

The Board of Directors is pleased to submit its quarterly report on the consolidated results of the Group for the quarter ended April 30, 2020. The figures have not been audited.

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		9 Months ended	
	Current Year Quarter 30.04.2020 RM'000	Preceding Year Quarter 30.04.2019 RM'000	Current Year To Date 30.04.2020 RM'000	Preceding Year To Date 30.04.2019 RM'000
Revenue	151,976	-	463,503	-
Operating profit	16,091	-	53,784	-
Finance costs	(892)	-	(3,605)	-
Share of results of equity-accounted associate	-	-	-	-
<b>Profit before tax</b>	<b>15,199</b>	<b>-</b>	<b>50,179</b>	<b>-</b>
Income tax expense	(3,851)	-	(12,164)	-
<b>Profit for the financial period</b>	<b>11,348</b>	<b>-</b>	<b>38,015</b>	<b>-</b>
<b>Profit attributable to:</b>				
Owners of the Company	10,837	-	36,445	-
Non-controlling interests	511	-	1,570	-
	<b>11,348</b>	<b>-</b>	<b>38,015</b>	<b>-</b>
<b>Earnings per ordinary share</b>				
<b>attributable to owners of the Company</b>				
- Basic (sen)	<b>3.31</b>	<b>-</b>	<b>11.13</b>	<b>-</b>

#### Notes:

- i) There are no comparative figures disclosed for the quarter ended April 30, 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		9 Months ended	
	Current Year Quarter 30.04.2020 RM'000	Preceding Year Quarter 30.04.2019 RM'000	Current Year To Date 30.04.2020 RM'000	Preceding Year To Date 30.04.2019 RM'000
<b>Profit for the financial period</b>	<b>11,348</b>	<b>-</b>	<b>38,015</b>	<b>-</b>
<b>Other comprehensive income for the financial period, net of income tax :</b>				
Item that may be reclassified subsequently to profit or loss:				
- Foreign exchange differences on translation of foreign operations	<b>6,179</b>	<b>-</b>	<b>6,980</b>	<b>-</b>
Other comprehensive income for the financial period, net of income tax	<b>6,179</b>	<b>-</b>	<b>6,980</b>	<b>-</b>
<b>Total comprehensive income for the financial period, net of income tax</b>	<b>17,527</b>	<b>-</b>	<b>44,995</b>	<b>-</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	<b>14,695</b>	<b>-</b>	<b>40,571</b>	<b>-</b>
Non-controlling interests	<b>2,832</b>	<b>-</b>	<b>4,424</b>	<b>-</b>
	<b>17,527</b>	<b>-</b>	<b>44,995</b>	<b>-</b>

## Notes:

- i) There are no comparative figures disclosed for the quarter ended April 30, 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 30.04.2020 RM'000	Audited As Of 31.07.2019 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		192,007	139,444
Right of use assets	B8	3,145	-
Investment in an associate		-	19,136
Goodwill		85,039	32,428
Deferred tax assets		113	115
<b>Total non-current assets</b>		<b>280,304</b>	<b>191,123</b>
<b>Current assets</b>			
Inventories		73,514	62,438
Trade and other receivables		108,899	89,302
Tax recoverable		444	3,710
Short-term deposits, cash and bank balances		33,818	18,562
<b>Total current assets</b>		<b>216,675</b>	<b>174,012</b>
<b>Total assets</b>		<b>496,979</b>	<b>365,135</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		164,176	164,176
Treasury shares		(1,145)	(1,145)
Reserves		83,551	43,143
Equity attributable to owners of the Company		246,582	206,174
Non-controlling interests		26,101	24,199
<b>Total equity</b>		<b>272,683</b>	<b>230,373</b>
<b>Non-current liabilities</b>			
Borrowings	B8	3,168	5,269
Lease liabilities	B8	3,019	-
Deferred tax liabilities		22,783	17,390
<b>Total non-current liabilities</b>		<b>28,970</b>	<b>22,659</b>
<b>Current liabilities</b>			
Trade and other payables		102,687	54,471
Borrowings	B8	87,644	57,358
Lease liabilities	B8	1,705	-
Derivative financial liabilities		-	113
Tax payable		3,290	161
<b>Total current liabilities</b>		<b>195,326</b>	<b>112,103</b>
<b>Total liabilities</b>		<b>224,296</b>	<b>134,762</b>
<b>Total equity and liabilities</b>		<b>496,979</b>	<b>365,135</b>

(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	
<b>Balance as of August 1, 2019, as previously reported</b>	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)
<b>Balance as of August 1, 2019, as restated</b>	164,176	(1,145)	7,468	(5,055)	40,567	206,011	24,131	230,142
Profit for the financial period	-	-	-	-	36,445	36,445	1,570	38,015
Other comprehensive income for the financial period, net of income tax	-	-	-	4,126	-	4,126	2,854	6,980
Total comprehensive income for the financial period	-	-	-	4,126	36,445	40,571	4,424	44,995
Dividends paid to non-controlling interests	-	-	-	-	-	-	(2,454)	(2,454)
<b>Balance as of April 30, 2020</b>	164,176	(1,145)	7,468	(929)	77,012	246,582	26,101	272,683

## 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	
<b>Balance as of January 1, 2018</b>	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
<b>Balance as of July 31, 2019</b>	<b>164,176</b>	<b>(1,145)</b>	<b>7,468</b>	<b>(5,055)</b>	<b>-</b>	<b>-</b>	<b>40,730</b>	<b>206,174</b>	<b>24,199</b>	<b>230,373</b>

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

	9 Months ended 30.04.2020 RM'000	9 Months ended 30.04.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	50,179	-
Adjustments	22,695	-
Operating profit before working capital changes	<u>72,874</u>	-
Movements in working capital:		
Decrease/(Increase) in		
Inventories	1,637	-
Receivables	(8,143)	-
Increase in payables	35,236	-
Cash Generated From Operations	<u>101,604</u>	-
Interest received	120	-
Tax paid	<u>(3,888)</u>	-
Net Cash From Operating Activities	<u>97,836</u>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	165	-
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	(20,236)	-
Deposit paid for purchase of property, plant and equipment	(8,558)	-
Proceeds from disposal of property, plant and equipment	350	-
Proceeds from disposal of investment in an associate	<u>10,000</u>	-
Net Cash Used In Investing Activities	<u>(100,185)</u>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(9,303)	-
Dividends paid to non-controlling shareholders of a subsidiary	(2,454)	-
Interest paid	(3,605)	-
Net drawdown of short-term borrowings	33,731	-
Repayment of lease liabilities	<u>(1,261)</u>	-
Net Cash From Financing Activities	<u>17,108</u>	-
<b>Net increase in cash and cash equivalents</b>	<b>14,759</b>	-
<b>Cash and cash equivalents at beginning of financial period</b>	<b>18,562</b>	-
Effect of exchange differences	497	-
<b>Cash and cash equivalents at end of financial period</b>	<u><b>33,818</b></u>	-

## Notes:

- i) There are no comparative figures disclosed for the quarter ended April 30, 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:

<b>MFRS, IC Interpretation and Amendments to MFRSs</b>		<b>Applicable for financial year beginning</b>
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 <sup>^</sup>	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 <sup>^</sup>	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 <sup>^</sup>	August 1, 2019
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	August 1, 2019

<sup>^</sup> 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 April 30, 2020.



**A8 Related party transactions**

The Group's significant related party transactions during the current financial period ended April 30, 2020 were as follows:

	3 months ended		9 months ended	
	30.04.2020	30.04.2019	30.04.2020	30.04.2019
	RM'000	RM'000	RM'000	RM'000
<b>An associate</b>				
Dividend income	-	-	8,025	-
<b>Other related companies *</b>				
Sale of goods	2	-	2,690	-
Rental income	819	-	2,457	-
Purchase of goods	41,360	-	121,433	-
	=====	=====	=====	=====

\* 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 April 30, 2020 were as follows:

	RM'000
Property, plant and equipment	
- Authorised and contracted for	37,722
	=====

**A11 Subsequent events**

There were no material events subsequent to April 30, 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:

(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.

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
	<hr/> 96,895 <hr/>
<u>Liabilities</u>	
Trade and other payables	12,533
Borrowings	3,000
Deferred tax liabilities	5,021
	<hr/> 20,554 <hr/>
Net identifiable assets	<hr/> 76,341 <hr/>
Fair value of identifiable assets	76,341
Goodwill on consolidation	48,659
Cost of business combination	<hr/> 125,000 <hr/>
Cash outflow on acquisition was as follows:	
Purchase consideration satisfied by cash	125,000
Less: Cash and cash equivalents of subsidiary acquired	<hr/> (22,569) <hr/>
Net cash outflow of the Group	102,431
Less: Deposit paid in prior financial period	<hr/> (12,500) <hr/>
Net cash outflow in the current financial period	<hr/> 89,931 <hr/>

Provisional accounting of acquisition

The fair value adjustments as of April 30, 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 RM110,410,000 of revenue and net profit of RM9,954,000 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 ending 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 9 months from August 1, 2019 to April 30, 2020 being the third 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 April 30, 2020 is not comparable with the third 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 April 30, 2020 is as follows:

	Malaysia RM'000	Australia RM'000	Myanmar RM'000	Total RM'000	Elimination RM'000	Group RM'000
<b>9 months ended April 30, 2020</b>						
<b>Revenue</b>						
-external	361,888	66,104	35,511	463,503		463,503
-internal	59,838	-	249	60,087	(60,087)	-
	<u>421,726</u>	<u>66,104</u>	<u>35,760</u>	<u>523,590</u>	<u>(60,087)</u>	<u>463,503</u>
<b>Profit by geographical location</b>	44,775	2,437	3,848	51,060	(881)	50,179
Share of profit of equity-accounted associate						-
<b>Profit before tax</b>						<u>50,179</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 April 30, 2020 is as tabled below:

	<b>3 months ended</b>	<b>9 months ended</b>
	<b>30.04.2020</b>	<b>30.04.2020</b>
<b>GROUP</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	151,976	463,503
Operating profit	16,091	53,784
Profit before tax ("PBT")	15,199	50,179
Profit after tax	11,348	38,015
Profit attributable to owners of the Company	10,837	36,445

**Current quarter review**

For the current financial quarter ended April 30, 2020, the Group achieved quarterly revenue and PBT of RM151.98 million and RM15.20 million respectively. We were granted approval by the Ministry of International Trade and Industry of Malaysia to continue operations during the Movement Control Order in accordance to the strict guidelines imposed by the authorities. The domestic market made up RM82.38 million or 54.20% of group revenue. Exports made up the balance RM69.60 million or 45.80% of group revenue.

**9-month review**

For the 9-month financial period ended April 30, 2020, the Group recorded revenue and PBT of RM463.50 million and RM50.18 million respectively. The domestic market made up RM254.53 million or 54.91% of group revenue. Exports made up the balance RM208.97 million or 45.09% 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:

	<b>Current Quarter</b>	<b>Preceding Quarter</b>	
	<b>30.04.2020</b>	<b>31.01.2020</b>	<b>Change</b>
<b>GROUP</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	151,976	158,963	-4.4%
Operating profit	16,091	21,185	-24.0%
PBT	15,199	20,025	-24.1%
Profit after tax	11,348	15,363	-26.1%
Profit attributable to owners of the Company	10,837	14,632	-25.9%

For the three months ended April 30, 2020, Group's revenue stood at RM151.98 million from RM158.96 million in the preceding quarter. The Group's PBT dipped 24.1% to RM15.20 million from RM20.03 million in the preceding quarter mainly due to unfavourable exchange rates loss of RM1.91 million, compared to a foreign exchange gain of RM1.04 million in the preceding quarter and the loss on disposal of investment in an associate of RM1.11 million during the current quarter review.

**B3 Current financial year prospects**

Daibochi, as a leading provider of flexible packaging solutions to major domestic and global brands in the food and beverage and fast-moving consumer goods segments, plays an integral role in the essential food services supply chain. We continued to operate in accordance with strict health and safety requirements and Standard Operation Procedures in our factories to ensure the health and safety of all personnel and continuous supply to our customers.

The Group remains focused on its long term strategy to provide innovative and sustainable flexible packaging solutions through enhancing its capacities, capabilities and efficiency. This combination will enhance our core strengths and bolster our competitive position in the regional markets, towards being a preferred supplier to major domestic and global brands.

Additionally, we continue to make progress in integration efforts with MPP following the completion of its acquisition in August 2019, which expanded our portfolio, capacities, capabilities and clientele.

We are continuing joint research and development with Scientex, to develop new innovations for sustainable flexible packaging solutions in line with the strategic direction of our domestic and MNC clients who are increasingly adopting sustainable solutions in their global supply chains. Through collaboration with our clientele, we have since rolled out new mono-material laminates which are now on consumer shelves, with more commercialisations expected in the near term.

Going forward, while economic headwinds may linger in the near term, our ongoing strategies would allow us to build a resilient market position, enabling us to capture growth opportunities of the long term trend in demand growth for sustainable flexible packaging solutions globally.

**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		9 months ended	
	30.04.2020 RM'000	30.04.2019 RM'000	30.04.2020 RM'000	30.04.2019 RM'000
Interest income	(38)	-	(285)	-
Other operating income	(819)	-	(2,953)	-
Gain on disposal of property, plant and equipment	(66)	-	(143)	-
Write off of property, plant and equipment	-	-	523	-
Interest expense	892	-	3,605	-
Depreciation of property, plant and equipment	5,403	-	15,729	-
Depreciation of right of use assets	232	-	682	-
Net allowance/(reversal of loss allowance) of receivables	21	-	(70)	-
Net (write back)/write-down of inventories	(6)	-	661	-
Write off of inventories	9	-	89	-
Loss on disposal of investment in an associate	1,111	-	1,111	-
Net foreign exchange loss	1,914	-	1,813	-
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		9 months ended	
	30.04.2020 RM'000	30.04.2019 RM'000	30.04.2020 RM'000	30.04.2019 RM'000
In respect of current quarter/year:				
- Income tax	3,491	-	11,870	-
- Deferred tax	363	-	371	-
In respect of prior year:				
- Income tax	(3)	-	(77)	-
	<u>3,851</u>	<u>-</u>	<u>12,164</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 April 30, 2020 were as follows:-

	← Long term		As of 30.04.2020		→ Total	
	Foreign Currency '000	RM '000	Foreign Currency '000	RM '000	Foreign Currency '000	RM '000
<b>Secured:</b>						
Lease liabilities:						
in Ringgit Malaysia	-	263	-	104	-	367
<b>Unsecured:</b>						
Term loans:						
in Ringgit Malaysia	-	2,905	-	2,541	-	5,446
in United States Dollar	-	-	466	2,003	466	2,003
Bankers' acceptances:						
in United States Dollar	-	-	194	836	194	836
Revolving credit:						
in Ringgit Malaysia	-	-	-	22,500	-	22,500
in Australian Dollar	-	-	3,800	10,640	3,800	10,640
in United States Dollar	-	-	11,400	49,020	11,400	49,020
Lease liabilities - MFRS 16:						
in Ringgit Malaysia	-	712	-	290	-	1,002
in United States Dollar	537	2,307	329	1,415	866	3,722
		<u>6,187</u>		<u>89,349</u>		<u>95,536</u>

	← Long term		As of 31.07.2019		→ Total	
	Foreign Currency '000	RM '000	Foreign Currency '000	RM '000	Foreign Currency '000	RM '000
<b>Secured:</b>						
Lease liabilities:						
in Ringgit Malaysia	-	440	-	784	-	1,224
<b>Unsecured:</b>						
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 RM3,145,000 as of April 30, 2020.

**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 April 30, 2020.

**B10 Material litigation**

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

**B11 Dividends**

In respect of the financial year ending July 31, 2020, the Board of Directors declared a single tier interim dividend of 2 sen per ordinary share, payable on July 17, 2020.

**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.

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.04.2020</b>	30.04.2019	<b>30.04.2020</b>	30.04.2019
Profit attributable to owners of the Company (RM'000)	<b>10,837</b>	-	<b>36,445</b>	-
Weighted average number of ordinary shares ('000)	<b>327,348</b>	-	<b>327,348</b>	-
Basic earnings per ordinary share (sen)	<b>3.31</b>	-	<b>11.13</b>	-

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: June 22, 2020