



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

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE (UNAUDITED)	PRECEDING YEAR CORRESPONDING PERIOD (UNAUDITED)
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue	A7	333,002	282,139	333,002	282,139
Cost of goods sold		(284,994)	(237,537)	(284,994)	(237,537)
Gross profit		48,008	44,602	48,008	44,602
Other income		1,024	1,241	1,024	1,241
Selling and distribution expenses		(6,105)	(6,372)	(6,105)	(6,372)
Administrative expenses		(11,049)	(10,034)	(11,049)	(10,034)
Other expenses		(604)	(1,417)	(604)	(1,417)
Results from operating activities	B5	31,274	28,020	31,274	28,020
Interest income		116	857	116	857
Finance costs		(560)	(416)	(560)	(416)
Share of net Profit of Associate		480	165	480	165
Profit before tax	A7	31,310	28,626	31,310	28,626
Tax expense	B6	(6,378)	(5,580)	(6,378)	(5,580)
Profit for the period		24,932	23,046	24,932	23,046
Other comprehensive income/(expense), net of tax					
Foreign currency translation differences for foreign operations		1,643	1,800	1,643	1,800
Total comprehensive income for the period		26,575	24,846	26,575	24,846
Profit attributable to:					
Owners of the Company		24,596	21,766	24,596	21,766
Non-controlling interests		336	1,280	336	1,280
		24,932	23,046	24,932	23,046
Total comprehensive income attributable to:					
Owners of the Company		26,239	23,566	26,239	23,566
Non-controlling interests		336	1,280	336	1,280
		26,575	24,846	26,575	24,846
Earnings per ordinary share (sen)					
- Basic	B14	6.39	5.71	6.39	5.71
- Diluted	B14	6.23	5.52	6.23	5.52

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 2021 and the accompanying explanatory notes attached to the interim financial report.

QUARTERLY REPORT

FOR THE FIRST QUARTER ENDED 31 MARCH 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	UNAUDITED AS AT 31.03.2022 RM'000	AUDITED AS AT 31.12.2021 RM'000
ASSETS			
Property, plant and equipment	A8	334,827	328,620
Investment property		25,033	25,189
Investment in associate		3,060	2,580
Other investments		797	797
Deferred tax assets		238	238
Trade and other receivable		-	42,730
Total non-current assets		363,955	400,154
Inventories		248,688	257,529
Trade and other receivables		326,252	262,693
Current tax assets		5,126	4,498
Cash and cash equivalents		277,979	292,884
Total current assets		858,045	817,604
TOTAL ASSETS		1,222,000	1,217,758
EQUITY			
* Share capital		247,401	246,454
Reserves		513,363	487,346
Total equity attributable to owners of the Company		760,764	733,800
Non-controlling interests		28,138	27,802
Total equity		788,902	761,602
Long term borrowings		66,046	65,300
Lease liability		1,244	1,379
Deferred tax liabilities		33,578	33,043
Total non-current liabilities		100,868	99,722
Short term borrowings		156,440	120,961
Lease Liability		1,088	1,110
Trade and other payables		170,516	233,290
Current tax liabilities		4,186	1,073
Total current liabilities		332,230	356,434
Total LIABILITIES		433,098	456,156
TOTAL EQUITY AND LIABILITIES		1,222,000	1,217,758
Net Assets per share attributable to the owners of the Company (RM)		1.98	1.91

* Total number of shares as at 31 March 2022 is 384,969,140

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 2021 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 →						Distributable Retained earnings	Total	Non- controlling interests	Total equity
	← Non-distributable →									
	Share capital	Translation reserve	Fair Value reserve	Share Option reserve	Statutory reserve	Treasury shares	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months year ended 31.03.2021										
At 1 January 2021	237,089	19,127	(567)	2,915	4,141	(1,305)	383,939	645,339	22,966	668,305
Total comprehensive income for the period	-	1,800	-	-	-	-	21,766	23,566	1,280	24,846
Share options exercised	458	-	-	(107)	-	-	-	351	-	351
Purchase of treasury shares	-	-	-	-	-	(3,830)	-	(3,830)	-	(3,830)
At 31 March 2021	<u>237,547</u>	<u>20,927</u>	<u>(567)</u>	<u>2,808</u>	<u>4,141</u>	<u>(5,135)</u>	<u>405,705</u>	<u>665,426</u>	<u>24,246</u>	<u>689,672</u>
3 months year ended 31.03.2022										
At 1 January 2022	246,454	26,779	(567)	3,017	4,141	(5,135)	459,111	733,800	27,802	761,602
Total comprehensive income for the period	-	1,643	-	-	-	-	24,596	26,239	336	26,575
Share option exercised	947	-	-	(222)	-	-	-	725	-	725
At 31 March 2022	<u>247,401</u>	<u>28,422</u>	<u>(567)</u>	<u>2,795</u>	<u>4,141</u>	<u>(5,135)</u>	<u>483,707</u>	<u>760,764</u>	<u>28,138</u>	<u>788,902</u>

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 2021 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	UNAUDITED 31.03.2022 RM'000	UNAUDITED 31.03.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	31,310	28,626
Adjustments for:		
Depreciation of property, plant and equipment	8,119	7,450
Depreciation of investment property	147	59
(Gain)/Loss on disposal of property, plant and equipment	(22)	(1)
Written off of property, plant and equipment	6	-
Interest income	(116)	(857)
Interest expense	560	416
Share of net profit of associate	(480)	(165)
Operating profit before changes in working capital	39,524	35,528
Changes in working capital:		
Trade and other receivables	(19,398)	(19,294)
Inventories	9,438	10,106
Trade and other payables	(63,853)	(20,083)
Cash generated from operations	(34,289)	6,257
Income taxes paid	(3,359)	(3,051)
Net cash generated from operating activities	(37,648)	3,206
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(13,705)	(14,199)
Proceeds from disposal of property, plant and equipment	22	104
Interest received	116	857
Investment in Unit Trust	(2)	(800)
Net cash used in investing activities	(13,569)	(14,038)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(3,798)
Interest paid	(560)	(416)
(Repayment)/proceed of finance lease liabilities	30	(219)
(Repayment)/proceed of lease liabilities	(284)	(256)
(Repayment)/proceed of term loans, net	984	(3,985)
Other bank borrowings, net	35,053	15,028
Proceeds from exercise of ESOS	726	351
Acquisition of treasury shares	-	(3,830)
Net cash from/ (used in) financing activities	35,949	2,875
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(15,268)	(7,957)
Effects of exchange rate fluctuations on cash held	204	344
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	292,656	292,332
CASH AND CASH EQUIVALENTS AT END OF PERIOD	277,592	284,719
REPRESENTED BY:-		
Cash and bank balances	170,854	125,552
Short-term deposits	107,125	160,125
Bank overdrafts	(387)	(958)
	277,592	284,719

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 2021 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 2021 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 2021. The Group adopted the following amendments to the applicable standards that are mandatory for annual period beginning on or after January 2022.

Description	Effective date
Annual Improvements to MFRS Standards 2018–2020 (MFRS 1, MFRS 9)	1 January 22
Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework	1 January 22
Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use	1 January 22
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 January 22

Adoption of the above standard did not have any material effect on the financial performance or position of the Group.

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 2023

MFRS 17	Insurance Contract
Amendments to MFRS 17	Insurance Contracts – Initial application of MFRS 17
MFRS 9	Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 Group is in the process of assessing the impact of implementing these standards and Amendments to the Standards, since the effects would only be observable for future financial years.

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**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.

A5 Debt and equity securities

During the current quarter, the Company issued 642,200 new ordinary shares at exercise price of RM1.13 pursuant to the Employee Share Option Scheme ("ESOS").

During the quarter ended 31 March 2022, the total treasury shares are 2,806,400 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 Third single-tier interim dividend of 1.25 sen per share amounting to RM4,804,085 for the financial year ended 31 December 2021 on 19 January 2022.

A7 Segment information

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

Segment information for the year ended 31 March 2022 are as follow:

	<u>Plastic packaging products</u> RM'000	<u>Food, beverages and other consumable products</u> RM'000	<u>Consolidated</u> RM'000
2022			
Revenue			
Revenue from external customers	308,074	24,928	333,002
Segment profit	29,945	1,365	31,310
Included in the measure of segment profit is:			
-Depreciation and amortisation	7,921	345	8,266
Segment assets	1,162,734	59,266	1,222,000
Included in the measure of segment assets is:			
-Capital expenditure	13,534	170	13,704

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Segment information for the year ended 31 March 2021 are as follow:

<u>2021</u>	<u>Plastic packaging products</u> RM'000	<u>Food, beverages and other consumable products</u> RM'000	<u>Consolidated</u> RM'000
Revenue			
Revenue from external customers	259,322	22,817	282,139
Segment profit	26,755	1,871	28,626
Included in the measure of segment profit is:			
-Depreciation and amortisation	6,996	513	7,509
Segment assets	962,104	51,639	1,013,743
Included in the measure of segment assets is:			
-Capital expenditure	14,076	123	14,199

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

During the current quarter ended 31 March 2022,, the Group incorporated a wholly-owned subsidiary company, TG Europe A/S with DKK400,000 (RM248,000) paid up capital in Denmark.

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

	<u>Individual & cumulative quarter</u>			
	<u>31.03.2022</u> RM'000	<u>31.03.2021</u> RM'000	<u>Variance</u> RM'000	<u>Variance</u> %
Revenue				
Plastic packaging products	308,074	259,322	48,752	18.8
Food, beverages and other consumable products	24,928	22,817	2,111	9.3
Group	333,002	282,139	50,863	18.0
Profit/(Loss) before tax				
Plastic packaging products	29,945	26,755	3,190	11.9
Food, beverages and other consumable products	1,365	1,871	(506)	(27.0)
Group	31,310	28,626	2,684	9.4

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*Current Quarter - Revenue*

For the current quarter ended 31 March 2022 (1Q22), the Group's plastic packaging products segment registered a revenue of RM308.07 million as compared to RM259.32 million recorded in the corresponding quarter of financial year (FY) 2021 (1Q21). The 18.8% increase for the plastic packaging products segment was mainly due to the increase in average selling price of stretch film, Industrial packaging, garbage bags, pvc cling film and courier bags in the current quarter. The sales of food, beverages and other consumable products segment recorded a revenue of RM24.93million as compared to the corresponding quarter of FY 2021 of RM22.82million. The increase was mainly due to the overall increase in sales of other consumables products.

Current Quarter - Profit Before Tax (PBT)

For the current quarter ended 31 March 2022 (1Q22), the Group's plastic packaging products segment recorded a PBT of RM29.95million while its food, beverages and other consumable products segment recorded a PBT of 1.37million as compared to a PBT of RM26.76 million and RM1.87 million respectively in 1Q21.

The Improvement of profit before tax for the current quarter for plastic packaging products segment is in line with the increase in revenue. The decrease in profit before tax for food, beverages and other consumable products segment is due to the decrease in sales of tea products.

B2 Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance RM'000	Variance %
	31.03.2022 RM'000	31.12.2021 RM'000		
Revenue	333,002	328,715	4,287	1.3
Profit before tax (PBT)	31,310	31,200	110	0.4

The higher revenue recorded on the current quarter is mainly due to the increase in average selling price of plastic products and sales volume of stretch film and food wrap. However, lower sales volume was recorded in garbage bags and courier bags which the Group see it as temporary and cyclical in nature.

The profit before taxation marginally increase by RM0.11 million from RM31.2million to RM31.31 million is due to increase of cost, lack of manpower and reduced orders for courier bags division.

B3 Prospect

For the current quarter ended 31 March 2022, the Group is seeing healthy order flow from its existing and new customers. The revenue stream from plastic packaging especially stretch film is leading the Group's growth. As the economy recovers from the pandemic, the Group continue to face increasing acute shortage of manpower as foreign workers ended their contract without new replacement and increase in minimum wages and other costs. The Russia and Ukraine war and the lockdown in China create uncertainty to the global economy and affected the Group in may ways.

In 2022, the Group's capacity expansion plan will include the installation of six production lines comprising three premium stretch film lines and three premium blown lines. Upon their full commission, the Group's yearly production capacity will increase by 50,000 tonnes.

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.

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**B5 Results from operating activities**

Results from operating activities are arrived at:

	Individual quarter		Cumulative period	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
After charging:				
Depreciation of property, plant and equipment	8,119	6,746	8,119	6,746
Depreciation of investment property	147	60	147	60
Property, plant and equipment written off	6	-	6	-
Loss on disposal of property, plant and equipment	-	243	-	243
Loss on foreign exchange				
- unrealised	593	940	593	940
Unrealised loss on derivatives	-	430	-	430
and crediting:				
Gain on disposal of property, plant and equipment	22	17	22	17
Gain on foreign exchange				
- realised	220	519	220	519

B6 Income tax expense

	Individual quarter		Cumulative period	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Income tax in respect of				
- Current period	5,843	3,533	5,843	3,533
Deferred taxation	535	2,047	535	2,047
	<u>6,378</u>	<u>5,580</u>	<u>6,378</u>	<u>5,580</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

There were no material corporate proposals announced and not completed as at date of this report.

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B10 Group borrowings and debt securities

	31.03.2022 RM'000
Current	
<u>Secured</u>	
Term loans	14,663
Revolving credit	16,012
Finance lease liability	551
	31,226
<u>Unsecured</u>	
Term loans	4,604
Revolving credit	1,254
Overdrafts	387
Bankers' acceptances	6,568
Onshore foreign currency loans	112,401
	125,214
	156,440
Non-current	
<u>Secured</u>	
Term loans	26,436
Revolving credit	19,435
Finance lease liability	969
<u>Unsecured</u>	
Term loans	16,689
Revolving credit	2,517
	19,206
	66,046

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

B11 Disclosure of derivatives

There is 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.

B13 Proposed Dividends

The Board of Directors proposes an interim dividend of 1.25 sen per ordinary share for the current quarter ended 31 March 2022 to be paid on 18 July 2022 to the shareholders registered at the close of business on 30 June 2022.

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**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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to ordinary equity owners of the Company (RM'000)	24,596	21,766	24,596	21,766
Weighted average number of ordinary share in issue (units'000)	384,874	381,065	384,874	381,065
Basic earnings per ordinary share (sen)	6.39	5.71	6.39	5.71

(b) Diluted earnings per ordinary share

	Individual quarter		Cumulative period	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to ordinary equity owners of the Company (RM'000)	24,596	21,766	24,596	21,766
Weighted average number of ordinary share in issue (units'000)	394,766	394,288	394,766	394,288
Diluted earnings per ordinary share (sen)	6.23	5.52	6.23	5.52

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 26 MAY 2022