

**QUARTERLY REPORT**

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020



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

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER 30.09.2020	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2019	CURRENT YEAR TO DATE (UNAUDITED) 30.09.2020	PRECEDING YEAR CORRESPONDING PERIOD (UNAUDITED) 30.09.2019
Revenue	A7	245,791	256,547	717,846	703,447
Cost of goods sold		(202,013)	(217,420)	(597,751)	(605,925)
<b>Gross profit</b>		43,778	39,127	120,095	97,522
Other income		(308)	269	1,272	1,650
Selling and distribution expenses		(6,142)	(5,995)	(18,225)	(17,131)
Administrative expenses		(11,149)	(10,234)	(28,351)	(27,451)
Other expenses		756	(78)	(679)	(275)
<b>Results from operating activities</b>	B5	26,935	23,089	74,112	54,315
Interest income		684	1,070	3,264	3,151
Finance costs		(467)	(1,128)	(2,117)	(3,433)
Share of net Profit of Associate		283	149	681	149
<b>Profit before tax</b>	A7	27,435	23,180	75,940	54,182
Tax expense	B6	(5,641)	(4,176)	(14,003)	(8,979)
<b>Profit for the period</b>		21,794	19,004	61,937	45,203
<b>Other comprehensive income/(expense), net of tax</b>					
Foreign currency translation differences for foreign operations		(175)	(2,348)	3,406	(2,256)
<b>Total comprehensive income for the period</b>		21,619	16,656	65,343	42,947
<b>Profit attributable to:</b>					
Owners of the Company		19,596	17,337	58,264	44,035
Non-controlling interests		2,198	1,667	3,673	1,168
		21,794	19,004	61,937	45,203
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		19,421	14,989	61,670	41,779
Non-controlling interests		2,198	1,667	3,673	1,168
		21,619	16,656	65,343	42,947
<b>Earnings per ordinary share (sen)</b>					
- Basic	B14	10.46	10.97	31.11	27.87
- Diluted	B14	10.03	10.65	29.82	27.05

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.

The cost of goods sold and selling and distribution expenses comparative figure for cumulative and individual quarter for 30 September 2019 were restated to conform to the current year's presentation.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	UNAUDITED AS AT 30.09.2020 RM'000	AUDITED AS AT 31.12.2019 RM'000
<b>ASSETS</b>			
Property, plant and equipment	A8	268,869	263,671
Investment property		7,038	7,217
Investment in associate		1,690	1,009
Deferred tax assets		-	185
<b>Total non-current assets</b>		<b>277,597</b>	<b>272,082</b>
Inventories		164,993	198,224
Trade and other receivables		208,107	180,159
Current tax assets		-	2,576
Cash and cash equivalents		258,838	228,275
<b>Total current assets</b>		<b>631,938</b>	<b>609,234</b>
<b>TOTAL ASSETS</b>		<b>909,535</b>	<b>881,316</b>
<b>EQUITY</b>			
* Share capital		235,085	220,327
Reserves		396,102	356,258
<b>Total equity attributable to owners of the Company</b>		<b>631,187</b>	<b>576,585</b>
<b>Non-controlling interests</b>		<b>21,682</b>	<b>18,009</b>
<b>Total equity</b>		<b>652,869</b>	<b>594,594</b>
Long term borrowings		55,490	49,038
Lease liability		-	1,299
Deferred tax liabilities		15,970	9,647
<b>Total non-current liabilities</b>		<b>71,460</b>	<b>59,984</b>
Short term borrowings		83,435	91,619
Lease Liability		1,583	1,080
Trade and other payables		97,560	132,359
Current tax liabilities		2,628	1,680
<b>Total current liabilities</b>		<b>185,206</b>	<b>226,738</b>
<b>Total LIABILITIES</b>		<b>256,666</b>	<b>286,722</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>909,535</b>	<b>881,316</b>
<b>Net Assets per share attributable to the owners of the Company (RM)</b>		<b>3.33</b>	<b>3.12</b>

\* Total number of shares as at 30 September 2020 is 189,712,720

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company											
	Share capital RM'000	Equity component of ICULS RM'000	Non-distributable					Distributable			Non-controlling interests RM'000	Total equity RM'000
Warrant reserve RM'000			Translation reserve RM'000	Fair Value reserve RM'000	Share Option reserve RM'000	Statutory reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000			
<b>9 months year ended 30.09.2019</b>												
<b>At 1 January 2019</b>	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	-	-	-	(2,256)	-	-	-	-	44,035	41,779	1,168	42,947
Exercise of warrants	41,158	-	(12,410)	-	-	-	-	-	-	28,748	-	28,748
Convertible of ICULS	22,107	(11,068)	-	-	-	-	-	-	(10,628)	411	-	411
Share Option Granted Under ESOS	-	-	-	-	-	2,345	-	-	-	2,345	-	2,345
Share issued by a subsidiary and subscribed by non-controlling interests	-	-	-	-	-	-	-	-	-	-	5,880	5,880
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(14,041)	(14,041)	-	(14,041)
Purchase of treasury shares	-	-	-	-	-	-	-	(725)	-	(725)	-	(725)
<b>At 30 September 2019</b>	<b>208,525</b>	<b>1,747</b>	<b>1,860</b>	<b>15,017</b>	<b>-</b>	<b>2,345</b>	<b>4,141</b>	<b>(1,304)</b>	<b>321,034</b>	<b>553,365</b>	<b>16,826</b>	<b>570,191</b>
<b>9 months year ended 30.09.2020</b>												
<b>At 1 January 2020</b>	220,327	-	-	14,441	(567)	2,221	4,141	(1,305)	337,327	576,585	18,009	594,594
Total comprehensive income for the period	-	-	-	3,406	-	-	-	-	58,264	61,670	3,673	65,343
Share option exercised	14,758	-	-	-	-	(1,096)	-	-	-	13,662	-	13,662
ESOS option forfeited	-	-	-	-	-	(25)	-	-	-	(25)	-	(25)
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(20,705)	(20,705)	-	(20,705)
<b>At 30 September 2020</b>	<b>235,085</b>	<b>-</b>	<b>-</b>	<b>17,847</b>	<b>(567)</b>	<b>1,100</b>	<b>4,141</b>	<b>(1,305)</b>	<b>374,886</b>	<b>631,187</b>	<b>21,682</b>	<b>652,869</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9 months ended	
	UNAUDITED 30.09.2020 RM'000	UNAUDITED 30.09.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	75,940	54,182
Adjustments for:		
Depreciation of property, plant and equipment	20,163	16,745
Depreciation of investment property	178	203
(Gain)/Loss on disposal of property, plant and equipment	(36)	174
Written off of property, plant and equipment	-	9
Interest income	(3,264)	(3,151)
Interest expense	2,117	3,433
Share option forfeited	(25)	-
Share option expenses	2,356	2,345
Share of net profit of associate	(681)	(149)
Operating profit before changes in working capital	96,748	73,791
Changes in working capital:		
Trade and other receivables	(31,654)	(46,226)
Inventories	37,473	(10,475)
Trade and other payables	(31,934)	11,860
Cash generated from operations	70,633	28,950
Income taxes paid	(5,471)	(4,757)
<b>Net cash generated from operating activities</b>	<b>65,162</b>	<b>24,193</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(23,081)	(30,749)
Additions to prepaid lease payments	(1,358)	(83)
Proceeds from disposal of property, plant and equipment	62	101
Interest received	3,264	3,151
Acquisition of associate	-	(520)
Share subscribed by non-controlling interests in a subsidiary	-	5,880
<b>Net cash used in investing activities</b>	<b>(21,113)</b>	<b>(22,220)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
ICULS interest paid	-	(639)
Dividend paid	(20,705)	(14,041)
Interest paid	(2,117)	(3,407)
(Repayment)/proceed of finance lease liabilities	(322)	356
(Repayment)/proceed of lease liabilities	(812)	-
(Repayment)/proceed of term loans, net	11,335	17,482
Other bank borrowings, net	(12,907)	12,975
Proceeds from conversion of warrants	-	28,748
Proceeds from exercise of ESOS	11,306	-
Acquisition of treasury shares	-	(725)
<b>Net cash from/ (used in) financing activities</b>	<b>(14,222)</b>	<b>40,749</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,827	42,722
Effects of exchange rate fluctuations on cash held	570	(346)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	227,217	167,654
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>257,614</b>	<b>210,030</b>
REPRESENTED BY:-		
Cash and bank balances	115,911	106,248
Short-term deposits	142,927	106,102
Bank overdrafts	(1,224)	(2,320)
	<b>257,614</b>	<b>210,030</b>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.

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**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 2019 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 2019, except for the adoption of the following as applicable:

Description	Effective date
Amendments to MFRS 3, Business Combinations	1 January 20
Amendments to MFRS 7, Financial Instruments Disclosures - Interest Rate Benchmark Reform	1 January 20
Amendments to MFRS 9, Financial Instruments - Interest Rate Benchmark Reform	1 January 20
Amendments to MFRS 101, Presentation of Financial Statements	1 January 20
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors	1 January 20
Amendments to MFRS 139, Financial Instruments: Recognition and Measurement- Interest Rate Benchmark Reform	1 January 20

The following revised MFRSs and Amendments to MFRSs applicable to the Group have been issued by the Malaysia Accounting Standard Board ("MASB") and are not yet effective for adoption by the Group.

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021**

MFRS 17 Insurance Contracts

**MFRSs, Interpretations and amendments effective for a date yet to be confirmed**

Amendments to MFRS 10 Consolidated Financial Statements

MFRS 128 Investment in Associates and Joint Ventures - Sale or Contribution by Assets between an Investor and its Associate or Joint Venture

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 to cater for the demand of 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.

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**A5 Debt and equity securities**

During the current quarter, the Company issued 3,115,800 new ordinary shares at exercise price of RM2.26 pursuant to the Employee Share Option Scheme ("ESOS").

During the quarter ended 30 September 2020, the total treasury shares stand at 472,000 units.

Save as disclosed above, there were no other issuance, cancellations, repurchases, resale or repayments of debts and equity securities during the current quarter under review.

**A6 Dividends paid**

During the current quarter, the Company paid the Final single-tier dividend of 9 sen per share amounting to RM16,982,444 for the financial year ended 31 December 2019 on 18 September 2020.

**A7 Segment information**

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

Segment information for the year ended 30 September 2020 are as follow:

<u>2020</u>	<u>Plastic packaging products</u> RM'000	<u>Food, beverages and other consumable products</u> RM'000	<u>Consolidated</u> RM'000
<b>Revenue</b>			
Revenue from external customers	658,868	58,978	717,846
<b>Segment profit</b>	72,620	3,320	75,940
Included in the measure of segment profit is:			
-Depreciation and amortisation	18,488	1,468	19,956
<b>Segment assets</b>	860,608	46,272	906,880
Included in the measure of segment assets is:			
-Capital expenditure	20,830	3,609	24,439

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

<u>2019</u>	<u>Plastic packaging products</u> RM'000	<u>Food, beverages and other consumable products</u> RM'000	<u>Consolidated</u> RM'000
<b>Revenue</b>			
Revenue from external customers	657,578	45,869	703,447
<b>Segment profit</b>	51,787	2,395	54,182
Included in the measure of segment profit is:			
-Depreciation and amortisation	15,774	1,163	16,937
<b>Segment assets</b>	811,945	37,019	848,964
Included in the measure of segment assets is:			
-Capital expenditure	30,500	332	30,832

**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.

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

During the current quarter, the Company had proposed to undertake a bonus issue of up to 191,409,370 new bonus share on the basis of 1 Bonus Share for ever 1 existing TGIB share held on an entitlement date to be determined later. The application has been submitted to Bursa Malaysia Securities Berhad on 27 August 2020 and was approved on 4 September 2020. The proposal was approved by shareholders at an Extra Ordinary Meeting (EGM) held on 2nd October 2020.

## A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 September 2020.

## 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			
	30.09.2020 RM'000	30.09.2019 RM'000	Variance RM'000	Variance %
<b>Revenue</b>				
Plastic packaging products	224,628	241,652	(17,024)	(7.0)
Food, beverages and other consumable products	21,163	14,895	6,268	42.1
<b>Group</b>	<u>245,791</u>	<u>256,547</u>	<u>(10,756)</u>	<u>(4.2)</u>
<b>Profit/(Loss) before tax</b>				
Plastic packaging products	26,425	22,236	4,189	18.8
Food, beverages and other consumable products	1,010	944	66	7.0
<b>Group</b>	<u>27,435</u>	<u>23,180</u>	<u>4,255</u>	<u>18.4</u>
	Cumulative period			
	30.09.2020 RM'000	30.09.2019 RM'000	Variance RM'000	Variance %
<b>Revenue</b>				
Plastic packaging products	658,868	657,578	1,290	0.2
Food, beverages and other consumable products	58,978	45,869	13,109	28.6
<b>Group</b>	<u>717,846</u>	<u>703,447</u>	<u>14,399</u>	<u>2.0</u>
<b>Profit/(Loss) before tax</b>				
Plastic packaging products	72,620	51,787	20,833	40.2
Food, beverages and other consumable products	3,320	2,395	925	38.6
<b>Group</b>	<u>75,940</u>	<u>54,182</u>	<u>21,758</u>	<u>40.2</u>

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*Current Quarter - Revenue*

For the quarter ended 30 September 2020 (3Q20), the Group's plastic packaging segment registered a revenue of RM224.63 million as compared to RM241.65 million recorded in the corresponding quarter of 2019 (3Q19). The 7.0% decrease for the plastic packaging products' segment was mainly due to the decrease in sales of its PVC food wrap products and garbage bags in the current quarter. The sales of food, beverages and other consumable products segment recorded a revenue of RM21.16million as compared to the corresponding quarter of 2019 of RM14.89million. The increase was mainly due to the increase in sales of tea and coffee products from its Thailand operations and FMCG products in Sabah operations.

*Current Quarter - Profit Before Tax (PBT)*

For the current quarter ended 30 September 2020 (3Q20), the Group's plastic packaging products segment recorded a PBT of RM26.43million while its food, beverages and other consumable products segment recorded a PBT of 1.01 million respectively as compared to a profits of RM22.24 million and RM0.94 million recorded in 3Q19.

The Improvement of profit before tax for the current quarter for plastic packaging products is due to the more premium product mix, primarily from premium stretch films and packaging film products compared to the corresponding period of 3Q19.

*Cumulative Period - Revenue*

For the 9 months cumulative period, the Group recorded a growth in revenue of 0.2% or RM1.29 million for its plastic products division. The Group also achieved a 28.6% or RM13.11 million growth in its food, beverages and other consumable products division. The total revenue for the 9 months cumulative period is RM717.85 million, a growth of 2.0% as compared to the preceeding year's corresponding period of RM703.45 million. The increased in revenue was mainly contributed by the increase in the sales volume of stretch film, courier bags, premium packaging films and food & beverages products.

*Cumulative Period - Profit before Tax (PBT)*

The Group's profit before tax for the 9 months cumulative period ended 30 September 2020 is RM72.62 million (2019: RM51.79 million) for its plastic products division while its food, beverages and other consumable products division recorded a profit of RM3.32 million (2019: RM2.40 million).

The higher profit before tax for the 9 months cumulative period was mainly due to the increase in sales of its premium stretch films, premium packaging films and courier bags.

For the food, beverages and other consumable products division, the increase in the profit before taxation was mainly due to the increase in sales of tea and coffee products and contribution from its organic products.

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

	Individual quarter ended		Variance RM'000	Variance %
	30.09.2020 RM'000	30.06.2020 RM'000		
Revenue	245,791	228,034	17,757	7.8
Profit before tax (PBT)	27,435	25,921	1,514	5.8

The higher revenue recorded in the current quarter as compared to the preceding quarter was mainly due to the increase in sales of stretch films, premium packaging films and courier bags.

The profit before taxation of RM27.44million as compared to RM25.92million is mainly due to the more premium product mix, during the reporting quarter compared to the preceeding quarter.



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### B3 Prospect

For the current quarter ended 30 September 2020, the Group has managed to maintain its sales growth and has further improved its profitability. This however has been slowed down due to the travel restrictions which has delayed the commissioning of its new machines and oversea sales efforts. The world economic condition will continue to be challenging with uncertainties surrounding the new normal and the precautionary steps taken by the world to curb the second or third waves of the COVID-19 virus. While the economic headwinds may continue to linger, the Group has progressively adapted to the new normal business environment and is optimistic to continue to build on its market position and to capture growth areas both locally and internationally.

The commissioning of an additional premium stretch film line and a new premium blown film line from Europe originally scheduled to be completed by 3Q'20 has now been completed in 4Q'20 due to the restriction on travelling. The Group has concrete plans for further capacity expansion in the next few years. The Group to continue to propel its upward trend in sales volume and profitability.

Barring any unforeseen circumstances, the Group expects to continue to grow 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	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
After charging:				
Depreciation of property, plant and equipment	6,572	5,771	20,163	16,567
Depreciation of investment property	59	84	178	203
Amortisation of prepaid lease payments	-	41	-	178
Property, plant and equipment written off	-	-	-	9
Share option expenses	2,356	2,345	2,356	2,345
Loss on disposal of property, plant and equipment	-	41	-	185
Loss on disposal of cash fund	23	15	23	15
Impairment loss on receivables	-	17	-	17
Loss on foreign exchange				
- realised	-	56	552	55
- unrealised	1,136	127	309	-
and crediting:				
Gain on disposal of property, plant and equipment	12	-	36	-
Gain on foreign exchange				
- realised	852	-	-	-
- unrealised	-	-	-	332
Reversal of impairment loss on receivables	-	-	-	15

### B6 Income tax expense

	Individual quarter		Cumulative period	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Income tax in respect of				
- Current period	3,447	2,433	8,962	5,865
- Prior year	34	(4)	34	61
Deferred taxation	2,160	1,747	5,007	3,053
	<u>5,641</u>	<u>4,176</u>	<u>14,003</u>	<u>8,979</u>

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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 2nd October 2020, the TGIB shareholders approved the Proposed Bonus Issue of up to 191,409,370 New Ordinary Shares in TGIB on the basis of 1 share for every 1 existing TGIB share held. The Bonus issue exercise was completed on 19 October 2020.

### B10 Group borrowings and debt securities

	30.09.2020 RM'000
<b>Current</b>	
<u>Secured</u>	
Term loans	17,268
Revolving credit	2,606
Finance lease liability	720
	20,594
<u>Unsecured</u>	
Term loans	4,125
Revolving credit	1,224
Overdrafts	1,287
Bankers' acceptances	5,433
Onshore foreign currency loans	50,772
	62,841
	83,435
<b>Non-current</b>	
<u>Secured</u>	
Term loans	34,158
Revolving credit	4,133
Finance lease liability	870
<u>Unsecured</u>	
Term loans	11,376
Revolving credit	4,953
	55,490

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

### B11 Disclosure of derivatives

During the quarter, the Group has entered into the short-term USD forward contract, to hedge its specific transactions

Type of derivatives	Contract/ Notional Value RM'000	Fair value asset/(liabilities) RM'000
USD Forward Exchange Contracts		
- Less than 1 year	13,165	685

**QUARTERLY REPORT**

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020



Unrealised net fair value gain as at quarter ended 30 September 2020 was RM685,000.

All contracts entered by the Group are executed with creditworthy financial institution in Malaysia. As a result, the credit risk or the risk of counterparties defaulting is minimal. The Group also has a low liquidity risk as it maintains sufficient fund to settle the entire derivative financial instruments when they fall due.

However, the Group is subjected to market risk in terms of foreign currency on sales and purchases that are denominated in foreign currency other than Ringgit Malaysia. The Group endeavour to maintain a natural hedge position, by matching the receivable and the payables in the same currency.

**B12 Changes in material litigation**

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

**B13 Proposed Dividends**

The Board of Directors has proposed a third interim single-tier dividend of 1.00 sen per ordinary share for the current quarter ended 30 September 2020 to be paid on 18 January 2021 to the shareholders registered at the close of business on 31 December 2020.

**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	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit attributable to ordinary equity owners of the Company (RM'000)	19,596	17,337	58,264	44,035
Weighted average number of ordinary share in issue (units'000)	187,258	158,016	187,258	158,016
Basic earnings per ordinary share (sen)	10.46	10.97	31.11	27.87

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

	Individual quarter		Cumulative period	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit attributable to ordinary equity owners of the Company (RM'000)	19,596	17,337	58,264	44,035
Weighted average number of ordinary share in issue (units'000)	195,360	162,821	195,360	162,821
Diluted earnings per ordinary share (sen)	10.03	10.65	29.82	27.05

**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 18 NOVEMBER 2020**