tax (PBT)*

For the quarter ended 30 June 2019 (2Q19), the Group's plastic products division recorded a PBT of RM14.73 million while its food, beverages and other consumable products division recorded a PBT of RM0.85 million respectively as compared to a profits of RM12.08 million and a loss of RM1.72 million recorded in 2Q18.

The Improvement of profit before tax for the current quarter was mainly due to the improvement in gross margin of plastic products due to the better margins from premium films and also the appreciation of the USD against MYR.

For the food, beverages and other consumable products division, the profit was mainly contributed from the increase in sales from the tea products and the discontinuation of its food outlet business which has suffered losses in the past.

*Cumulative Period - Revenue*

For the six months cumulative period, the Group recorded a growth in revenue of 6.1% or RM24.01 million for its plastic products division. The Group also achieved a 6.8% or RM1.97 million growth in its food, beverages and other consumable products division. The total revenue for the six months cumulative period is RM446.90 million, a growth of 6.2% as compared to the preceeding year's corresponding period of RM420.92 million. The increased in revenue was mainly contributed by the increase in export sales of its stretch film and also the revenue contributed by the Group's new subsidiary producing courier bags.

*Cumulative Period - Profit before Tax (PBT)*

The Group's profit before tax for the 6 months cumulative period ended 30 June 2019 is RM29.55 million (2018: RM22.13 million) for its plastic products division while its food, beverages and other consumable products division recorded a profit of RM1.45 million (2018: loss of RM2.05 million).

The higher profit before tax for the 6 months cumulative period was mainly due to the increase in export on stretch films. The strengthened US dollar against MYR also strengthened the PBT.

For food, beverages and other consumable products division, the increase in the profit before taxation are mainly contributed from the increase in sales of tea and coffee products.



**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2019



**B2 Comparison with immediate preceding quarter's results**

	Individual quarter ended		Variance RM'000	Variance %
	30.06.2019 RM'000	31.03.2019 RM'000		
Revenue	229,711	217,189	12,522	5.8
Profit before tax	15,579	15,423	156	1.0

The higher revenue recorded as compared to the preceding quarter was mainly due to the increase in the sales of stretch film, tea and coffee and the new courier bags products.

**B3 Prospect**

For the financial period ended 30 June 2019, the Group recorded a steady growth in revenue. The present world economic condition especially the escalation of the trade war between the USA and China has continued to become more uncertain and has impacted the growth of the plastic packaging sector. This has jeopardised the sales growth of the Group to its existing customers and its pace of market expansion. Despite this, the Group is working hard to look for new customers and markets for its products. The Group is currently commissioning its fourth premium stretch film production line and has just commissioned a new blown film extrusion line from Germany and also its 11th PVC food wrap line. With the additional capacity coming on stream and the continued expansion of the courier bags and other product divisions, the Group is optimistic to continue its upward trend in sales volume and profitability.

Barring any unforeseen circumstances, the Group expects to continue its growth plans for all its business units.

**B4 Variance of actual profit from forecast profit**

Not applicable.

**B5 Results from operating activities**

Results from operating activities are arrived at:

	Individual quarter		Cumulative period	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
After charging:				
Depreciation of property, plant and equipment	5,304	4,422	10,796	9,066
Depreciation of investment property	59	59	119	119
Amortisation of prepaid lease payments	68	68	137	137
Amortisation of intangible assets	-	3	-	9
Property, plant and equipment written off	9	203	9	203
Loss on disposal of plant and equipment	-	-	167	-
Impairment loss on property, plant and equipment	-	1,000	-	1,000
Loss on foreign exchange				
- realised	812	600	-	877
Unrealised loss on derivatives	-	706	-	706
and crediting:				
Gain on disposal of plant and equipment	23	60	-	79
Gain on foreign exchange				
- realised	-	704	1	704
- unrealised	1,699	-	459	-
Reversal of impairment loss on receivables	11	-	15	58

**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2019

**B6 Income tax expense**

	Individual quarter		Cumulative period	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Income tax in respect of				
- Current period	1,475	764	3,432	1,572
- Prior year	61	27	65	52
Deferred taxation	714	905	1,306	1,168
	<u>2,250</u>	<u>1,696</u>	<u>4,803</u>	<u>2,792</u>

The Group's effective tax rate was lower than the statutory corporate tax rate due to the availability of certain tax incentives to certain subsidiary companies within the group.

**B7 Sale of unquoted investments and/or properties**

There were no sale of unquoted investments for the current financial quarter and financial period-to-date.

**B8 Quoted securities**

There were no purchases or disposals of quoted securities for the current financial quarter and financial period-to-date.

**B9 Status of corporate proposals announced**

On 28 January 2019, TGIB announced to undertake the following corporate disposal:

- I) Proposed establishment of Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of shares of TGIB (excluding treasury shares) at any point in time during the duration of the scheme for the eligible directors and employees of TGIB and its subsidiary companies (excluding subsidiary companies which are dormant) ("Proposed ESOS");
- II) Proposed allocation of ESOS options to the executive directors of TGIB pursuant to the Proposed ESOS;
- III) Proposed exemption under Paragraph 4.08(1)(c) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Rules") to Foremost Equals Sdn Bhd ("Foremost Equals") and its persons acting in concert ("PAC") from the obligation to undertake a mandatory take-over offer for all ordinary shares in TGIB ("TGIB Shares"), irredeemable convertible unsecured loan stocks ("ICULS") and Warrants (ICULS and Warrants are collectively referred to as the "Convertible Securities") and new TGIB Shares to be issued pursuant to the conversion of ICULS and/or the exercise of the warrants not held by Foremost Equals or its PAC ("Proposed Exemption I"); and
- IV) Proposed exemption under Paragraph 4.15(1) of the Rules to Foremost Equals and its PAC from the obligation to undertake a mandatory take-over offer for all TGIB Shares, Convertible Securities and new TGIB Shares to be issued pursuant to the conversion of ICULS and/or the exercise of the warrants not held by them, upon the purchase by TGIB of its own shares pursuant to the renewal of share buy-back authority ("Proposed Exemption II"),

(collectively known as Proposals.)

The Proposals were duly passed by the shareholders of TGIB by way of poll at the extraordinary general meeting held on 18 April 2019.

The Securities Commission Malaysia had, vide its letter dated 7 May 2019, approved the application submitted by RHB Investment Bank Berhad on behalf of Foremost Equals and its PAC in relation to the Proposed Exemption I and Proposed Exemption II.

- i) The Proposed Exemption I will expire on the maturity dates of Warrants and ICULS, i.e. 9 October 2019 and 10 October 2019 respectively; and
- ii) The Proposed Exemption II will expire on the date which the renewal of share buy-back authority expires, i.e. at its next annual general meeting.

On the announcement on 3rd July 2019, the effective date of the ESOS has been fixed on 3rd July 2019. The ESOS duration had fixed from 3rd July 2019 to 2nd July 2024 with 22,500,000 unit shares offered. The exercise price of Options offered fixed at RM2.26 per share.

**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2019



The number of options offered to each director as below:-

Dato' Ang Poon Chuan	820,000
Dato' Ang Poon Khim	720,000
Datuk Ang Poon Seong	720,000
Ang See Ming	715,000

The options shall be exercisable in the following manner until the expiry of the ESOS on 2nd July 2024 if there is no extension of the ESOS for a further 5 year. The vesting period are as below:-

Tranches	Vesting Period
Tranches 01: 20% of Options	7 August 2019 to 6 August 2020
Tranches 02: 20% of Options	7 August 2020 to 6 August 2021
Tranches 03: 20% of Options	7 August 2021 to 6 August 2022
Tranches 04: 20% of Options	7 August 2022 to 6 August 2023
Tranches 05: 20% of Options	7 August 2023 to 2 July 2024

**B10 Group borrowings and debt securities**

	<b>30.06.2019</b>
	<b>RM'000</b>
<b>Current</b>	
<b><u>Secured</u></b>	
Term loans	5,370
Finance lease liability	714
	6,084
<b><u>Unsecured</u></b>	
Term loans	3,041
Overdrafts	2,276
Bankers' acceptances	6,673
Onshore foreign currency loans	54,903
Foreign currency trust receipt	4,298
Liability component of ICULS	92
	71,283
	77,367
<b>Non-current</b>	
<b><u>Secured</u></b>	
Term loans	46,035
Finance lease liability	1,171
<b><u>Unsecured</u></b>	
Term loans	7,998
	55,204

The above borrowings are denominated in Ringgit Malaysia except for onshore foreign currency loans, secured and unsecured term loans and foreign currency trust receipt which are denominated in US Dollar.

**B11 Disclosure of derivatives**

There were no derivatives in the quarter under review.

**B12 Changes in material litigation**

There was no material litigation pending as at the date of this quarterly report.

**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2019



**B13 Dividends**

The final single tier dividend of 8 sen per ordinary share in respect of the financial year ended 31 December 2018 was approved at the Company's 24th Annual General Meeting on 26 June 2019 and will be paid on 28 August 2019 to depositors registered in the Record of Depositor on 8 August 2019.

**B14 Earnings per ordinary share**

**(a) Basic earnings per ordinary share**

Basic earnings per ordinary share amounts are calculated by dividing profit attributable to the ordinary equity shareholders by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

	Individual quarter		Cumulative period	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit attributable to ordinary equity owners of the Company (RM'000)	13,774	8,615	26,698	17,110
Weighted average number of ordinary share in issue (units'000)	150,538	136,382	150,538	136,382
Basic earnings per ordinary share (sen)	9.15	6.32	17.74	12.55

**(b) Diluted earnings per ordinary share**

	Individual quarter		Cumulative period	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit attributable to ordinary equity owners of the Company (RM'000)	13,774	8,615	26,698	17,110
Weighted average number of ordinary share in issue (units'000)	162,712	170,376	162,712	170,376
Diluted earnings per ordinary share (sen)	8.47	5.06	16.41	10.04

If there is any outstanding ICULS on the maturity date (10 October 2019), the ICULS shall be automatically converted into new TGIB shares at conversion price.

**B15 Auditors' report on preceding annual financial statements**

There were no qualification on the auditors' report of the Group's most recent annual audited financial statements.

**By Order of the Board**

**Dato' Ang Poon Chuan**  
**Managing Director**  
**DATED THIS 28 AUGUST 2019**