



**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED  
31 MARCH 2016**

The Board of Directors is pleased to submit its quarterly report on the consolidated results of the Group for the first quarter ended 31 March 2016.

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

	Three months ended		Three months ended	
	31.03.2016 RM '000	31.03.2015 RM '000	31.03.2016 RM '000	31.03.2015 RM '000
<b>Revenue</b>	<u>51,362</u>	<u>52,108</u>	<u>51,362</u>	<u>52,108</u>
<b>Operating Profit</b>	4,762	7,700	4,762	7,700
Finance income	23	49	23	49
Finance costs	(123)	(172)	(123)	(172)
<b>Profit before taxation</b>	<u>4,662</u>	<u>7,577</u>	<u>4,662</u>	<u>7,577</u>
Income tax expense	(1,150)	(2,250)	(1,150)	(2,250)
<b>Profit for the period/ Total comprehensive income for the period/ Attributable to owners of the Company</b>	<u>3,512</u>	<u>5,327</u>	<u>3,512</u>	<u>5,327</u>
Weighted average number of shares in issue ('000)	109,467	109,341	109,467	109,341
Basic earnings per ordinary share (sen)	<u>3.21</u>	<u>4.87</u>	<u>3.21</u>	<u>4.87</u>

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)**



**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED**

	<b>As at 31.03.2016 RM '000</b>	<b>Audited As at 31.12.2015 RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	90,389	84,164
<b>Total non-current assets</b>	<u>90,389</u>	<u>84,164</u>
<b>Current assets</b>		
Inventories	29,420	32,771
Trade and other receivables	47,579	62,583
Tax recoverable	-	5
Cash and cash equivalents	17,249	11,715
<b>Total current assets</b>	<u>94,248</u>	<u>107,074</u>
<b>TOTAL ASSETS</b>	<u>184,637</u>	<u>191,238</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	54,733	54,733
Reserves	71,058	71,188
<b>Total equity</b>	<u>125,791</u>	<u>125,921</u>
<b>Non-current liabilities</b>		
Loans and borrowings	5,428	6,294
Employee benefits	620	609
Deferred tax liabilities	8,782	8,782
<b>Total non-current liabilities</b>	<u>14,830</u>	<u>15,685</u>
<b>Current liabilities</b>		
Trade and other payables	18,300	23,842
Loans and borrowings	21,156	23,241
Taxation	1,181	2,229
Dividends payable	3,379	320
<b>Total current liabilities</b>	<u>44,016</u>	<u>49,632</u>
<b>Total liabilities</b>	<u>58,846</u>	<u>65,317</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>184,637</u>	<u>191,238</u>
Net assets per share (RM)	1.15	1.15

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)**



**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED  
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**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		
<b>At 1 January 2016</b>	54,733	987	-	2,991	67,210	125,921
Total comprehensive income for the period	-	-	-	-	3,512	3,512
Share issuance expenses	-	(358)	-	-	-	(358)
Dividends to shareholders	-	-	-	-	(3,284)	(3,284)
<b>At 31 March 2016</b>	<u>54,733</u>	<u>629</u>	<u>-</u>	<u>2,991</u>	<u>67,438</u>	<u>125,791</u>
<b>At 1 January 2015</b>	54,733	669	(121)	2,991	52,794	111,066
Total comprehensive income for the period	-	-	-	-	5,327	5,327
Dividends to shareholders	-	-	-	-	(1,093)	(1,093)
<b>At 31 March 2015</b>	<u>54,733</u>	<u>669</u>	<u>(121)</u>	<u>2,991</u>	<u>57,028</u>	<u>115,300</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 2015 and the accompanying explanatory notes attached to the interim financial statements.)



**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED**

	<b>Three months ended 31.03.2016 RM '000</b>	<b>Three months ended 31.03.2015 RM '000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,662	7,577
Adjustments for:-		
Depreciation	2,986	2,926
Finance income	(23)	(49)
Finance costs	124	172
Property, plant and equipment written off	6	20
Unrealised loss on foreign exchange	257	187
(Gain)/ loss on disposal of property, plant and equipment	(50)	3
Expenses/ (Reversal of expenses) related to defined benefit plans	11	(2)
Operating profit before changes in working capital	<u>7,973</u>	<u>10,834</u>
Change in inventories	3,351	7,130
Change in trade and other receivables	14,746	740
Change in trade and other payables	<u>(5,542)</u>	<u>(3,643)</u>
Cash generated from operations	<u>20,528</u>	<u>15,061</u>
Tax paid	(2,193)	(557)
Other finance costs paid	(44)	(56)
Net cash from operating activities	<u>18,291</u>	<u>14,448</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(9,217)	(12,223)
Proceeds from disposal of property, plant and equipment	50	-
Interest received	23	49
Net cash used in investing activities	<u>(9,144)</u>	<u>(12,174)</u>



**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)**

	<b>Three months ended 31.03.2016 RM '000</b>	<b>Three months ended 31.03.2015 RM '000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	-	8,769
Repayment of term loans	(1,118)	(677)
Net short term borrowings	(1,833)	(6,774)
Payments of finance lease liabilities	-	(135)
Dividends paid to owners of the Company	(225)	(1,087)
Interest paid	(79)	(116)
Share issuance expenses	(358)	-
Net cash used in financing activities	<u>(3,613)</u>	<u>(20)</u>
Net increase in cash and cash equivalents	5,534	2,254
Cash and cash equivalents at 1 January	11,715	12,717
Cash and cash equivalents at 31 March	<u><u>17,249</u></u>	<u><u>14,971</u></u>
* Cash and cash equivalents at end of the period consist of:-		
Deposit placed with licensed banks	5,800	6,600
Cash and bank balances	<u>11,449</u>	<u>8,371</u>
	<u><u>17,249</u></u>	<u><u>14,971</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 2015 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 2015. 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 2015.

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**

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

**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 26<sup>th</sup> February 2016, based on issued and paid up capital as at 18<sup>th</sup> March 2016 and paid on 8<sup>th</sup> April 2016.



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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	
	31 March 2016	31 March 2015
	RM'000	RM'000
Revenue		
- Local	24,321	23,361
- Overseas	27,041	28,747
	<u>51,362</u>	<u>52,108</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 March 2016	31 March 2015
	RM'000	RM'000
Secured corporate guarantees for banking facilities given to subsidiary	<u>7,773</u>	<u>10,762</u>
Unsecured corporate guarantees for banking facilities given to subsidiary	<u>18,811</u>	<u>14,950</u>

**13 Capital commitments**

	31 March 2016	31 March 2015
	RM'000	RM'000
Plant and equipment		
Contracted but not provided for	<u>46,410</u>	<u>4,527</u>
Authorised but not contracted for	<u>11,645</u>	<u>208</u>





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

**1 Review of performance**

For the 3 months period ended 31 March 2016, the Group achieved a turnover of RM51.36 million compared to RM52.11 million for the same period last year, a marginal decrease of 1.44%. This was mainly attributable to a slight reduction in demand from overseas customers.

As for pre-tax profits, the Group recorded a lower pre-tax profit of RM4.66 million against the pre-tax profit of RM7.58 million in the previous corresponding period. This decrease was mainly due to increased cost of production arising from increased cost of imported raw materials, higher energy and labour cost. Foreign exchange volatility contributed significantly to the reduction in profit for this quarter.

**2 Variation of results against preceding quarter**

The Group reported a pre-tax profit of RM4.66 million for the first quarter ended 31 March 2016 compared to a pre-tax profit of RM7.33 million in the preceding quarter, a decrease of 36.43%, mainly due to the reasons as stated above.

**3 Prospects**

The external operating environment continues to be challenging for the next quarter and is expected to remain as such for 2016. The impact from the slowdown in growth in some of the economy, particularly in emerging markets such as China, will continue to be felt and will have an impact on our operations.

Despite such trying conditions, the Board is confident that the Group's performance will be maintained since the food and beverage sector remains resilient. The Group will also continue to focus on achieving greater operational efficiencies and development of its manpower resources. The Group will continue to expand its customer base and new markets.

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:-

	<b>Individual quarter ended</b>	
	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
The tax expense comprises the followings:		
Tax expense		
- Current period	1,150	2,130
- Prior year	-	-
	1,150	2,130
Deferred tax expense		
- Current period	-	120
- Prior year	-	-
	-	120
	1,150	2,250



**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.



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**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:-

	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
<b>Secured</b>		
Term loans	5,428	6,959
Finance lease liabilities	-	-
	<u>5,428</u>	<u>6,959</u>
<b>Current</b>		
<b>Secured</b>		
Term loans	2,345	3,710
Finance lease liabilities	-	93
	<u>2,345</u>	<u>3,803</u>
<b>Unsecured</b>		
Trust receipts	18,811	14,950
	<u>18,811</u>	<u>14,950</u>
	<u>21,156</u>	<u>18,753</u>
	<u><u>26,584</u></u>	<u><u>25,712</u></u>

**8 Disclosure of derivatives**

There were no financial derivatives for current quarter ended 31 March 2016.

**9 Changes in material litigation**

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

**10 Dividend**

The Board is pleased to declare a tax exempt interim dividend of 2 sen per ordinary share of RM0.50 each on 18 May 2016 in respect of the financial year ending 31 December 2016 and the said dividend will be paid on 17 June 2016 to shareholders whose names appear on the Company's Record of Depositors on 2 June 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	
	31 March 2016	31 March 2015
Net Profit attributable to ordinary shareholders (RM'000)	3,512	5,327
Weighted average number of ordinary shares in issue ('000)	109,467	109,341
<b>Basic earnings per ordinary share (sen)</b>	<u>3.21</u>	<u>4.87</u>

**12 Disclosure of realised and unrealised profits/ losses**

	As at 31.03.2016 RM'000	As at 31.12.2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
~ Realised profits	76,947	76,313
~ Unrealised losses	(9,509)	(9,103)
Total retained earnings of the Group	<u>67,438</u>	<u>67,210</u>

**13 Notes to the Statements of Comprehensive Income**

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

	Individual quarter ended	
	31 March 2016 RM'000	31 March 2015 RM'000
Interest income	(23)	(49)
Other income	(42)	(282)
Interest expense	124	172
Depreciation	2,986	2,926
Bad debts recovered	-	(2)
(Reversal of)/ Allowance for slow moving inventories	(134)	189
Foreign exchange:		
- Realised loss/ (gain)	454	(460)
- Unrealised loss	257	187
(Gain)/ loss on disposal of property, plant and equipment	(50)	3