

The Board of Directors is pleased to submit its quarterly report on the consolidated results of the Group for the quarter ended July 31, 2020. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		12 Months ended	
	Current Year Quarter 31.07.2020 RM'000	Preceding Year Quarter 31.07.2019 RM'000	Current Year To Date 31.07.2020 RM'000	Preceding Year To Date 31.07.2019 RM'000
Revenue	155,774	-	619,277	-
Operating profit	13,737	-	67,521	-
Finance costs	(614)	-	(4,219)	-
Share of results of equity-accounted associate	-	-	-	-
Profit before tax	13,123	-	63,302	-
Income tax expense	(3,473)	-	(15,637)	-
Profit for the financial period	9,650	-	47,665	-
Profit attributable to:				
Owners of the Company	11,225	-	47,670	-
Non-controlling interests	(1,575)	-	(5)	-
	9,650	-	47,665	-
Earnings per ordinary share				
attributable to owners of the Company				
- Basic (sen)	3.43	-	14.56	-

Notes:

- i) There are no comparative figures disclosed for the quarter ended July 31, 2020 due to the change in financial year end as stated in Note A13.
- ii) The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial period ended July 31, 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		12 Months ended	
	Current Year Quarter 31.07.2020 RM'000	Preceding Year Quarter 31.07.2019 RM'000	Current Year To Date 31.07.2020 RM'000	Preceding Year To Date 31.07.2019 RM'000
Profit for the financial period	9,650	-	47,665	-
Other comprehensive income for the financial period, net of income tax :				
Item that may be reclassified subsequently to profit or loss:				
- Foreign exchange differences on translation of foreign operations	<u>2,091</u>	<u>-</u>	<u>9,071</u>	<u>-</u>
Other comprehensive income for the financial period, net of income tax	<u>2,091</u>	<u>-</u>	<u>9,071</u>	<u>-</u>
Total comprehensive income for the financial period, net of income tax	<u>11,741</u>	<u>-</u>	<u>56,736</u>	<u>-</u>
Total comprehensive income attributable to:				
Owners of the Company	<u>12,848</u>	<u>-</u>	<u>53,419</u>	<u>-</u>
Non-controlling interests	<u>(1,107)</u>	<u>-</u>	<u>3,317</u>	<u>-</u>
	<u>11,741</u>	<u>-</u>	<u>56,736</u>	<u>-</u>

Notes:

- i) There are no comparative figures disclosed for the quarter ended July 31, 2020 due to the change in financial year end as stated in Note A13.
- ii) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended July 31, 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited As Of 31.07.2020 RM'000	Audited As Of 31.07.2019 RM'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		199,849	139,444
Right of use assets	B8	3,797	-
Investment in an associate		-	19,136
Goodwill		75,842	32,428
Deferred tax assets		164	115
Total non-current assets		279,652	191,123
Current assets			
Inventories		72,325	62,438
Trade and other receivables		102,623	89,302
Tax recoverable		5	3,710
Short-term deposits, cash and bank balances		28,484	18,562
Total current assets		203,437	174,012
Total assets		483,089	365,135
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		164,176	164,176
Treasury shares		(1,145)	(1,145)
Reserves		89,761	43,143
Equity attributable to owners of the Company		252,792	206,174
Non-controlling interests		24,908	24,199
Total equity		277,700	230,373
Non-current liabilities			
Borrowings	B8	2,349	5,269
Lease liabilities	B8	3,365	-
Deferred tax liabilities		24,119	17,390
Total non-current liabilities		29,833	22,659
Current liabilities			
Trade and other payables		96,005	54,471
Borrowings	B8	75,890	57,358
Lease liabilities	B8	2,258	-
Derivative financial liabilities		-	113
Tax payable		1,403	161
Total current liabilities		175,556	112,103
Total liabilities		205,389	134,762
Total equity and liabilities		483,089	365,135

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended July 31, 2019 and the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Owners of the Company →					Total	Non-controlling Interests	Total Equity
	Issued Capital	Treasury Shares	Non-Distributable Reserves		Distributable Reserve			
			Revaluation Reserve	Translation Reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as of August 1, 2019, as previously reported	164,176	(1,145)	7,468	(5,055)	40,730	206,174	24,199	230,373
Effect on adoption of MFRS 16	-	-	-	-	(254)	(254)	(154)	(408)
Balance as of August 1, 2019, as restated	164,176	(1,145)	7,468	(5,055)	40,476	205,920	24,045	229,965
Profit for the financial year	-	-	-	-	47,670	47,670	(5)	47,665
Other comprehensive income for the financial year, net of income tax	-	-	-	5,749	-	5,749	3,322	9,071
Total comprehensive income for the financial year	-	-	-	5,749	47,670	53,419	3,317	56,736
Dividends	-	-	-	-	(6,547)	(6,547)	(2,454)	(9,001)
Balance as of July 31, 2020	164,176	(1,145)	7,468	694	81,599	252,792	24,908	277,700

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Owners of the Company →						Distributable Reserve Retained Earnings	Total	Non-controlling Interests	Total Equity
	Issued Capital	Treasury Shares	← Non-Distributable Reserves →			Discount on Shares				
			Revaluation Reserve	Translation Reserve	Warrants Reserve					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as of January 1, 2018	164,163	(508)	-	(1,472)	9,837	(9,837)	38,665	200,848	21,054	221,902
Profit for the financial period	-	-	-	-	-	-	17,298	17,298	2,966	20,264
Other comprehensive income for the financial period, net of income tax	-	-	7,468	(3,583)	-	-	-	3,885	(1,761)	2,124
Total comprehensive income for the financial period	-	-	7,468	(3,583)	-	-	17,298	21,183	1,205	22,388
Dividends	-	-	-	-	-	-	(15,233)	(15,233)	(18)	(15,251)
Reclassification	-	-	-	-	(9,837)	9,837	-	-	-	-
Exercise of warrants	9	-	-	-	-	-	-	9	-	9
Acquisition of treasury shares	-	(1,145)	-	-	-	-	-	(1,145)	-	(1,145)
Disposal of treasury shares	4	508	-	-	-	-	-	512	-	512
Capital contribution by non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	1,958	1,958
Balance as of July 31, 2019	164,176	(1,145)	7,468	(5,055)	-	-	40,730	206,174	24,199	230,373

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial period ended July 31, 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months ended 31.07.2020 RM'000	12 Months ended 31.07.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	63,302	-
Adjustments	33,417	-
Operating profit before working capital changes	<u>96,719</u>	-
Movements in working capital:		
Decrease/(Increase) in		
Inventories	3,929	-
Receivables	2,278	-
Increase in payables	26,903	-
Cash Generated From Operations	<u>129,829</u>	-
Interest received	133	-
Tax paid	(9,401)	-
Net Cash From Operating Activities	<u>120,561</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	178	-
Dividend income from an associate	8,025	-
Acquisition of subsidiary, net of cash and cash equivalents acquired	(89,931)	-
Purchase of property, plant and equipment, net of finance leases drawdown	(25,702)	-
Deposit paid for purchase of property, plant and equipment	(12,696)	-
Proceeds from disposal of property, plant and equipment	386	-
Proceeds from disposal of investment in an associate	10,000	-
Net Cash Used In Investing Activities	<u>(109,740)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(11,566)	-
Dividends paid to shareholders of the Company	(6,547)	-
Dividends paid to non-controlling shareholders of a subsidiary	(2,454)	-
Interest paid	(4,219)	-
Net drawdown of short-term borrowings	24,647	-
Repayment of lease liabilities	(2,013)	-
Net Cash Used In Financing Activities	<u>(2,152)</u>	-
Net increase in cash and cash equivalents	8,669	-
Cash and cash equivalents at beginning of financial year	18,562	-
Effect of exchange differences	1,253	-
Cash and cash equivalents at end of financial year	<u>28,484</u>	<u>-</u>

Notes:

- i) There are no comparative figures disclosed for the quarter ended July 31, 2020 due to the change in financial year end as stated in Note A13.
- ii) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended July 31, 2019 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE QUARTERLY FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended July 31, 2019. 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 financial period ended July 31, 2019.

The significant accounting policies and presentation adopted by the Group for the interim financial statements are consistent with those of the Group's consolidated audited financial statements for the financial period ended July 31, 2019 except for the adoption of the following:

MFRS, IC Interpretation and Amendments to MFRSs		Applicable for financial year beginning
MFRS 16	Leases	August 1, 2019
IC Interpretation 23	Uncertainty over Income Tax Treatment	August 1, 2019
Amendments to MFRS 3	Business Combinations: Previously Held Interest in a Joint Operation [^]	August 1, 2019
Amendments to MFRS 9	Financial Instruments: Prepayment Features with Negative Compensation	August 1, 2019
Amendments to MFRS 112	Income Taxes: Income Tax Consequences of Payments on Financial Instruments Classified as Equity [^]	August 1, 2019
Amendments to MFRS 119	Employee Benefits: Plan Amendment, Curtailment or Settlement	August 1, 2019
Amendments to MFRS 123	Borrowing Costs: Borrowing Costs Eligible for Capitalisation [^]	August 1, 2019
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	August 1, 2019

[^] Annual Improvements to MFRS Standards 2015-2017 Cycle

The adoption of the above MFRS, IC Interpretation and Amendments to MFRSs does not have significant financial impact on the Group, other than as explained below:

MFRS 16 Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases - Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 has been adopted by the Group from August 1, 2019 using the cumulative catch-up approach, which measures the lease liabilities based on the present value of future lease payments calculated using the incremental borrowing rate and exchange rate at date of transition. Lease payments would be split into principal and interest payments, using the effective interest method.

Correspondingly, the right-of-use ("ROU") assets is based on the present value of the liability at the commencement date of the lease, adding any directly attributable costs. The ROU asset will be depreciated on a straight-line basis over the shorter of the lease term and the useful life of the leased asset.

On the date of initial application, the Group applied the simplified transition approach and did not restate comparative amounts for the period prior to first adoption.

The Group elects to use the exemptions proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying assets are of low value. The Group entered into low value assets leases in respect of equipment.

The adoption of MFRS 16 has the following impact:

- a) To the opening balance as of August 1, 2019

	As previously reported RM'000	Effect on adoption of MFRS 16 RM'000	As restated RM'000
Right of use assets	-	3,820	3,820
Lease liabilities	-	5,203	5,203
Accrued expenses	6,348	(975)	5,373
Retained earnings	40,730	(254)	40,476
Non-controlling interests	24,199	(154)	24,045

- b) To the unaudited Consolidated Financial Statements for the financial year ended July 31, 2020:

- (i) On the Consolidated Income Statement, expenses which were previously included under operating leases are replaced by finance costs - lease liabilities and depreciation of right of use asset;
- (ii) On the Consolidated Cash Flow Statement, operating lease rental outflows, previously recorded within net cashflow from operating activities, are classified as "net cashflow used in financing activities" for repayment of principal of lease liabilities.

A2 Audit report

The audit report of the preceding annual financial statements was not qualified.

A3 Seasonal or cyclical factors

The operations of the Group for the current financial year under review have not been materially affected by any seasonal or cyclical factors.

A4 Unusual items

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current financial year under review except for as disclosed in Note A12.

A5 Changes in estimates

The same estimates reported in the previous financial period were used in preparing the financial statements for the current financial year under review.

A6 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

A7 Dividends paid

The amount of dividend paid by the Company since July 31, 2019 was as follows:

	RM'000
In respect of the financial year ended July 31, 2020:	
Single tier interim dividend of 2 sen per ordinary share declared on June 22, 2020 and paid on July 17, 2020	6,547
	=====

A8 Related party transactions

The Group's significant related party transactions during the current financial period ended July 31, 2020 were as follows:

	3 months ended		12 months ended	
	31.07.2020	31.07.2019	31.07.2020	31.07.2019
	RM'000	RM'000	RM'000	RM'000
An associate				
Dividend income	-	-	8,025	-
Other related companies *				
Sale of goods	-	-	2,690	-
Rental income	819	-	3,276	-
Purchase of goods	38,577	-	160,010	-
	=====	=====	=====	=====

* Other related companies refer to subsidiaries of holding company, Scientex Berhad.

A9 Contingent liabilities

There were no contingent liabilities as at the date of this quarterly report.

A10 Capital commitments

Capital commitments not provided for in the financial statements as of July 31, 2020 were as follows:

	RM'000
Property, plant and equipment	
- Authorised and contracted for	42,201
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A11 Subsequent events

There were no material events subsequent to July 31, 2020 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

A12 Changes in composition of the Group

There were no material changes in the composition of the Group during the current financial year under review, except for the following:

(i) Acquisition of Mega Printing & Packaging Sdn. Bhd.

On August 5, 2019, the Company completed the acquisition of 4,500,000 ordinary shares in Mega Printing & Packaging Sdn. Bhd. ("MPP") representing 100% equity interest in MPP, for a total cash consideration of RM125,000,000. Accordingly, MPP became a wholly-owned subsidiary of the Company.

During the current financial quarter under review, the Company had completed the purchase price allocation exercise with the assistance of an external professional advisor to determine the fair values of the identifiable assets and liabilities of MPP as at the date of acquisition pursuant to the requirement of MFRS 3 Business Combinations.

	Fair value recognised on acquisition RM'000	Provisional fair value recognised on acquisition RM'000	Fair value adjustment RM'000
<u>Assets</u>			
Property, plant and equipment	48,788	41,060	7,728
Inventories	12,337	12,337	-
Trade and other receivables	19,435	19,435	-
Tax recoverable	1,494	1,494	-
Cash and bank balances	22,569	22,569	-
	104,623	96,895	7,728
<u>Liabilities</u>			
Trade and other payables	12,533	12,533	-
Borrowings	3,000	3,000	-
Deferred tax liabilities	6,876	5,021	1,855
	22,409	20,554	1,855
Net identifiable assets	82,214	76,341	5,873
Fair value of identifiable assets	82,214	76,341	5,873
Goodwill on consolidation	42,786	48,659	(5,873)
Cost of business combination	125,000	125,000	-
Cash outflow on acquisition was as follows:			
Purchase consideration satisfied by cash	125,000	125,000	-
Less: Cash and cash equivalents of subsidiary acquired	(22,569)	(22,569)	-
Net cash outflow of the Group	102,431	102,431	-
Less: Deposit paid in prior financial period	(12,500)	(12,500)	-
Net cash outflow in the current financial year	89,931	89,931	-

Since the date of acquisition, MPP has contributed approximately RM150,526,000 of revenue and net profit of RM13,711,000 to the Group.

(ii) Disposal of Skyline Resources (M) Sdn Bhd

On March 16, 2020, Daibochi Land Sdn Bhd, a wholly-owned subsidiary of the Company has entered into a Share Sale Agreement with Datuk Wira Wong Soon Lim and Jaymuda Resources Sdn Bhd for the disposal of 10,700,387 ordinary shares, representing 36.32% equity interest in Skyline Resources (M) Sdn Bhd ("Skyline") for a cash disposal consideration of RM10.00 million.

Skyline ceased as an associate of the Group upon the completion of the disposal on March 31, 2020.

The disposal recorded a net loss of approximately RM1.11 million and did not have any material effect on the earnings per share, net assets per share and gearing of the Group for the financial year ended July 31, 2020.

A13 Change of financial year end

On April 29, 2019, the Board approved the change of financial year end of the Company from December 31 to July 31 to coincide with the financial year end of its holding company, Scientex Berhad. Therefore, these unaudited condensed consolidated financial statements are for a period of 12 months from August 1, 2019 to July 31, 2020 being the fourth quarter of the financial year ended July 31, 2020. Due to the change in the financial year, the performance of the current financial quarter ended July 31, 2020 is not comparable with the fourth quarter of the previous financial period ended July 31, 2019.

A14 Segment information

The Group is primarily engaged in manufacturing and marketing of flexible packaging materials.

The Group operates primarily in Malaysia (country of domicile), Myanmar and Australia.

The Group's financial performance from continuing operations by geographical location for the current financial year ended July 31, 2020 is as follows:

	Malaysia RM'000	Australia RM'000	Myanmar RM'000	Total RM'000	Elimination RM'000	Group RM'000
12 months ended July 31, 2020						
Revenue						
-external	484,368	92,681	42,228	619,277	-	619,277
-internal	84,446	-	249	84,695	(84,695)	-
	<u>568,814</u>	<u>92,681</u>	<u>42,477</u>	<u>703,972</u>	<u>(84,695)</u>	<u>619,277</u>
Profit by geographical location	62,472	3,378	(88)	65,762	(2,460)	63,302
Share of profit of equity-accounted associate						-
Profit before tax						<u>63,302</u>

Note: Due to the change in the financial year end as stated in Note A13, no comparable figures are presented.

A15 Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment were brought forward without any amendments from the preceding annual financial statements.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of performance

Due to the change in the financial year end as stated in Note A13, no comparable figures are presented.

The Group's performance for the current financial quarter and current financial year ended July 31, 2020 is as tabled below:

	3 months ended	12 months ended
	31.07.2020	31.07.2020
GROUP	RM'000	RM'000
Revenue	155,774	619,277
Operating profit	13,737	67,521
Profit before tax ("PBT")	13,123	63,302
Profit after tax	9,650	47,665
Profit attributable to owners of the Company	11,225	47,670

Current quarter review

For the current financial quarter ended July 31, 2020, the Group achieved quarterly revenue and PBT of RM155.77 million and RM13.12 million respectively. The domestic market made up RM88.51 million or 56.8% of group revenue. Exports made up the balance RM67.26 million or 43.2% of group revenue.

12-month review

For the financial year ended July 31, 2020, the Group recorded revenue and PBT of RM619.28 million and RM63.30 million respectively. The domestic market made up RM343.05 million or 55.4% of group revenue. Exports made up the balance RM276.23 million or 44.6% of Group's revenue.

B2 Material changes in Profit Before Tax for the quarter reported on as compared with the immediate preceding quarter

The Group's current financial quarter performance as compared to that of the preceding quarter is as tabled below:

	Current Quarter	Preceding Quarter	
	31.07.2020	30.04.2020	Change
GROUP	RM'000	RM'000	%
Revenue	155,774	151,976	2.5%
Operating profit	13,737	16,091	-14.6%
PBT	13,123	15,199	-13.7%
Profit after tax	9,650	11,348	-15.0%
Profit attributable to owners of the Company	11,225	10,837	3.6%

For the three months ended July 31, 2020, group revenue increased marginally to RM155.77 million from RM151.98 million in the preceding quarter mainly attributed to higher domestic sales, which helped offset lower exports during the quarter. Exports as a percentage of group revenue stood at 43.2% compared to 45.8% in the preceding quarter. The Group's PBT was RM13.12 million from RM15.20 million in the preceding quarter.

B3 Current financial year prospects

Daibochi is committed to growing our customer coverage across Southeast Asia and Oceania, reinforcing our position as a trusted provider of flexible packaging solutions to major domestic and global brands. We also continue to invest in the expansion of our production capacity, capabilities, and efficiency to enhance competitiveness, as well as pursue more growth opportunities in the expanding food, beverage, and fast-moving consumer goods sectors regionally.

As part of our expansion plans, Daibochi has committed capital expenditure of RM60 million as at the financial year ended July 31, 2020 (FY2020) for the purchase of thirteen new machines. Seven machines were commissioned in FY2020, and another six machines are expected to be commissioned in FY2021. These new printing, lamination and bagging machines will enable us to meet the needs of existing clientele and further expand our market reach. We have also allocated additional RM40 million to purchase eight more lines, with four lines contracted as of the date of this report. This brings total investments to RM100 million over a two-year period, which will increase total capacity by approximately 60% upon commissioning, while maintaining group net gearing below 0.5x.

The capacity expansions would also support our nascent but growing market segment of innovative and sustainable flexible packaging solutions. As some of our multinational customers have sustainability targets of adopting fully-recyclable packaging across their entire global supply chain by 2025, we foresee the need for greater range of sustainable solutions which meet the diverse packaging and printing requirements of entire product ranges across regional markets.

As our domestic and multinational clients increasingly adopt sustainable solutions in line with enhanced environmental advocacy, we are also active in joint research and development with Scientex, and are developing new innovations which are currently at various stages of qualification. We have since rolled out new mono-material laminate solutions for the food and beverage sector in FY2020 and are targeting more commercialisations in the near future.

Amidst the ongoing COVID-19 pandemic, we are committed to playing an integral role in the essential food services supply chain, and have implemented Standard Operation Procedures to protect the health and safety of our employees, and maintain uninterrupted supply to our customers.

B4 Profit forecast or profit guarantee

No profit forecast or profit guarantee was provided.

B5 Profit before tax

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

	3 months ended		12 months ended	
	31.07.2020 RM'000	31.07.2019 RM'000	31.07.2020 RM'000	31.07.2019 RM'000
Interest income	(25)	-	(311)	-
Other operating income	(1,120)	-	(4,073)	-
Gain on disposal of property, plant and equipment	(36)	-	(179)	-
Write off of property, plant and equipment	1,037	-	1,560	-
Interest expense	614	-	4,219	-
Depreciation of property, plant and equipment	5,950	-	21,679	-
Depreciation of right of use assets	468	-	1,150	-
Net allowance of receivables	81	-	11	-
Net write-down of inventories	211	-	872	-
Write off of inventories	17	-	106	-
Loss on disposal of investment in an associate	-	-	1,111	-
Net foreign exchange gain	(2,076)	-	(263)	-
Net gain arising from financial instruments measured at fair value through profit or loss	-	-	(113)	-
Impairment of goodwill	4,000	-	4,000	-

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B6 Income tax expense

Details of tax expense for the current financial quarter and current financial year-to-date were as follows:

	3 months ended		12 months ended	
	31.07.2020 RM'000	31.07.2019 RM'000	31.07.2020 RM'000	31.07.2019 RM'000
In respect of current quarter/year:				
- Income tax	4,030	-	15,900	-
- Deferred tax	(557)	-	(186)	-
In respect of prior year:				
- Income tax	-	-	(77)	-
	<u>3,473</u>	<u>-</u>	<u>15,637</u>	<u>-</u>

B7 Status of corporate proposals

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

B8 Group borrowings and lease liabilities

Details of the Group's borrowings as of July 31, 2020 were as follows:-

	← As of 31.07.2020 →					
	Long term		Short term		Total	
	Foreign Currency '000	RM '000	Foreign Currency '000	RM '000	Foreign Currency '000	RM '000
Unsecured:						
Term loans:						
in Ringgit Malaysia	-	2,349	-	2,467	-	4,816
Bankers' acceptances:						
in Ringgit Malaysia	-	-	-	3,028	-	3,028
Revolving credit:						
in Ringgit Malaysia	-	-	-	5,000	-	5,000
in Australian Dollar	-	-	5,350	16,211	5,350	16,211
in United States Dollar	-	-	11,600	49,184	11,600	49,184
Lease liabilities - MFRS 16:						
in Ringgit Malaysia	-	480	-	692	-	1,172
in United States Dollar	680	2,885	370	1,566	1,050	4,451
		<u>5,714</u>		<u>78,148</u>		<u>83,862</u>

	← As of 31.07.2019 →					
	Long term		Short term		Total	
	Foreign Currency '000	RM '000	Foreign Currency '000	RM '000	Foreign Currency '000	RM '000
Secured:						
Lease liabilities:						
in Ringgit Malaysia	-	440	-	784	-	1,224
Unsecured:						
Term loans:						
in Ringgit Malaysia	-	4,829	-	2,660	-	7,489
in United States Dollar	-	-	2,153	8,894	2,153	8,894
Bankers' acceptances						
in Ringgit Malaysia	-	-	-	3,005	-	3,005
Revolving credit:						
in Ringgit Malaysia	-	-	-	500	-	500
in United States Dollar	-	-	9,500	39,235	9,500	39,235
in Japanese Yen	-	-	60,000	2,280	60,000	2,280
		<u>5,269</u>		<u>57,358</u>		<u>62,627</u>

The Group has adopted MFRS 16: Leases beginning August 1, 2019. The lease liabilities indicated above is supported by corresponding Right of Use Asset of RM3,797,000 as of July 31, 2020.

B9 Material litigation

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

B10 Dividends

In respect of the financial year ended July 31, 2020, the Board of Directors recommended a single tier final dividend of 3 sen per ordinary share to be paid on January 15, 2021. This dividend will be tabled at the forthcoming Annual General Meeting of the Company for shareholders' approval.

B11 Earnings per share

Basic earnings per share is calculated by dividing the profit for the current financial period under review attributable to owners of the Company by the weighted average number of ordinary shares in issue during the said financial period, adjusted by the number of ordinary shares repurchased and disposed during the current financial period under review.

	3 months ended		12 months ended	
	31.07.2020	31.07.2019	31.07.2020	31.07.2019
Profit attributable to owners of the Company (RM'000)	11,225	-	47,670	-
Weighted average number of ordinary shares ('000)	327,348	-	327,348	-
Basic earnings per ordinary share (sen)	3.43	-	14.56	-

Diluted earnings per ordinary share is not presented as the warrants are anti-dilutive where the average market price of ordinary shares during the current financial period does not exceed the exercise price of the warrants.

By Order of the Board

TUNG WEI YEN, MAICSA 7062671
GEETHARANI A/P RANGGANATHAN, MAICSA 7070549
Secretaries
Selangor
Dated: September 17, 2020