

TOMYPAK HOLDINGS BERHAD

(Company No. 337743-W)

A. Notes to the quarterly financial report

1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad, and Financial Reporting Standard (FRS) 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. 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 2007.

2 Changes in accounting policies

The Group has adopted the following Financial Reporting Standards (FRSs) that are effective for annual periods beginning after 1 January 2006:

FRS 117, Leases

FRS 124, Related Party Disclosures

Amendment to FRS 119²⁰⁰⁴, Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

The MASB has also issued the following FRSs and Interpretations that are effective for annual periods beginning after 1 January 2007:

FRSs / Interpretations	Effective date
FRS 107, Cash Flow Statements	1 July 2007
FRS 111, Construction Contracts	1 July 2007
FRS 112, Income Taxes	1 July 2007
FRS 118, Revenue	1 July 2007
FRS 120, Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
Amendment to FRS 121, The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
FRS 134, Interim Financial Reporting	1 July 2007
FRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
FRS 139, Financial Instruments: Recognition and Measurement	To be announced
IC Interpretation 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2, Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7, Applying the Restatement Approach under FRS 129, Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8, Scope of FRS 2	1 July 2007

The Group has applied the abovementioned FRSs and Interpretations for the annual period beginning 1 January 2008, except for FRS 139 which its effective date has yet to be announced.

The initial application of the abovementioned FRSs and Interpretations are not expected to have any material impact on the financial statements of the Group.

3 Audit qualification

The audit report of the Company for the preceding annual financial statements was not subject to any audit qualification.

4 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.

5 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.

6 Material changes in estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and useful life of an item of property, plant and equipment at least at each financial year end. The same estimates reported in the previous financial year on the residual value and useful life of an item of property, plant and equipment were used in preparing the financial statements for the current quarter as there is no significant additions during this quarter.

There were no other changes in estimates of amounts reported in previous year, which have a material effect in the current quarter.

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

There were no cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter.

8 Dividend paid

The Directors declared an interim dividend of 1 sen tax exempt per ordinary share of RM1.00 each totalling RM400,000.00 in respect of the year ended 31 December 2007, based on the issued and paid-up capital as at 25 January 2008 and paid on 5 February 2008.

9 Segmental reporting

The Group operates principally in Malaysia and in the manufacture and sale of packaging materials, polyethylene, polypropylene films and sheets and thermoforming sheets.

The Group's internal organisational groupings do not provide a basis for determining a reportable primary and secondary segment. However, sales revenue by geographical market are as follows:-

The Group's operation is divided into local and export market.

	Local		Export		Total	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	23,286	22,734	16,382	14,619	39,668	37,353

The segment results, assets and liabilities are basically in Malaysia.

10 Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

11 Material events subsequent to period end

There were no material events subsequent to period end.

12 Changes in composition of the group

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

13 Contingent liabilities

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

14 Capital commitments

	2008 RM'000	2007 RM'000
Plant and equipment Contracted but not provided for	<u>1,662</u>	<u>11,476</u>
Authorised but not contracted for	<u>nil</u>	<u>nil</u>

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B Notes to the quarterly financial report

1 Review of performance

For the 3 months period ended 31 March 2008, the Group achieved a turnover of RM39,668,000 compared to RM37,353,000 of the same period last year, increased by RM2,315,000 or 6.20%. The Group recorded a profit before taxation of RM580,000 against the profit before taxation of RM1,102,000 in the previous corresponding period, mainly due to the increasing cost of raw materials and competitive pricing of our products in both the local and export markets.

2 Variation of results against preceding quarter

The Group reported a profit before taxation of RM580,000 for the first quarter ended 31 March 2008 compared to a loss before taxation of RM1,084,000 in the preceding quarter mainly due to the reduced turnover and unrealised loss on foreign exchange during the preceding quarter ended 31 December 2007.

3 Current year prospects

The directors expect the performance of the Group will remain challenging for the year ending 31 December 2008 in view of the rising cost of raw materials and a competitive business environment.

4 Profit forecast

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

5 Tax expense

Taxation comprises the following:-

	Current Year Quarter 31/03/2008 RM'000	Current Year To Date 31/03/2008 RM'000
Current taxation	88	88
	<u>88</u>	<u>88</u>

6 Unquoted investments and properties

There were no disposals of unquoted investments and/or properties for the current quarter and financial year-to-date.

7 Quoted investments

(a) There were no purchases or disposals of quoted securities for the current quarter.

(b) Investment in quoted securities as at end of the reporting quarter and the financial year-to-date are as follows:

At cost	70,800
At book value	70,800
At market value	52,800

8 Status of corporate proposal announced

There was no corporate proposal announced for the current quarter.

9 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:-

(a) Current	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
Bank overdrafts	-	447	447
Bankers' acceptance	-	27,630	27,630
Hire Purchase	1,292	-	1,292
Term Loan	2,203	-	2,203
	<u>3,495</u>	<u>28,077</u>	<u>31,572</u>

As at 31/12/2007

Bank overdrafts	-	637	637
Bankers' acceptance	-	28,778	28,778
Hire Purchase	1,429	-	1,429
Term Loan	2,182	-	2,182
	<u>3,611</u>	<u>29,415</u>	<u>33,026</u>

(b) Non-current

	As at 31/03/2008 RM'000	As at 31/12/2007 RM'000
Hire Purchase (secured)	334	517
Term Loans (secured)	<u>6,311</u>	<u>6,941</u>
	<u>6,645</u>	<u>7,458</u>

10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk at the date of this quarterly report.

11 Changes in material litigation

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

12 Dividend

The directors do not recommend any dividend to be paid for the current quarter ended 31 March 2008.

13 Earnings per ordinary shares**Basic earnings/(loss) per share**

The calculation of basic earnings/(loss) per ordinary share for the current quarter and the 3 months ended 31 March 2007 is based on the net profit after tax of RM492,000 and net profit after tax of RM1,098,000 respectively, and the weighted average number of ordinary shares outstanding during the current quarter of 40,000,000 (2007: 40,000,000)

Weighted average number of ordinary shares

The calculation of basic earnings per share based on the weighted average number of ordinary shares is not applicable as there were no new shares issued during the quarter and the number of issued ordinary shares at beginning and end of the 3 months period ended 31 March 2008 are the same.