

UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

	Three months ended		Twelve months ended	
	31.12.2018 RM '000	Restated 31.12.2017 RM '000	31.12.2018 RM '000	Restated 31.12.2017 RM '000
Revenue	<u>35,999</u>	<u>45,409</u>	<u>168,382</u>	<u>205,906</u>
Operating (Loss)/ Profit	<u>(6,854)</u>	<u>(3,574)</u>	<u>(7,901)</u>	<u>12,167</u>
Finance income	16	19	70	148
Finance costs	(885)	(476)	(2,802)	(1,433)
ESOS expenses	(881)	-	(1,014)	(993)
(Loss)/ Profit before taxation	<u>(8,604)</u>	<u>(4,031)</u>	<u>(11,647)</u>	<u>9,889</u>
Income tax	4,483	4,240	9,779	3,733
(Loss)/ Profit for the period	<u>(4,121)</u>	<u>209</u>	<u>(1,868)</u>	<u>13,622</u>
Foreign currency translation differences for foreign operation	-	3	-	(1)
Total comprehensive (loss)/ income for the period	<u>(4,121)</u>	<u>212</u>	<u>(1,868)</u>	<u>13,621</u>
(Loss)/ Profit attributable to:				
Owners of the Company	(4,113)	212	(1,862)	13,651
Non-controlling interests	(8)	(3)	(6)	(29)
(Loss)/ Profit for the period	<u>(4,121)</u>	<u>209</u>	<u>(1,868)</u>	<u>13,622</u>
Total comprehensive (loss)/ income attributable to:-				
Owners of the Company	(4,113)	213	(1,862)	13,650
Non-controlling interests	(8)	(1)	(6)	(29)
Total comprehensive (loss)/ income for the period	<u>(4,121)</u>	<u>212</u>	<u>(1,868)</u>	<u>13,621</u>
Basic earnings per ordinary share (sen)	<u>(0.98)</u>	<u>0.05</u>	<u>(0.44)</u>	<u>3.27</u>
Diluted earnings per ordinary share (sen)	<u>(0.98)</u>	<u>0.05</u>	<u>(0.44)</u>	<u>3.26</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	202,146	171,529
Deferred tax assets	4,527	-
Total non-current assets	<u>206,673</u>	<u>171,529</u>
Current assets		
Inventories	28,689	28,994
Trade and other receivables	40,308	62,274
Contract assets	3,375	7,144
Tax recoverable	6,031	4,388
Cash and cash equivalents	7,055	10,492
Total current assets	<u>85,458</u>	<u>113,292</u>
TOTAL ASSETS	<u>292,131</u>	<u>284,821</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	108,893	108,735
Reserves	83,459	86,959
Total equity attributable to owners of the Company	192,352	195,694
Non-controlling interests	11	17
Total equity	<u>192,363</u>	<u>195,711</u>
Non-current liabilities		
Loans and borrowings	-	24,477
Employee benefits	609	665
Deferred tax liabilities	-	5,296
Total non-current liabilities	<u>609</u>	<u>30,438</u>
Current liabilities		
Trade and other payables	20,902	32,162
Loans and borrowings	78,206	26,280
Dividends payable	51	230
Total current liabilities	<u>99,159</u>	<u>58,672</u>
Total liabilities	<u>99,768</u>	<u>89,110</u>
TOTAL EQUITY AND LIABILITIES	<u>292,131</u>	<u>284,821</u>
Net assets per share (RM)	0.46	0.47

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)



TOMYPAK HOLDINGS BERHAD (Company No. 337743-W)

**UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to owners of the Company							Retained earnings	Total	Non-controlling interest	Total equity
	Non-distributable						Distributable				
	Share capital	Share premium	Translation reserve	Treasury share	Employee Share-based reserve	Merger reserves	Warrant reserve				
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2018	108,735	993	(4)	(144)	988	2,991	16,967	65,168	195,694	17	195,711
Foreign currency translation differences for foreign operation	-	-	-	-	-	-	-	-	-	-	-
(Loss)/ Profit for the period	-	-	-	-	-	-	-	(1,862)	(1,862)	(6)	(1,868)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	-	-	(1,862)	(1,862)	(6)	(1,868)
Equity settled share based transactions	-	-	-	-	-	-	-	-	-	-	-
-Share option granted	-	-	-	-	1,014	-	-	-	1,014	-	1,014
-Share issue pursuant to ESOS	124	-	-	-	-	-	-	-	124	-	124
Own share acquired	-	-	-	(518)	-	-	-	-	(518)	-	(518)
Dividend to owners of the Company	-	-	-	-	-	-	-	(2,100)	(2,100)	-	(2,100)
Transfer to share capital for share options exercised after implementation of Companies Act 2016	34	-	-	-	(34)	-	-	-	-	-	-
Share option forfeited	-	-	-	-	(189)	-	-	189	-	-	-
At 31 December 2018	108,893	993	(4)	(662)	1,779	2,991	16,967	61,395	192,352	11	192,363



TOMYPAK HOLDINGS BERHAD (Company No. 337743-W)

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	Attributable to owners of the Company							Retained earnings	Total	Non-controlling interest	Total equity
	Non-distributable					Distributable					
	Share capital	Share premium	Translation reserve	Treasury share	Employee Share-based reserve	Merger reserves	Warrant reserve				
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2017	82,506	11,902	(3)	(471)	1,248	2,991	16,967	74,484	189,624	46	189,670
Foreign currency translation differences for foreign operation (Loss)/ Profit for the period	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Total comprehensive (loss)/ income for the period	-	-	(1)	-	-	-	-	13,650	13,650	(29)	13,621
Bonus issue	20,941	(11,000)	-	-	-	-	-	(9,941)	-	-	-
Equity settled share based transactions	-	-	-	-	-	-	-	-	-	-	-
-Share option granted	-	-	-	-	992	-	-	-	992	-	992
-Share issue pursuant to ES	4,194	65	-	-	-	-	-	-	4,259	-	4,259
Own share sold	-	-	-	327	-	-	-	224	551	-	551
Dividends to owners of the Company	-	-	-	-	-	-	-	(13,381)	(13,381)	-	(13,381)
Transfer to share premium for share options exercised prior to implementation of Companies Act 2016	-	26	-	-	(26)	-	-	-	-	-	-
premium for share options exercised after implementation of	1,094	-	-	-	(1,094)	-	-	-	-	-	-
Share option forfeited	-	-	-	-	(132)	-	-	132	-	-	-
At 31 December 2017	<u>108,735</u>	<u>993</u>	<u>(4)</u>	<u>(144)</u>	<u>988</u>	<u>2,991</u>	<u>16,967</u>	<u>65,168</u>	<u>195,694</u>	<u>17</u>	<u>195,711</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

	Twelve months ended 31.12.2018 RM '000	Twelve months ended 31.12.2017 RM '000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(11,647)	9,889
Adjustments for:-		
Depreciation	17,052	14,523
Equity settled share-based transaction	1,014	993
Finance income	(70)	(148)
Dividend income	(32)	(256)
Finance costs	2,802	1,433
Property, plant and equipment written off	1	2
Unrealised (gain)/ loss on foreign exchange	1,418	(1,952)
Gain on disposal of property, plant and equipment	(11)	(2)
Operating profit before changes in working capital	<u>10,527</u>	<u>24,482</u>
Changes in employee benefits	(56)	7
Changes in inventories	305	(1,803)
Changes in trade and other receivables	20,548	4,104
Changes in contract assets	3,769	(1,627)
Changes in trade and other payables	(11,260)	(4,032)
Cash generated from operations	<u>23,833</u>	<u>21,131</u>
Tax paid	(1,687)	(3,881)
Other finance costs paid	(207)	(250)
Net cash (used in)/ from operating activities	<u>21,939</u>	<u>17,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(47,988)	(44,823)
Proceeds from disposal of property, plant and equipment	329	61
Interest received	70	148
Dividend received	32	256
Net cash used in investing activities	<u>(47,557)</u>	<u>(44,358)</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

	Twelve months ended 31.12.2018 RM '000	Twelve months ended 31.12.2017 RM '000 Restated
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	24,629	13,633
Repayment of term loans	(9,990)	(6,429)
Net short term borrowings	12,807	9,422
Proceeds from exercise of share option	124	4,258
Net proceeds from the repurchase and resale of treasury shares	(518)	551
Dividends paid to owners of the Company	(2,276)	(13,307)
Interest paid	(2,595)	(1,183)
Net cash for financing activities	<u>22,181</u>	<u>6,945</u>
Exchange difference on translation of the financial statements of foreign operation	-	(1)
Net (decrease)/ increase in cash and cash equivalents	(3,437)	(20,414)
Cash and cash equivalents at 1 January	10,492	30,906
Cash and cash equivalents at 31 December	<u><u>7,055</u></u>	<u><u>10,492</u></u>
 * Cash and cash equivalents at end of the year consist of:-		
Deposit placed with licensed banks	-	1,000
Cash and bank balances	<u>7,055</u>	<u>9,492</u>
	<u><u>7,055</u></u>	<u><u>10,492</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)



A. NOTES TO THE QUARTERLY FINANCIAL REPORT

1 Basis of preparation

(a) Statement of compliance

The interim financial statements are unaudited and have been prepared in accordance with paragraph of the Listing Requirements of the Bursa Malaysia Securities Berhad, and Malaysia Financial Reporting Standard (MFRS) 134: Interim Financial Reporting. These condensed consolidated interim financial statements also comply with IAS34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- 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 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- 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*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

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 annual periods beginning on or after a date yet to be confirmed



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- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations in the respective financial years when the above standards, amendments and interpretations become effective.

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There is no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2 Audit qualification

The preceding audited financial statements of the Group were not subject to any audit qualification.

3 Seasonality or cyclicity of operations

The business operations of the Group during the financial quarter under review were not materially affected by any seasonal or cyclical factors.

4 Unusual items affecting the assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date.

5 Material changes in estimates

There were no changes in estimates of amounts, which have a material effect in the current quarter and financial year-to-date.

6 Issuances, cancellations, repurchases, resales and repayments of debts and equity securities

There were no issuances, cancellation, repurchases, resales and repayments of debts and equity securities for the current quarter, other than:-

- i) A total of 323,000 repurchased shares are being held at treasury shares.



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7 Dividend paid

- i) The board declared a single tier interim dividend of 0.2 sen per ordinary share totalling RM839,161 on 21st March 2018, based on issued and paid up capital as at 15th March 2018 and paid on 5th April 2018.
- ii) The board declared a single tier interim dividend of 0.3 sen per ordinary share totalling RM1,257,967 on 31st May 2018, based on issued and paid up capital as at 18th June 2018 and paid on 9th July 2018.

8 Segment information

The Group operates principally in Malaysia and in the manufacture and sale of flexible packaging materials.

The Group's operation is divided into local and export market. The local market relates to sales to customers within Malaysia. The export market relates to sales to overseas customers with South East Asia being the principal market segment.

	Individual quarter ended		Cumulative quarter ended	
	31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
Revenue				
- Local	22,523	26,616	98,788	104,346
- Overseas	<u>13,476</u>	<u>18,793</u>	<u>69,594</u>	<u>101,560</u>
	<u><u>35,999</u></u>	<u><u>45,409</u></u>	<u><u>168,382</u></u>	<u><u>205,906</u></u>

9 Valuations of property, plant and equipment

The Group did not carry out any valuations on its property, plant and equipment for the current quarter.

10 Material events subsequent to period end

There were no material events subsequent to period end.

11 Changes in composition of the group

There were no changes in the composition of the Group for the current quarter.

12 Contingent liabilities

	31 December 2018 RM'000	31 December 2017 RM'000
Secured corporate guarantees for banking facilities given to subsidiary	<u>46,597</u>	<u>31,954</u>
Unsecured corporate guarantees for banking facilities given to subsidiary	<u>31,608</u>	<u>18,803</u>



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13 Capital commitments

	31 December 2018 RM'000	31 December 2017 RM'000
Plant and equipment Contracted but not provided for	<u>1,732</u>	<u>23,307</u>
Authorised but not contracted for	<u>500</u>	<u>37,400</u>

**B. ADDITIONAL INFORMATION AS REQUIRED BY THE BURSA MALAYSIA SECURITIES
BERHAD'S LISTING REQUIREMENT**

1 Review of performance

The Group's performance for the quarter under review as compared to the same quarter of the previous financial year after taking into consideration the impact of adopting MFRS 15, is as follows :

Description	Q4 2018 RM '000	Q4 2017 RM '000	Change %
Revenue	35,999	45,409	(21)
Operating Profit before Foreign exchange, Interest and Tax	(8,289)	(3,894)	(113)
Loss before tax	(8,604)	(4,031)	(113)
(Loss)/ Profit after tax	(4,121)	209	(2,071)

Quarter Review

For the 3 months period ended December 31, 2018, the Group achieved a revenue of RM36.0 million as compared to RM45.4 million for the same period last year. The reduction in revenue in this period under review is primarily due to the reduction in orders from some international and local customers and partially mitigated by increase in sale to other international and local customers.

There were also production stoppages resulting from the on-going plant rationalization between the Tampoi and Senai factories as more of the key production lines were dismantled for major servicing and overhaul carried out with new parts installed before these equipment were moved to the Senai factory. In terms of quantity actually delivered, there was a decrease of 22 % from 3,012 metric tons in the same quarter last financial year, to 2,350 metric tons for this quarter.

The Group recorded a loss before tax of RM8.6 million for the quarter under review. This was primarily due to:

- a) lower sales as explained above,
- b) an increase in cost of goods manufactured resulting from increase in raw materials prices, particularly film, adhesive and aluminum foil, as well as higher consumption of raw materials which was partially mitigated by reduction in operating overheads as the rationalization exercise undertaken begins to take effect,
- c) a one off cost incurred for the moving of plant and machineries from Tampoi plant to Senai plant,
- d) an increase in depreciation costs of additional RM0.9 million as some new equipment delivered, installed and had commenced operations in 2018.



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- e) the low volume of production due to stoppage of some of the old equipment in preparation for the move to the new factory,
- f) expenses off cylinder block of RM0.8 million which is no future use,
- g) ESOS cost of RM0.9 million incurred in this quarter, and
- h) there was also an increase in finance expenses of RM0.4 million in this quarter compared to the same quarter last year.

The Group however was able to reduce the loss after tax to RM4.1 million arising from the recognition of tax income and deferred tax assets.

Twelve Months Review

	12mth 2018 RM '000	12mth 2017 RM '000	Change %
Revenue	168,382	205,906	(18)
Operating Profit before Foreign exchange, Interest and Tax	(7,923)	10,173	(178)
(Loss)/ Profit before tax	(11,647)	9,889	(218)
(Loss)/ Profit after tax	(1,868)	13,622	(114)

For the twelve months ended December 31, 2018, the Group recorded a revenue of RM168.4 million as compared to RM205.9 million in the corresponding period in the previous financial year, a decrease of RM37.5 million or 18%. The decrease was primarily due to a reduction in sales to some international and local customers. The decrease to these customers were partially mitigated by increase in sales to some existing and new international and local customers. The average selling price of the products shipped during this period also decreased due to different sales mix.

As a result of the reduction in sales, the Group profit before tax decreased from RM9.9 million for the twelve months for financial year 2017 to a loss of RM11.6 million for the twelve months ended December 31, 2018. The decrease was mainly attributed to the decrease in sales and hence there were lower contribution margins to cover increased factory overheads, in particular depreciation, increases in raw materials prices during these twelve months as well as translation costs of these materials which were mainly in USD. The increase in raw materials costs was partially mitigated by reduction in factory operational costs as a result of the transformation strategies implemented since the fourth quarter of 2017 and as more operations were moved from the Tampoi plant to the new plant in Senai. Total depreciation charges increased from RM14.5 million in the 12 months of 2017 to RM17.1 million for the 12 months of 2018 as more new equipment were commissioned into operations.

The Group also recognized a net foreign exchange loss of RM1 million in this financial year, from a gain of RM1 million in the prior financial year. In addition, there was also interest costs of RM2.8 million in this financial year as compared to RM1.4 million for previous year, for fixed loans drawn down to finance the purchase of the new production equipment as well as working capital loans for purchase of raw materials.

The Group however was able to reduce the loss after tax to RM1.9 million arising from the recognition of tax income and deferred assets.



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2 Variation of results against preceding quarter

The Group's performance for the quarter under review as compared to the preceding quarter is as follows:

	Q4 2018	Q3 2018	Change
	RM '000	RM '000	%
Revenue	35,999	49,562	(27)
Operating Profit before Foreign exchange, Interest and Tax	(8,289)	1,943	(526)
(Loss)/ Profit before tax	(8,604)	(456)	(1,787)
(Loss)/ Profit after tax	(4,121)	2,255	(283)

For the three months ended December 31, 2018, the Group achieved a revenue of RM36.0 million compared to RM49.6 million for the preceding quarter, a decrease of 27%.

As a result of the decreased in sales and an increase in raw materials costs in this quarter, the loss before forex losses, interests and tax was RM8.3 million for this quarter as compared to a profit of RM1.9 million for the preceding quarter. There was a depreciation of RM4.9 million for this quarter as compared to RM4.2 million in the preceding quarter, cylinder expense off of RM 0.8 million and also one off ESOS expenses amounting to RM 0.9 million in this quarter.

3 Prospects

As at the end of December 2018, the installation of most of our new equipment in our Senai plant was completed and operational including the last new printing line, a 8-colour flexo printing line, and its ancillary bag making line. With these equipment installed and operational, all major new equipment as envisaged under the expansion program were in place by end FY 2018.

In the meantime, the Group has commenced the rationalization of the production equipment in the two factories and have since moved and reinstalled two printing lines and two laminating lines from Tampoi factory to the Senai factory and has commence commercial operation in Quarter 3 & 4 of this financial year. The second phase of the rationalization plan of moving additional printing and laminating lines will commence in the first quarter of FY 2019.

The focus for FY 2019 will be on improving sales and marketing activities with the recruitment of additional experienced sales personnel, as well as improve operational efficiencies, particularly with regards to reduction in cost of raw materials consumed.

The implementation of the transformation program of the Company's human resources whereby we have reduced the hiring of foreign workers by replacing them with locals but more technically qualified operational staff, is progressing well with over 90 new diploma, degree and master holders employed for operational, planning and quality control activities, over the past 12 months. This program is beginning to bear positive results.

Meanwhile, we have further intensified the Company's marketing efforts to secure more local and international customers and has already commenced the process of identifying and appointing sales partners in various targeted countries to tap the respective domestic markets of these sales partners. A new team of sales and marketing team has been recruited to supplement the existing team.

Whilst all the above activities are in progress, the Board is cautiously confident that the performance of the Group will continue to improve.



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4 Profit forecast

No profit forecast was provided for the current quarter and financial year-to-date.

5 Tax income/ (expense)

Taxation comprises the following:

	Individual quarter ended		Cumulative quarter ended	
	31 December 2018 RM'000	31 December 2017 RM'000	31 December 2018 RM'000	31 December 2017 RM'000
The tax income/ (expense) comprises the followings:				
Tax income/ (expense)				
- Current period	(14)	278	(17)	(22)
- Prior year	(30)	-	(27)	(345)
	(44)	278	(44)	(367)
Deferred tax income				
- Current period	4,527	3,962	9,823	4,100
	4,527	3,962	9,823	4,100
	4,483	4,240	9,779	3,733

6 Status of corporate proposal announced

There was no corporate proposal announced for the current quarter.

7 Utilisation of Right Issue Proceeds

Details of the expected utilisation of proceeds	Expected utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Construction of a new factory building	33,366	33,366	-
Purchase of machineries, equipment and other ancillary facilities	15,768	15,768	-
Working capital	5,000	5,000	-
Estimated expenses in relation to the Corporate Exercise	600	600	-
Total	54,734	54,734	-



8 Group borrowings and debts securities

The borrowings of the Group denominated in Ringgit Malaysia as at the end of the reporting period are as follows: -

	31 December 2018	31 December 2017
	RM'000	RM'000
Non-current		
Secured		
Term loans	-	24,477
	-	24,477
Current		
Secured		
Term loans**	46,598	7,477
	46,598	7,477
Unsecured		
Trust receipts	31,608	18,803
	31,608	18,803
	78,206	26,280
	78,206	50,757

***Note: Reclassification of non-current term loans to current term loans as the Group has not met certain loan covenant. The Group are in discussions with the bank to secure a waiver. Upon receiving the waiver, these loans can then be reclassified as non-current term loans.*

9 Disclosure of derivatives

There were no financial derivatives for current quarter ended 31 December 2018.

10 Changes in material litigation

There were no pending material litigations at the date of this quarterly report.

11 Dividend

No dividend was declared by the Company for the current quarter under review.



**UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2018**

12 Earnings per ordinary shares

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the period under review is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the said financial period, adjusted by the number of ordinary shares rights issue and incorporating the share split and bonus issue for the period 30 September 2017.

	Individual quarter ended		Cumulative quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Adjusted Net Profit attributable to ordinary shareholders (RM'000)	(4,113)	212	(1,862)	13,651
Weighted average number of ordinary shares in issue ('000)	419,169	419,437	419,350	417,270
Basic earnings per ordinary share (sen)	<u>(0.98)</u>	<u>0.05</u>	<u>(0.44)</u>	<u>3.27</u>

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share for the period under review is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the said financial period, after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Three months		Twelve months	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Adjusted Net Profit attributable to ordinary shareholders (RM'000)	(4,113)	212	(1,862)	13,651
Weighted average number of ordinary shares in issue ('000)	420,096	420,312	420,277	418,145
Diluted earnings per ordinary share (sen)	<u>(0.98)</u>	<u>0.05</u>	<u>(0.44)</u>	<u>3.26</u>

13 Related party transactions

There were no significant related party transactions for the Group during the period under review.



14 Notes to the Statements of Comprehensive Income

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

	Individual quarter ended		Cumulative quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000
Dividend income	-	(30)	(32)	(256)
Interest expense	885	476	2,802	1,433
Depreciation	4,930	4,025	17,052	14,523
Bad debts recovered	-	(213)	(129)	(213)
Allowance for/ (Reversal of) slow moving inventories	284	541	(502)	232
Foreign exchange:				
- Realised loss/(gain)	(800)	222	(426)	951
- Unrealised loss/(gain)	246	(542)	1,418	(1,952)
Loss/(gain) on disposal of property, plant and equipment	119	-	(11)	(2)
Equity settled share based transaction (ESOS expense)	881	-	1,014	993