



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

| | Three months ended | | Nine months ended | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 30.09.2019 RM '000 | 30.09.2018 RM '000 | 30.09.2019 RM '000 | 30.09.2018 RM '000 |
| Revenue | 38,542 | 49,562 | 113,990 | 132,383 |
| Operating (Loss)/ Profit | (2,889) | 414 | (8,079) | (1,047) |
| Finance income | 11 | 14 | 43 | 54 |
| Finance costs | (880) | (751) | (2,642) | (1,917) |
| ESOS expenses | (802) | (133) | (867) | (133) |
| (Loss)/ Profit before taxation | (4,560) | (456) | (11,545) | (3,043) |
| Tax (expenses)/ income | (1,429) | 2,711 | (8) | 5,296 |
| (Loss)/ Profit for the period | (5,989) | 2,255 | (11,553) | 2,253 |
| Foreign currency translation differences for foreign operations | - | 1 | - | - |
| Total comprehensive (expense)/ income for the period | (5,989) | 2,256 | (11,553) | 2,253 |
| (Loss)/ Profit attributable to: | | | | |
| Owners of the Company | (5,999) | 2,253 | (11,543) | 2,251 |
| Non-controlling interests | 10 | 2 | (10) | 2 |
| (Loss)/ Profit for the period | (5,989) | 2,255 | (11,553) | 2,253 |
| Total comprehensive (expense)/ income attributable to:- | | | | |
| Owners of the Company | (5,999) | 2,253 | (11,543) | 2,251 |
| Non-controlling interests | 10 | 2 | (10) | 2 |
| Total comprehensive (expense)/ income for the period | (5,989) | 2,255 | (11,553) | 2,253 |
| Basic (loss)/ earnings per ordinary share (sen) | (1.43) | 0.54 | (2.76) | 0.54 |
| Diluted (loss)/ earnings per ordinary share (sen) | (1.43) | 0.54 | (2.75) | 0.54 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

| | As at 30.09.2019 RM '000 | Audited As at 31.12.2018 RM '000 |
|--|--------------------------------|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 194,588 | 202,146 |
| Deferred tax assets | 4,527 | 4,527 |
| Total non-current assets | <u>199,115</u> | <u>206,673</u> |
| Current assets | | |
| Inventories | 27,215 | 28,687 |
| Trade and other receivables | 38,900 | 41,598 |
| Contract assets | 4,099 | 3,375 |
| Tax recoverable | 6,042 | 6,031 |
| Cash and cash equivalents | 6,850 | 7,055 |
| Total current assets | <u>83,106</u> | <u>86,746</u> |
| TOTAL ASSETS | <u>282,221</u> | <u>293,419</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | 109,909 | 109,883 |
| Reserves | 71,766 | 82,469 |
| Equity attributable to owners of the Company | 181,675 | 192,352 |
| Non-controlling interests | 1 | 11 |
| Total equity | <u>181,676</u> | <u>192,363</u> |
| Non-current liabilities | | |
| Loans and borrowings | 20,375 | - |
| Employee benefits | 593 | 609 |
| Total non-current liabilities | <u>20,968</u> | <u>609</u> |
| Current liabilities | | |
| Trade and other payables | 19,943 | 22,190 |
| Loans and borrowings | 59,583 | 78,206 |
| Dividends payable | 51 | 51 |
| Total current liabilities | <u>79,577</u> | <u>100,447</u> |
| Total liabilities | <u>100,545</u> | <u>101,056</u> |
| TOTAL EQUITY AND LIABILITIES | <u>282,221</u> | <u>293,419</u> |
| Net assets per share (RM) | 0.43 | 0.46 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

| | Attributable to owners of the Company | | | | | | | | | |
|--|---------------------------------------|---------------------|----------------|----------------------|----------------|-----------------|-------------------|----------------|--------------------------|----------------|
| | Non-distributable | | | | | | Distributable | | | |
| | Share capital | Translation reserve | Treasury share | Share option reserve | Merger reserve | Warrant reserve | Retained earnings | Total | Non-controlling interest | Total equity |
| | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 |
| At 1 January 2019 | 109,883 | (4) | (662) | 1,790 | 2,991 | 16,967 | 61,387 | 192,352 | 11 | 192,363 |
| Foreign currency translation differences for foreign operation | - | - | - | - | - | - | - | - | - | - |
| (Loss)/ Profit for the period | - | - | - | - | - | - | (11,543) | (11,543) | (10) | (11,553) |
| Total comprehensive expense for the period | - | - | - | - | - | - | (11,543) | (11,543) | (10) | (11,553) |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | | | |
| Equity settled share based transactions | | | | | | | | | | |
| - Share option granted | - | - | - | 867 | - | - | - | 867 | - | 867 |
| - Share issue pursuant to ESOS | 20 | - | - | - | - | - | - | 20 | - | 20 |
| - Share option exercised | 6 | - | - | (6) | - | - | - | - | - | - |
| Own share acquired | - | - | (21) | - | - | - | - | (21) | - | (21) |
| Dividend to owners of the Company | - | - | - | - | - | - | - | - | - | - |
| Total transactions with owners of the Company | 26 | - | (21) | 861 | - | - | - | 866 | - | 866 |
| Share option forfeited | - | - | - | (307) | - | - | 307 | - | - | - |
| At 30 September 2019 | <u>109,909</u> | <u>(4)</u> | <u>(683)</u> | <u>2,344</u> | <u>2,991</u> | <u>16,967</u> | <u>50,151</u> | <u>181,675</u> | <u>1</u> | <u>181,676</u> |



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

| | Attributable to owners of the Company | | | | | | | | | | |
|--|---------------------------------------|---------------|---------------------|----------------|----------------------|-----------------|-----------------|-------------------|----------------|--------------------------|----------------|
| | Non-distributable | | | | | | | Distributable | | | |
| | Share capital | Share premium | Translation reserve | Treasury share | Share option reserve | Merger reserves | Warrant reserve | Retained earnings | Total | Non-controlling interest | Total equity |
| | 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 | - | - | - | - | - | - | - | 2,251 | 2,251 | 2 | 2,253 |
| Total comprehensive (loss)/ income for the period | - | - | - | - | - | - | - | 2,251 | 2,251 | 2 | 2,253 |
| Equity settled share based transactions | - | - | - | - | - | - | - | - | - | - | - |
| -share option granted | - | - | - | - | 133 | - | - | - | 133 | - | 133 |
| -share issue pursuant to ESOS | 124 | - | - | - | - | - | - | - | 124 | - | 124 |
| Own share acquired | - | - | - | (323) | - | - | - | - | (323) | - | (323) |
| Dividends to owners of the Company | - | - | - | - | - | - | - | (2,101) | (2,101) | - | (2,101) |
| Transfer to share capital for share options exercised after implementation of Companies Act 2016 | 34 | - | - | - | (34) | - | - | - | - | - | - |
| Share option forfeited | - | - | - | - | - | - | - | - | - | - | - |
| At 30 September 2018 | <u>108,893</u> | <u>993</u> | <u>(4)</u> | <u>(467)</u> | <u>1,087</u> | <u>2,991</u> | <u>16,967</u> | <u>65,318</u> | <u>195,778</u> | <u>19</u> | <u>195,797</u> |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED**

| | Nine months ended 30.09.2019 RM '000 | Nine months ended 30.09.2018 RM '000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (11,545) | (3,043) |
| Adjustments for:- | | |
| Depreciation | 13,551 | 12,122 |
| Equity settled share-based transaction | 867 | 133 |
| Finance costs | 2,642 | 1,917 |
| Finance income | (43) | (54) |
| Dividend income | - | (32) |
| Property, plant and equipment | | |
| - Written off | 35 | - |
| - Loss/(gain) on disposal | 41 | (130) |
| Unrealised (gain)/ loss on foreign exchange | (934) | 1,172 |
| Operating profit before changes in working capital | <u>4,614</u> | <u>12,085</u> |
| Changes in employee benefits | (16) | (64) |
| Changes in inventories | 1,472 | 1,551 |
| Changes in trade and other receivables | 3,072 | 5,971 |
| Changes in trade and other payables | (2,247) | (3,986) |
| Changes in contract assets | (724) | 4,026 |
| Cash generated from operations | <u>6,171</u> | <u>19,583</u> |
| Tax paid | (19) | (1,683) |
| Other finance costs paid | (128) | (216) |
| Net cash from operating activities | <u>6,024</u> | <u>17,684</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (6,095) | (43,957) |
| Proceeds from disposal of property, plant and equipment | 26 | 106 |
| Interest received | 43 | 54 |
| Dividend received | - | 32 |
| Net cash used in investing activities | <u>(6,026)</u> | <u>(43,765)</u> |



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

| | Nine months ended 30.09.2019 RM '000 | Nine months ended 30.09.2018 RM '000 |
|---|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of term loans | - | 18,230 |
| Repayment of term loans | (11,662) | (6,684) |
| Net short term borrowings | 13,975 | 11,900 |
| Proceeds from exercise of share option | 20 | 124 |
| Net (payment)/proceeds from the repurchase and resale of treasury shares | (21) | (323) |
| Dividends paid to owners of the Company | - | (2,279) |
| Interest paid | (2,515) | (1,455) |
| Net cash from financing activities | <u>(203)</u> | <u>19,513</u> |
| Exchange differences on translation of the financial statements of foreign operations | - | - |
| Net increase/(decrease) in cash and cash equivalents | (205) | (6,568) |
| Cash and cash equivalents at 1 January | 7,055 | 10,492 |
| Cash and cash equivalents at 30 September | <u><u>6,850</u></u> | <u><u>3,924</u></u> |
| * Cash and cash equivalents at end of the year consist of:- | | |
| Cash and bank balances | <u>6,850</u> | <u>3,924</u> |
| | <u><u>6,850</u></u> | <u><u>3,924</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 2018 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 statement 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 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2018.

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 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

- 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, interpretations and amendments in the respective financial year when the above standards, interpretations and amendments become effective.

The Group and the Company do not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group and the Company.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of 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 an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are 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 except for recognition of deferred tax assets.

The deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the unabsorbed capital allowances and unutilised reinvestment allowances can be utilised. The Directors believe that there is probable taxable profits based on the profit projections to utilise the amount of deferred tax assets recognised.

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.



7 Dividend paid

The Board does not recommend any interim dividend to be paid for the current quarter.

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 in South East Asia, South America, Africa and Asia being the principal market segment.

| | Individual quarter ended | | Cumulative quarter ended | |
|------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 30 September 2019 RM'000 | 30 September 2018 RM'000 | 30 September 2019 RM'000 | 30 September 2018 RM'000 |
| Revenue | | | | |
| - Local | 16,699 | 28,879 | 51,252 | 76,265 |
| - Overseas | <u>21,843</u> | <u>20,683</u> | <u>62,738</u> | <u>56,118</u> |
| | <u><u>38,542</u></u> | <u><u>49,562</u></u> | <u><u>113,990</u></u> | <u><u>132,383</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

| | Company | |
|--|--------------------------------|--------------------------------|
| | 30 September 2019 RM'000 | 30 September 2018 RM'000 |
| Secured corporate guarantees given to banks in respect of outstanding banking facilities of a subsidiary | <u>79,958</u> | <u>74,449</u> |



13 Capital commitments

| | 30 September 2019 RM'000 | 30 September 2018 RM'000 |
|--|---|---|
| Plant and equipment Contracted but not provided for | <u>2,263</u> | <u>2,523</u> |

14 Listing Requirement

The external auditors had performed a limited review on the condensed consolidated interim financial statements of the Group as at 30 September 2019 pursuant to a directive issued by Bursa Malaysia Securities Berhad on 27 May 2019 and a copy of the review report dated 27 November 2019 is attached.

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 is as follows :

| Description | Q3 2019 RM '000 | Q3 2018 RM '000 | Change % |
|---|----------------------------|----------------------------|---------------------|
| Revenue | 38,542 | 49,562 | (22) |
| EBITDA | 821 | 4,475 | (82) |
| Operating (Loss)/ Profit before Foreign Exchange, Interest and Tax | (3,158) | 1,943 | (>100) |
| Loss before tax | (4,560) | (456) | (>100) |
| (Loss) / Profit after tax | (5,989) | 2,255 | (>100) |

Quarter Review

For the 3 months period ended September 30, 2019, the Group achieved a revenue of RM38.5 million as compared to RM49.6 million for the same period last year. The decrease in revenue in this period under review is primarily due to decrease in orders from some local customers and partially offset by an increase in sale to some existing and new international customers.

In terms of quantity delivered, there was a decrease of 23% from 3,170 metric tons in the same quarter last financial year, to 2,443 metric tons for this quarter,

The Group achieved a lower EBITDA of RM0.8 million in the current quarter as compared to RM4.5 million for the same period last year. This is due to lower revenue in this quarter against the same quarter in preceding year.



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 SEPTEMBER 2019**

The Group recorded a loss before tax of RM4.6 million for the quarter under review as compared to a loss of RM0.5 million in the same quarter in FY 2018. This loss is primarily due to:

- a) Lower revenue while manufacturing cost remains constant;
- b) Higher depreciation of RM0.3 million as some new equipment were delivered, installed and commenced operations from 4th quarter of 2018;
- c) Higher finance expenses of RM0.1 million in this quarter compared to the same quarter last year;
- d) Additional expenses resulting from the strengthening of back-end support services, as well as increase in sales and marketing expenses including hiring of new personnel to cater for expansion, as well as participation in international exhibition; and
- e) ESOS cost of RM0.8 million incurred in this quarter as a staff benefit to the employee.

Nine Months Review

| Description | Q3 2019 RM '000 | Q3 2018 RM '000 | Change % |
|--|--------------------|--------------------|-------------|
| Revenue | 113,990 | 132,383 | (14) |
| EBITDA | 4,605 | 10,942 | (58) |
| Operating Loss before Foreign Exchange, Interest and Tax | (9,618) | 366 | (>100) |
| Loss before tax | (11,545) | (3,043) | (>100) |
| (Loss) / Profit after tax | (11,553) | 2,253 | (>100) |

For the nine months ended September 30, 2019, the Group recorded a revenue of RM114.0 million as compared to RM132.4 million in the corresponding period in the previous financial year, a decrease of RM18.4 million or 14%. The decrease was primarily due to a reduction in sales to some local customers. The decrease to these customers was partially mitigated by an increase in sales to some existing and new international customers.

As a result of the reduction in sales, the Group EBITDA decreased to RM4.6 million for the nine months ended September 30, 2019 from RM10.9 million for the same period last year. The Group reported a loss before tax of RM11.5 million for the nine months for financial year 2019 in line with the decrease in revenue.

The contribution margins from the lower revenue were insufficient to cover a slight increase in factory overheads for the 9 months ended 30 September 2019. There was also marginally higher sales and marketing expenses and ESOS expenses of RM0.8 million in the nine months ended 30 September 2019, arising from costs incurred for additional sales personnel and sales and marketing costs for activities overseas, increase in salaries as a result of recruitment of additional talent and training costs.

Total depreciation charges increased from RM12.1 million in the 9 months ended 30 September 2018 to RM13.6 million for the 9 months ended 30 September 2019 as more new equipment were commissioned into operations after 30 June 2018.



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 SEPTEMBER 2019**

In addition, there was also higher interest costs of RM2.6 million for the nine months ended September 30, 2019 as compared to RM1.9 million in the corresponding period in previous financial year, for loans drawn down to finance the purchase of new production equipment and working capital.

The Group recognized a net foreign exchange gain of RM0.7 million in this financial year, compared to a foreign exchange loss of RM1.5 million in the prior financial period.

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:

| | Q3 2019 | Q2 2019 | Change |
|--|----------------|----------------|---------------|
| | RM '000 | RM '000 | % |
| Revenue | 38,542 | 41,060 | (6) |
| EBITDA | 821 | 1,912 | (57) |
| Operating Loss before Foreign Exchange, Interest and Tax | (3,158) | (2,442) | (29) |
| Loss before tax | (4,560) | (3,416) | (33) |
| Loss after tax | (5,989) | (2,686) | (>100) |

For the three months ended September 30, 2019, the Group achieved a revenue of RM38.5 million compared to RM41.1 million for the preceding quarter, a decrease of 6% resulting from decreased orders from local customers.

EBITDA decreased from RM1.9 million for the three months ended June 30, 2019 to RM0.8 million for the three months ended September 30, 2019. This decrease is primarily due to a decrease in sales as explained above. There was also an ESOS cost of RM0.8 million in this quarter.

3 Prospects

As at the end of September 2019, the 7th printing line was moved and reinstalled from Tampoi Plant to Senai Plant and has commenced commercial operation in August 2019 after the necessary maintenance was carried out.

The bag making machines from Tampoi Plant will be moved to Senai Plant in May 2020, in conjunction with the Group's rationalisation plan to achieve cost and operational efficiency in its daily business operation.

Meanwhile, we have intensified marketing efforts to secure more local and international customers and has also increased focus on the development of new products to improve our competitive advantage.

The implementation of the various transformation programs is expected to result in better sales and will enhance operational efficiencies of the Group in the forthcoming quarters, all of which will be able to result in improved operational performance.

The Board is optimistic that the performance of the Group will improve.



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 SEPTEMBER 2019**

4 Profit forecast

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

5 Tax (expense)/ income

Taxation comprises the following:

| | Individual quarter ended | | Cumulative quarter ended | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 30 September 2019 RM'000 | 30 September 2018 RM'000 | 30 September 2019 RM'000 | 30 September 2018 RM'000 |
| The tax income/ (expense) comprises the followings: | | | | |
| Tax income/ (expense) | | | | |
| - Current period | (2) | (110) | (10) | (3) |
| - Prior year | 2 | 309 | 2 | 3 |
| | - | 199 | (8) | - |
| Deferred tax income | | | | |
| - Current period | (1,429) | 2,512 | - | 5,296 |
| - Prior year | - | - | - | - |
| | (1,429) | 2,512 | - | 5,296 |
| | (1,429) | 2,711 | (8) | 5,296 |

6 Status of corporate proposal announced

There was no corporate proposal announced for the current quarter.

7 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: -

| | 30 September 2019 RM'000 | 30 September 2018 RM'000 |
|--------------------|-----------------------------|-----------------------------|
| Non-current | | |
| Secured | | |
| Term loans | 20,375 | 28,984 |
| | 20,375 | 28,984 |
| Current | | |
| Secured | | |
| Revolving credit | 14,658 | - |
| Term loans | 14,128 | 14,260 |
| | 28,786 | 14,260 |
| Unsecured | | |
| Trust receipts | 30,797 | 31,205 |
| | 30,797 | 31,205 |
| | 59,583 | 45,465 |
| | 79,958 | 74,449 |



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 SEPTEMBER 2019**

8 Disclosure of derivatives

There were no financial derivatives for current quarter ended 30 September 2019.

9 Changes in material litigation

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

10 Dividend

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

11 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.

| | Individual quarter ended | | Cumulative quarter ended | |
|--|--------------------------|----------------------|--------------------------|----------------------|
| | 30 September 2019 | 30 September 2018 | 30 September 2019 | 30 September 2018 |
| Adjusted Net Profit attributable to ordinary shareholders (RM'000) | (5,999) | 2,253 | (11,543) | 2,251 |
| Weighted average number of ordinary shares in issue ('000) | 418,926 | 419,341 | 418,935 | 419,411 |
| Basic earnings per ordinary share (sen) | <u>(1.43)</u> | <u>0.54</u> | <u>(2.76)</u> | <u>0.54</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, calculated as follows:

| | Individual quarter ended | | Cumulative quarter ended | |
|--|--------------------------|----------------------|--------------------------|----------------------|
| | 30 September 2019 | 30 September 2018 | 30 September 2019 | 30 September 2018 |
| Adjusted Net Profit attributable to ordinary shareholders (RM'000) | (5,999) | 2,253 | (11,543) | 2,251 |
| Weighted average number of ordinary shares in issue ('000) | 420,166 | 419,476 | 420,175 | 419,546 |
| Diluted earnings per ordinary share (sen) | <u>(1.43)</u> | <u>0.54</u> | <u>(2.75)</u> | <u>0.54</u> |



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 SEPTEMBER 2019**

12 Related party transactions

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

13 Notes to the Statements of Comprehensive Income

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

| | Individual quarter ended | | Cumulative quarter ended | |
|---|---------------------------------|------------------------------|---------------------------------|------------------------------|
| | 30 September 2019 | 30 September 2018 | 30 September 2019 | 30 September 2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Dividend income | - | - | - | (32) |
| Interest expense | 880 | 751 | 2,642 | 1,917 |
| Depreciation | 4,512 | 4,194 | 13,551 | 12,122 |
| Bad debts recovered | - | 129 | - | 129 |
| Allowance for/ (Reversal of) slow moving inventories | (453) | 487 | 515 | 787 |
| Foreign exchange: | | | | |
| - Realised loss/(gain) | 432 | 37 | 262 | 374 |
| - Unrealised loss/(gain) | 101 | 1,625 | (934) | 1,172 |
| Loss/(gain) on disposal of property, plant and equipment | - | (112) | 41 | (130) |
| Equity settled share based transaction (ESOS expense) | 802 | 133 | 867 | 133 |