



**UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2015**

The Board of Directors is pleased to submit its quarterly report on the consolidated results of the Group for the fourth quarter ended 31 December 2015.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME –
UNAUDITED**

	Three months ended		Twelve months ended	
	31.12.2015 RM '000	31.12.2014 RM '000	31.12.2015 RM '000	31.12.2014 RM '000
Revenue	<u>56,449</u>	<u>50,139</u>	<u>214,099</u>	<u>209,039</u>
Operating Profit	7,452	4,599	31,633	12,206
Finance income	17	53	204	264
Finance costs	<u>(135)</u>	<u>(198)</u>	<u>(544)</u>	<u>(877)</u>
Profit before taxation	<u>7,334</u>	<u>4,454</u>	<u>31,293</u>	<u>11,593</u>
Income tax expense	<u>(1,350)</u>	<u>(756)</u>	<u>(8,130)</u>	<u>(3,341)</u>
Profit for the period/ Total comprehensive income for the period/ Attributable to owners of the Company	<u>5,984</u>	<u>3,698</u>	<u>23,163</u>	<u>8,252</u>
Weighted average number of shares in issue ('000)	109,453	109,341	109,351	109,341
Basic earnings per ordinary share (sen)	<u>5.47</u>	<u>3.38</u>	<u>21.18</u>	<u>7.55</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	As at 31.12.2015 RM '000	Audited As at 31.12.2014 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	84,164	71,146
Total non-current assets	<u>84,164</u>	<u>71,146</u>
Current assets		
Inventories	32,771	35,934
Trade and other receivables	62,583	47,288
Tax recoverable	5	2
Cash and cash equivalents	11,715	12,717
Total current assets	<u>107,074</u>	<u>95,941</u>
TOTAL ASSETS	<u><u>191,238</u></u>	<u><u>167,087</u></u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	54,733	54,733
Reserves	71,187	56,333
Total equity	<u>125,920</u>	<u>111,066</u>
Non-current liabilities		
Loans and borrowings	6,294	438
Employee benefits	609	628
Deferred tax liabilities	8,782	8,512
Total non-current liabilities	<u>15,685</u>	<u>9,578</u>
Current liabilities		
Trade and other payables	23,843	20,257
Loans and borrowings	23,241	24,091
Taxation	2,229	883
Dividends payable	320	1,212
Total current liabilities	<u>49,633</u>	<u>46,443</u>
Total liabilities	<u>65,318</u>	<u>56,021</u>
TOTAL EQUITY AND LIABILITIES	<u><u>191,238</u></u>	<u><u>167,087</u></u>
Net assets per share (RM)	1.15	1.02

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED

	Attributable to owners of the Company					
	Non-distributable				Distributable	Total equity RM '000
	Share capital RM '000	Share premium RM '000	Treasury share RM '000	Merger reserves RM '000	Retained earnings RM '000	
At 1 January 2015	54,733	669	(121)	2,991	52,794	111,066
Total comprehensive income for the period	-	-	-	-	23,163	23,163
Own shares acquired	-	-	(343)	-	-	(343)
Own shares sold	-	318	464	-	-	782
Dividends to shareholders	-	-	-	-	(8,748)	(8,748)
At 31 December 2015	<u>54,733</u>	<u>987</u>	<u>-</u>	<u>2,991</u>	<u>67,209</u>	<u>125,920</u>
At 1 January 2014	54,733	669	(121)	2,991	51,102	109,374
Total comprehensive income for the period	-	-	-	-	8,252	8,252
Dividends to shareholders	-	-	-	-	(6,560)	(6,560)
At 31 December 2014	<u>54,733</u>	<u>669</u>	<u>(121)</u>	<u>2,991</u>	<u>52,794</u>	<u>111,066</u>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

	Twelve months ended 31.12.2015 RM '000	Twelve months ended 31.12.2014 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	31,293	11,593
Adjustments for:-		
Depreciation	11,703	11,721
Finance income	(204)	(264)
Finance costs	544	877
Property, plant and equipment written off	21	60
Unrealised loss on foreign exchange	753	233
Gain on disposal of property, plant and equipment	(192)	(487)
Reversal of expenses related to defined benefit plans	(19)	(14)
Operating profit before changes in working capital	<u>43,899</u>	<u>23,719</u>
Change in inventories	3,163	4,643
Change in trade and other receivables	(16,051)	(3,470)
Change in trade and other payables	3,590	(4,409)
Cash generated from operations	<u>34,601</u>	<u>20,483</u>
Tax paid	(6,516)	(3,713)
Other finance costs paid	(169)	(215)
Net cash from operating activities	<u>27,916</u>	<u>16,555</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(24,786)	(13,474)
Proceeds from disposal of property, plant and equipment	236	516
Interest received	204	264
Net cash used in investing activities	<u>(24,346)</u>	<u>(12,694)</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

	Twelve months ended 31.12.2015 RM '000	Twelve months ended 31.12.2014 RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	8,769	-
Repayment of term loans	(2,456)	(2,242)
Net short term borrowings	(1,081)	(2,021)
Payments of finance lease liabilities	(228)	(619)
Dividends paid to owners of the Company	(9,640)	(7,660)
Interest paid	(375)	(662)
Net Proceeds from the repurchase and resale of treasury shares	439	-
Net cash (used in) financing activities	<u>(4,572)</u>	<u>(13,204)</u>
Net decrease in cash and cash equivalents	(1,002)	(9,343)
Cash and cash equivalents at 1 January	12,717	22,060
Cash and cash equivalents at 31 December	<u><u>11,715</u></u>	<u><u>12,717</u></u>
* Cash and cash equivalents at end of the period consist of:-		
Deposit placed with licensed banks	5,800	5,740
Cash and bank balances	5,915	6,977
	<u><u>11,715</u></u>	<u><u>12,717</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)



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 Malaysia Financial Reporting Standard (MFRS) 134: Interim Financial Reporting. These condensed consolidated interim financial statements also comply with IAS34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. 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 2014.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*



1 Basis of preparation (continued)

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations in the respective financial years when the above standards, amendments and interpretations become effective.

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group and of the Company upon their first adoption except as mentioned below:

(i) MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 15.

(ii) MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 9.

2 Audit qualification

The preceding audited financial statements of the Group were not subject to any audit qualification.

3 Seasonality or cyclicity of operations

The business operations of the Group during the financial quarter under review were not materially affected by any seasonal or cyclical factors.

4 Unusual items affecting the assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter.

5 Material changes in estimates

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

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

During the current quarter, the Company resold 330,900 units of its own shares at an average price of RM2.37 per share in the open market of Bursa Malaysia for a total consideration of RM782,121. The gain from the resale of treasury shares have been recorded in the equity account of the Company.

7 Dividend paid

The board declared a tax exempt interim dividend of 3 sen per ordinary share of RM 0.50 each totaling RM3,284,027 on 25th November 2015, based on issued and paid up capital as at 11th December 2015 and paid on 29th December 2015.



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8 Segment information

The Group operates principally in Malaysia and in the manufacture and sale of flexible packaging materials.

The Group's operation is divided into local and export market. The local market relates to sales to customers within Malaysia. The export market relates to sales to overseas customers with South East Asia being the principal market segment.

	Individual quarter ended		Cumulative quarter ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Revenue				
- Local	25,283	20,147	97,044	90,271
- Overseas	31,166	29,992	117,055	118,768
	<u>56,449</u>	<u>50,139</u>	<u>214,099</u>	<u>209,039</u>

9 Valuations of Property, plant and equipment

The Group did not carry out any valuations on its property, plant and equipment for the current quarter.

10 Material events subsequent to period end

There were no material events subsequent to period end save for the corporate proposal stated in Note 6 under the additional information as required by the Bursa Malaysia Securities Berhad's listing requirements.

11 Changes in composition of the group

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

12 Contingent liabilities

	31 December 2015 RM'000	31 December 2014 RM'000
Secured corporate guarantees for banking facilities given to subsidiary	<u>8,891</u>	<u>2,804</u>
Unsecured corporate guarantees for banking facilities given to subsidiary	<u>20,644</u>	<u>21,725</u>

13 Capital commitments

	31 December 2015 RM'000	31 December 2014 RM'000
Plant and equipment		
Contracted but not provided for	<u>24,623</u>	<u>15,650</u>
Authorised but not contracted for	<u>38,433</u>	<u>-</u>



B. ADDITIONAL INFORMATION AS REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1 Review of performance

For the 12 months period ended 31 December 2015, the Group achieved a turnover of RM214.10 million compared to RM209.04 million of the same period last year, a slightly increase of 2.42%. However, the Group recorded a higher pre-tax profit of RM31.29 million against the pre-tax profit of RM11.59 million in the previous corresponding period, mainly due to the better sales mix and continuous improvement in production efficiency, and gain on foreign exchange.

2 Variation of results against preceding quarter

The Group reported a pre-tax profit of RM7.33 million for the fourth quarter ended 31 December 2015 compared to a pre-tax profit of RM8.46 million in the preceding quarter, a decrease of 13.36%, due to better sales mix and foreign exchange gain in the preceding quarter.

3 Current year prospects

The Group expects the external operating environment in year 2016 to remain challenging. The projection for growth in 2016 takes into account concerns over the severity of growth slowdown in emerging markets, particularly China. In Malaysia, the fall of global crude oil prices and the volatility of the domestic currency, the weak consumer demand and lower projected GDP growth for 2016, may affect public sentiments.

Nevertheless, with the expansion project and the corporate exercise to be completed in year 2016, the Board is confident that the demand for the Group's flexible packaging from the food and beverage sector and fast moving consumer products will continue to expand, which is in line with the increasing of population and consumption of packaged food products. The expansion of the Group's capacity through the future plans provide the Group the platform to grow and sustain the Group's business amidst the favourable outlook of the food and beverage industry in the region.

The Board remains cautiously optimistic of the Group's performance for the financial year ending 2016.

4 Profit forecast

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

5 Tax expense

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
The tax expense comprises the followings:				
Tax expense				
- Current period	1,500	1,343	8,036	3,246
- Prior year	-	-	(176)	282
	<u>1,500</u>	<u>1,343</u>	<u>7,860</u>	<u>3,528</u>
Deferred tax expense				
- Current period	(150)	(587)	270	(327)
- Prior year	-	-	-	140
	<u>(150)</u>	<u>(587)</u>	<u>270</u>	<u>(187)</u>
	<u><u>1,350</u></u>	<u><u>756</u></u>	<u><u>8,130</u></u>	<u><u>3,341</u></u>



6 Status of corporate proposal announced

On 1 December 2015, the Company announced that it had proposed to undertake the following:

- (i) Proposed renounceable rights issue of up to 54,733,775 new ordinary shares of RM0.50 each in Tomypak (“Tomypak Share(s)” or “Share(s)”) (“Rights Share(s)”) on the basis of one (1) Rights Share for every two (2) existing Tomypak Shares held on an entitlement date to be determined later (“Entitlement Date”), together with up to 54,733,775 free detachable warrants (“Warrant(s)”) on the basis of one (1) Warrant for every one (1) Rights Share subscribed (“Proposed Rights Issue with Warrants”);
- (ii) Proposed establishment of an Employees’ Share Option Scheme (“ESOS”) of up to fifteen percent (15%) of the prevailing issued and paid-up ordinary share capital of Tomypak for the eligible Directors and employees of Tomypak and its subsidiary(ies) (“Tomypak Group” or “Group”) to be implemented after the completion of the Proposed Rights Issue with Warrants (“Proposed ESOS” or “ESOS Scheme”);
- (iii) Proposed allocation of ESOS options to the executive Directors and non-executive Directors of Tomypak pursuant to the Proposed ESOS (“Proposed Allocation”);
- (iv) Proposed increase in the authorised share capital of Tomypak from RM100,000,000 comprising 200,000,000 Shares to RM250,000,000 comprising 500,000,000 Shares (“Proposed Increase in Authorised Share Capital”); and
- (v) Proposed amendment to the Memorandum and Articles of Association of Tomypak (“Proposed Amendment”).

On behalf of the Board of Directors of Tomypak, RHB Investment Bank Berhad had on 11 January 2016 announced that Bursa Malaysia Securities Berhad had, vide its letter dated 8 January 2016, approved the following subject to the terms and conditions as stipulated in the Letter of Approval:

- (a) Listing of up to 54,733,775 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (b) Admission to the Official List and the listing of up to 54,733,775 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;
- (c) Listing of up to 54,733,775 new Tomypak Shares to be issued from the exercise of the Warrants; and
- (d) Listing of such number of additional new Tomypak Shares, representing up to 15% of the prevailing issued and paid-up ordinary share capital of Tomypak (excluding treasury shares), to be issued pursuant to the Proposed ESOS.

At the Extraordinary General Meeting held on 26 February 2016, the above corporate proposal was approved by the shareholders.



7 Group borrowings and debts securities

The borrowings of the Group denominated in Ringgit Malaysia as at the end of the reporting period are as follows:-

	31 December 2015	31 December 2014
	RM'000	RM'000
Non-current		
<i>Secured</i>		
Term loans	6,294	438
Finance lease liabilities	-	-
	6,294	438
Current		
<i>Secured</i>		
Term loans	2,597	2,139
Finance lease liabilities	-	227
	2,597	2,366
<i>Unsecured</i>		
Trust receipts	20,644	21,725
	20,644	21,725
	23,241	24,091
	29,535	24,529

8 Disclosure of derivatives

There were no financial derivatives for current quarter ended 31 December 2015.

9 Changes in material litigation

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

10 Dividend

- (a) First tax exempt interim dividend of 1.5 sen per ordinary share of RM0.50 each amounting to RM1,640,111 in respect of the financial year ending 31 December 2015 has been paid on 9 July 2015 to shareholders.
- (b) Second tax exempt interim dividend of 2.5 sen per ordinary share of RM0.50 each amounting to RM2,730,139 in respect of the financial year ending 31 December 2015 has been paid on 25 September 2015 to shareholders.
- (c) Third tax exempt interim dividend of 3 sen per ordinary share of RM0.50 each amounting to RM3,284,027 in respect of the financial year ending 31 December 2015 has been paid on 29 December 2015 to shareholders.
- (d) The Board declared a tax exempt interim dividend of 3 sen per ordinary share of RM0.50 each on 26 February 2016 in respect of the financial year ended 31 December 2015 and the said dividend will be paid on 8 April 2016 to shareholders whose names appear on the Company's Record of Depositors on 18 March 2016.



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11 Earnings per ordinary shares

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the period under review is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the said financial period, adjusted by the number of ordinary shares repurchased during the period under review.

	Individual quarter ended		Cumulative quarter ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Net Profit attributable to ordinary shareholders (RM'000)	5,984	3,698	23,163	8,252
Weighted average number of ordinary shares in issue ('000)	109,453	109,341	109,351	109,341
Basic earnings per ordinary share (sen)	<u>5.47</u>	<u>3.38</u>	<u>21.18</u>	<u>7.55</u>

12 Disclosure of realised and unrealised profits/ losses

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings of the Company and its subsidiaries:		
~ Realised profits	76,312	60,974
~ Unrealised losses	(9,103)	(8,180)
Total retained earnings of the Group	<u>67,209</u>	<u>52,794</u>



13 Notes to the Statements of Comprehensive Income

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

	Individual quarter ended		Cumulative quarter ended	
	31 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
Interest income	(17)	(53)	(204)	(264)
Other income	(370)	(152)	(885)	(220)
Interest expense	135	198	544	877
Depreciation	2,925	2,949	11,703	11,721
Bad debts recovered	(2)	(2)	(6)	(14)
(Reversal of)/ Allowance for slow moving inventories	(406)	1,636	(44)	1,611
Foreign exchange:				
- Realised gain	(945)	(685)	(3,213)	(547)
- Unrealised loss	976	308	753	233
Gain on disposal of property, plant and equipment	(186)	(171)	(192)	(487)