

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		6 Months ended	
	Current Year Quarter 31.01.2020 RM'000	Preceding Year Quarter 31.01.2019 RM'000	Current Year To Date 31.01.2020 RM'000	Preceding Year To Date 31.01.2019 RM'000
Revenue	158,963	-	311,527	-
Operating profit	21,185	-	37,693	-
Finance costs	(1,160)	-	(2,713)	-
Share of results of equity-accounted associate	-	-	-	-
Profit before tax	20,025	-	34,980	-
Income tax expense	(4,662)	-	(8,313)	-
Profit for the financial period	15,363	-	26,667	-
Profit attributable to:				
Owners of the Company	14,632	-	25,608	-
Non-controlling interests	731	-	1,059	-
	15,363	-	26,667	-
Earnings per ordinary share				
attributable to owners of the Company				
- Basic (sen)	4.47	-	7.82	-

Notes:

- i) There are no comparative figures disclosed for the quarter ended January 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		6 Months ended	
	Current Year Quarter 31.01.2020 RM'000	Preceding Year Quarter 31.01.2019 RM'000	Current Year To Date 31.01.2020 RM'000	Preceding Year To Date 31.01.2019 RM'000
Profit for the financial period	15,363	-	26,667	-
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>607</u>	<u>-</u>	<u>801</u>	<u>-</u>
Other comprehensive income for the financial period, net of income tax	<u>607</u>	<u>-</u>	<u>801</u>	<u>-</u>
Total comprehensive income for the financial period, net of income tax	<u>15,970</u>	<u>-</u>	<u>27,468</u>	<u>-</u>
Total comprehensive income attributable to:				
Owners of the Company	<u>14,713</u>	<u>-</u>	<u>25,876</u>	<u>-</u>
Non-controlling interests	<u>1,257</u>	<u>-</u>	<u>1,592</u>	<u>-</u>
	<u>15,970</u>	<u>-</u>	<u>27,468</u>	<u>-</u>

Notes:

- i) There are no comparative figures disclosed for the quarter ended January 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 31.01.2020 RM'000	Audited As Of 31.07.2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		194,151	139,444
Right of use assets	B8	3,170	-
Investment in an associate		11,111	19,136
Goodwill		81,785	32,428
Deferred tax assets		109	115
Total non-current assets		290,326	191,123
Current assets			
Inventories		64,599	62,438
Trade and other receivables		99,846	89,302
Tax recoverable		1,464	3,710
Short-term deposits, cash and bank balances		23,220	18,562
Total current assets		189,129	174,012
Total assets		479,455	365,135
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		164,176	164,176
Treasury shares		(1,145)	(1,145)
Reserves		68,856	43,143
Equity attributable to owners of the Company		231,887	206,174
Non-controlling interests		23,270	24,199
Total equity		255,157	230,373
Non-current liabilities			
Borrowings	B8	3,799	5,269
Lease liabilities	B8	3,145	-
Deferred tax liabilities		22,419	17,390
Total non-current liabilities		29,363	22,659
Current liabilities			
Trade and other payables		92,896	54,471
Borrowings	B8	98,930	57,358
Lease liabilities	B8	1,571	-
Derivative financial liabilities		-	113
Tax payable		1,538	161
Total current liabilities		194,935	112,103
Total liabilities		224,298	134,762
Total equity and liabilities		479,455	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	-	-	-	-	(163)	(163)	(68)	(231)
Balance as of August 1, 2019, as restated	164,176	(1,145)	7,468	(5,055)	40,567	206,011	24,131	230,142
Profit for the financial period	-	-	-	-	25,608	25,608	1,059	26,667
Other comprehensive income for the financial period, net of income tax	-	-	-	268	-	268	533	801
Total comprehensive income for the financial period	-	-	-	268	25,608	25,876	1,592	27,468
Dividends paid to non-controlling interests	-	-	-	-	-	-	(2,453)	(2,453)
Balance as of January 31, 2020	164,176	(1,145)	7,468	(4,787)	66,175	231,887	23,270	255,157

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)	-	(15,233)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(18)	(18)
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

	6 Months ended 31.01.2020 RM'000	6 Months ended 31.01.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	34,980	-
Adjustments	14,955	-
Operating profit before working capital changes	<u>49,935</u>	-
Movements in working capital:		
Decrease/(Increase) in		
Inventories	8,832	-
Receivables	(4,481)	-
Increase in payables	25,906	-
Cash Generated From Operations	<u>80,192</u>	-
Interest received	91	-
Tax paid	<u>(3,164)</u>	-
Net Cash From Operating Activities	<u>77,119</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	156	-
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	(17,054)	-
Deposit paid for purchase of property, plant and equipment	(3,654)	-
Proceeds from disposal of property, plant and equipment	80	-
Net Cash Used In Investing Activities	<u>(102,378)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(5,936)	-
Dividends paid to non-controlling shareholders of a subsidiary	(2,453)	-
Interest paid	(2,713)	-
Net drawdown of short-term borrowings	41,578	-
Repayment of lease liabilities	(945)	-
Net Cash From Financing Activities	<u>29,531</u>	-
Net increase in cash and cash equivalents	4,272	-
Cash and cash equivalents at beginning of financial period	18,562	-
Effect of exchange differences	386	-
Cash and cash equivalents at end of financial period	<u>23,220</u>	-

Notes:

- i) There are no comparative figures disclosed for the quarter ended January 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	-	3,573	3,573
Lease liabilities	-	4,779	4,779
Accrued expenses	6,348	(975)	5,373
Retained earnings	40,730	(163)	40,567
Non-controlling interests	24,199	(68)	24,131

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

- (i) On the Consolidated Income Statement, expenses which were previously included under operating leases will be 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 period 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 period 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 period 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

There was no dividend paid during the current financial period ended January 31, 2020.

A8 Related party transactions

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

	3 months ended		6 months ended	
	31.01.2020 RM'000	31.01.2019 RM'000	31.01.2020 RM'000	31.01.2019 RM'000
An associate				
Dividend income	5,885	-	8,025	-
Other related companies *				
Sale of goods	26	-	2,688	-
Rental income	819	-	1,638	-
Purchase of goods	43,130	-	80,073	-
	=====	=====	=====	=====

* 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 January 31, 2020 were as follows:

	RM'000
Property, plant and equipment	
- Authorised and contracted for	33,101
	=====

A11 Subsequent events

There were no material events subsequent to January 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 period under review, except for the following:

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.

The provisional fair value of the identifiable assets and liabilities of MPP as at the date of acquisition were as follows:

	Provisional fair value recognised on acquisition RM'000
<u>Assets</u>	
Property, plant and equipment	41,060
Inventories	12,337
Trade and other receivables	19,435
Tax recoverable	1,494
Cash and bank balances	22,569
	<u>96,895</u>
<u>Liabilities</u>	
Trade and other payables	12,533
Borrowings	3,000
Deferred tax liabilities	5,021
	<u>20,554</u>
Net identifiable assets	<u>76,341</u>
Fair value of identifiable assets	76,341
Goodwill on consolidation	48,659
Cost of business combination	<u>125,000</u>

Cash outflow on acquisition was as follows:

Purchase consideration satisfied by cash	125,000
Less: Cash and cash equivalents of subsidiary acquired	<u>(22,569)</u>
Net cash outflow of the Group	102,431
Less: Deposit paid in prior financial period	<u>(12,500)</u>
Net cash outflow in the current financial period	<u>89,931</u>

Provisional accounting of acquisition

The fair value adjustments as of January 31, 2020 and the goodwill are provisional as the Group is currently undertaking a purchase price allocation exercise to determine the identifiable assets and liabilities, and to identify and measure intangible assets. The goodwill on acquisition is now provisionally estimated at RM48,659,000. Any differences arising will be adjusted accordingly on a retrospective basis when the purchase price allocation is finalised.

From the date of acquisition, MPP has contributed approximately RM73,720,000 of revenue and net profit of RM6,257,000 to the Group.

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 6 months from August 1, 2019 to January 31, 2020 being the second quarter of the financial year ending July 31, 2020. Due to the change in the financial year, the performance of the current financial quarter ended January 31, 2020 is not comparable with the second 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 period ended January 31, 2020 is as follows:

	Malaysia RM'000	Australia RM'000	Myanmar RM'000	Total RM'000	Elimination RM'000	Group RM'000
6 months ended January 31, 2020						
Revenue						
-external	242,823	43,162	25,542	311,527		311,527
-internal	39,355	-	249	39,604	(39,604)	-
	<u>282,178</u>	<u>43,162</u>	<u>25,791</u>	<u>351,131</u>	<u>(39,604)</u>	<u>311,527</u>
Profit by geographical location	35,467	1,556	2,571	39,594	(4,614)	34,980
Share of profit of equity- accounted associate						-
Profit before tax						<u>34,980</u>

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

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 period ended January 31, 2020 is as tabled below:

	3 months ended	6 months ended
	31.01.2020	31.01.2020
GROUP	RM'000	RM'000
Revenue	158,963	311,527
Operating profit	21,185	37,693
Profit before tax ("PBT")	20,025	34,980
Profit after tax	15,363	26,667
Profit attributable to owners of the Company	14,632	25,608

Current quarter review

For the current financial quarter ended January 31, 2020, the Group achieved a new record-high quarterly revenue and PBT of RM158.96 million and RM20.03 million respectively, on increased sales and improved operating efficiency as well as contribution from the Group's newly-acquired subsidiary, MPP. The domestic market made up RM87.93 million or 55.31% of Group's revenue. Exports made up the balance RM71.03 million or 44.69% of Group's revenue.

6-month review

For the 6-month financial period ended January 31, 2020, the Group recorded revenue and PBT of RM311.53 million and RM34.98 million respectively. The domestic market made up RM172.16 million or 55.26% of Group's revenue. Exports made up the balance RM139.37 million or 44.74% 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	
	31.01.2020	31.10.2019	Change
GROUP	RM'000	RM'000	%
Revenue	158,963	152,564	4.2%
Operating profit	21,185	16,508	28.3%
PBT	20,025	14,955	33.9%
Profit after tax	15,363	11,304	35.9%
Profit attributable to owners of the Company	14,632	10,976	33.3%

The Group's revenue for the current financial quarter increased 4.2% to RM158.96 million from RM152.56 million in the preceding quarter. Group's PBT rose 33.9% to RM20.03 million as compared to RM14.96 million in the preceding quarter.

The increased revenue was driven by higher sales to the domestic and export markets, while PBT improved due to the increased revenue and ongoing efforts to enhance operational efficiency. The Group also recognized foreign currency exchange gain of RM1.04 million during the current financial quarter under review, as compared to foreign exchange loss of RM0.82 million in the preceding quarter.

B3 Current financial year prospects

Daibochi, under the Scientex Group, is well-positioned to support the increasing demand for sustainable flexible packaging solutions by major domestic and global brands in the food and beverage (F&B) and fast-moving consumer goods segments.

Following our integration with Scientex Group and ongoing operational enhancements since FY2019, the Group is now able to tap into strengthened supply chain and technical capabilities to cater to the latest industry requirements while being highly competitive.

We also continue to invest in new machinery and capacity, and had in February 2020 completed the set up of a new state-of-the-art bagging section in our Ayer Keroh plant. The new bagging section not only increases our capacity to cater to larger orders, but also features an integrated visitors walkway to showcase to our customers our capabilities, as well as stringent hygiene and quality control.

Furthermore, through joint research and development with the Scientex Group, Daibochi continues to make headway in new innovations for sustainable packaging solutions. We successfully commercialised new flexible mono-material laminates for a prominent F&B brand in Malaysia in FY2020, and are expecting to commercialise several other packaging formats following the recent completion of rigorous trials and quality testing with major customers.

Additionally, we are making good progress in integration efforts with MPP. The Group's expanded portfolio, capabilities, and enlarged clientele reinforces our position to capture more growth opportunities. The addition of MPP site also allows us to better serve our customers and further diversifies our supply chain and operational risks.

While our operational performance continues to improve significantly on a strengthened base, global markets have demonstrated caution and volatility from December 2019 to March 2020 due to the coronavirus disease 2019 (COVID-19) epidemic. To counter the uncertainty going forward, the Group remains focused on its core business of sustainable packaging solutions, guided by our long term strategy to enhance production efficiency and develop more sustainable products to remain competitive.

Overall, while the Group is cautious towards potential developments globally related to COVID-19, we remain confident of achieving stronger revenue and profit performance in the current financial year ending July 31, 2020 (FY2020) on the back of resilient orders across various markets in Southeast Asia in addition to ongoing operational and efficiency enhancements.

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		6 months ended	
	31.01.2020 RM'000	31.01.2019 RM'000	31.01.2020 RM'000	31.01.2019 RM'000
Interest income	(55)	-	(247)	-
Other operating income	(1,280)	-	(2,134)	-
Gain on disposal of property, plant and equipment	(14)	-	(77)	-
Write off of property, plant and equipment	490	-	523	-
Interest expense	1,160	-	2,713	-
Depreciation of property, plant and equipment	5,247	-	10,326	-
Depreciation of right of use assets	226	-	450	-
Net write back of receivables	(63)	-	(91)	-
Net (write back)/write-down of inventories	(48)	-	667	-
Write off of inventories	-	-	80	-
Net foreign exchange gain	(1,035)	-	(101)	-
Net gain arising from financial instruments measured at fair value through profit or loss	-	-	(113)	-

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		6 months ended	
	31.01.2020 RM'000	31.01.2019 RM'000	31.01.2020 RM'000	31.01.2019 RM'000
In respect of current quarter/year:				
- Income tax	4,606	-	8,379	-
- Deferred tax	130	-	8	-
In respect of prior year:				
- Income tax	(74)	-	(74)	-
	<u>4,662</u>	<u>-</u>	<u>8,313</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 January 31, 2020 were as follows:-

	← Long term		As of 31.01.2020		→ Total	
	Foreign	RM	Foreign	RM	Foreign	RM
	Currency	'000	Currency	'000	Currency	'000
Secured:						
Lease liabilities:						
in Ringgit Malaysia	-	242	-	315	-	557
Unsecured:						
Term loans:						
in Ringgit Malaysia	-	3,557	-	2,510	-	6,067
in United States Dollar	-	-	1,028	4,217	1,028	4,217
Bankers' acceptances:						
in United States Dollar	-	-	192	788	192	788
Revolving credit:						
in Ringgit Malaysia	-	-	-	20,500	-	20,500
in Australian Dollar	-	-	9,900	26,730	9,900	26,730
in United States Dollar	-	-	10,700	43,870	10,700	43,870
Lease liabilities - MFRS 16:						
in Ringgit Malaysia	-	712	-	417	-	1,129
in United States Dollar	577	2,433	273	1,154	850	3,587
		<u>6,944</u>		<u>100,501</u>		<u>107,445</u>

	← Long term		As of 31.07.2019		→ Total	
	Foreign	RM	Foreign	RM	Foreign	RM
	Currency	'000	Currency	'000	Currency	'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 RM3,170,000.

B9 Financial instruments

The Group enters into foreign currency forward contracts in the normal course of business to manage its exposure against foreign currency fluctuations on trade transactions.

There was no outstanding foreign currency forward contract as of January 31, 2020.

B10 Material litigation

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

B11 Dividends

The Board of Directors does not recommend any dividend for the current financial quarter under review.

B12 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		6 months ended	
	31.01.2020	31.01.2019	31.01.2020	31.01.2019
Profit attributable to owners of the Company (RM'000)	14,632	-	25,608	-
Weighted average number of ordinary shares ('000)	327,348	-	327,348	-
Basic earnings per ordinary share (sen)	4.47	-	7.82	-

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: March 9, 2020