



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

	Three months ended		Six months ended	
	30.06.2020 RM '000	30.06.2019 RM '000	30.06.2020 RM '000	30.06.2019 RM '000
Revenue	<u>47,287</u>	<u>41,060</u>	<u>80,436</u>	<u>75,448</u>
Operating profit/ (loss)	4,630	(2,599)	(1,143)	(5,190)
Finance income	10	13	26	32
Finance costs	(620)	(830)	(1,291)	(1,762)
ESOS expenses	-	-	(112)	(65)
Profit/ (loss) before taxation	<u>4,020</u>	<u>(3,416)</u>	<u>(2,520)</u>	<u>(6,985)</u>
Tax (expenses)/ income	(2)	730	(6)	1,421
Profit/ (loss) for the period	<u>4,018</u>	<u>(2,686)</u>	<u>(2,526)</u>	<u>(5,564)</u>
Foreign currency translation differences for foreign operations	-	2	-	-
Total comprehensive income/ (expense) for the period	<u>4,018</u>	<u>(2,684)</u>	<u>(2,526)</u>	<u>(5,564)</u>
Profit/ (loss) attributable to:				
Owners of the Company	4,018	(2,678)	(2,526)	(5,544)
Non-controlling interests	-	(8)	-	(20)
Profit/ (loss) for the period	<u>4,018</u>	<u>(2,686)</u>	<u>(2,526)</u>	<u>(5,564)</u>
Total comprehensive income/ (expense) attributable to:-				
Owners of the Company	4,018	(2,677)	(2,526)	(5,544)
Non-controlling interests	-	(7)	-	(20)
Total comprehensive income/ (expense) for the period	<u>4,018</u>	<u>(2,684)</u>	<u>(2,526)</u>	<u>(5,564)</u>
Basic earning/ (loss) per ordinary share (sen)	<u>0.96</u>	<u>(0.64)</u>	<u>(0.60)</u>	<u>(1.32)</u>
Diluted earning/ (loss) per ordinary share (sen)	<u>0.96</u>	<u>(0.64)</u>	<u>(0.60)</u>	<u>(1.32)</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	As at 30.06.2020 RM '000	Audited As at 31.12.2019 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	179,948	187,954
Right-of-use assets	3,435	3,514
Deferred tax assets	4,527	4,527
Total non-current assets	<u>187,910</u>	<u>195,995</u>
Current assets		
Inventories	18,017	22,179
Trade and other receivables	40,616	38,090
Contract assets	13,845	10,035
Current tax assets	11	8
Cash and cash equivalents	8,033	9,563
Total current assets	<u>80,522</u>	<u>79,875</u>
TOTAL ASSETS	<u>268,432</u>	<u>275,870</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	110,180	110,015
Reserves	68,609	71,298
Equity attributable to owners of the Company	178,789	181,313
Non-controlling interests	-	-
Total equity	<u>178,789</u>	<u>181,313</u>
Non-current liabilities		
Loans and borrowings	9,453	17,233
Lease Liabilities	173	253
Employee benefits	533	554
Total non-current liabilities	<u>10,159</u>	<u>18,040</u>
Current liabilities		
Trade and other payables	17,491	19,987
Loans and borrowings	61,783	56,323
Lease Liabilities	159	156
Dividends payable	51	51
Total current liabilities	<u>79,484</u>	<u>76,517</u>
Total liabilities	<u>89,643</u>	<u>94,557</u>
TOTAL EQUITY AND LIABILITIES	<u>268,432</u>	<u>275,870</u>
Net assets per share (RM)	0.43	0.43

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)



TOMYPAK HOLDINGS BERHAD (Company No. 199501008545 (337743-W))

**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to owners of the Company							Non-controlling interest	Total equity	
	Non-distributable				Distributable					
	Share capital	Translation reserve	Treasury share	Share option reserve	Merger reserve	Warrant reserve	Retained earnings	Total		
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
At 1 January 2020	110,015	-	(1,077)	2,244	2,991	16,967	50,173	181,313	-	181,313
Loss and total comprehensive expense for the year	-	-	-	-	-	-	(2,526)	(2,526)	-	(2,526)
<i>Contributions by and distributions to owners of the Company</i>										
Equity settled share based transactions										
- Share option granted	-	-	-	112	-	-	-	112	-	112
- Share issued pursuant to ESOS	130	-	-	-	-	-	-	130	-	130
- Share option exercised	35	-	-	(35)	-	-	-	-	-	-
Own shares acquired	-	-	(240)	-	-	-	-	(240)	-	(240)
Total transactions with owners of the Company	165	-	(240)	77	-	-	-	2	-	2
Share option forfeited	-	-	-	(130)	-	-	130	-	-	-
At 30 June 2020	<u>110,180</u>	<u>-</u>	<u>(1,317)</u>	<u>2,191</u>	<u>2,991</u>	<u>16,967</u>	<u>47,777</u>	<u>178,789</u>	<u>-</u>	<u>178,789</u>



TOMYPAK HOLDINGS BERHAD (Company No. 199501008545 (337743-W))

**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – AUDITED

	Attributable to owners of the Company							Total	Non-controlling interest	Total equity
	Non-distributable			Distributable						
	Share capital	Translation reserve	Treasury share	Share option reserve	Merger reserves	Warrant reserve	Retained earnings			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2019	109,883	(4)	(662)	1,790	2,991	16,967	61,387	192,352	11	192,363
Foreign currency translation differences for foreign operation	-	-	-	-	-	-	-	-	-	-
(Loss)/ profit for the period	-	-	-	-	-	-	(5,544)	(5,544)	(20)	(5,564)
Loss and total comprehensive expense for the year	-	-	-	-	-	-	(5,544)	(5,544)	(20)	(5,564)
<i>Contributions by and distributions to owners of the Company</i>										
Equity settled share based transactions										
-share option granted	-	-	-	65	-	-	-	65	-	65
-share issued pursuant to ESOS	20	-	-	-	-	-	-	20	-	20
-share option exercised	6	-	-	(6)	-	-	-	-	-	-
Own shares acquired	-	-	(21)	-	-	-	-	(21)	-	(21)
Total transactions with owners of the Company	26	-	(21)	59	-	-	-	64	-	64
Share option forfeited	-	-	-	(217)	-	-	217	-	-	-
At 30 June 2019	<u>109,909</u>	<u>(4)</u>	<u>(683)</u>	<u>1,632</u>	<u>2,991</u>	<u>16,967</u>	<u>56,060</u>	<u>186,872</u>	<u>(9)</u>	<u>186,863</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

	Six months ended 30.06.2020 RM '000	Six months ended 30.06.2019 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,520)	(6,985)
Adjustments for:-		
Depreciation on:		
- Property, plant and equipment	8,755	9,039
- Right-of-use assets	79	-
Equity settled share-based transaction	112	65
Finance costs	1,291	1,762
Finance income	(26)	(32)
Property, plant and equipment		
- Written off	-	35
- Loss on disposal	5	41
Impairment loss on trade receivables	116	-
Unrealised loss/(gain) on foreign exchange	2,653	(1,035)
Operating profit before changes in working capital	<u>10,465</u>	<u>2,890</u>
Change in employee benefits	(21)	1
Change in inventories	4,162	(1,989)
Change in trade and other receivables	(3,239)	(1,434)
Change in trade and other payables	(2,497)	692
Change in contract assets	(3,810)	147
Cash generated from operations	<u>5,060</u>	<u>307</u>
Tax paid	(9)	(11)
Other finance costs paid	(42)	(75)
Net cash from operating activities	<u>5,009</u>	<u>221</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(757)	(2,215)
Proceeds from disposal of property, plant and equipment	3	26
Interest received	26	32
Net cash used in investing activities	<u>(728)</u>	<u>(2,157)</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

	Six months ended 30.06.2020 RM '000	Six months ended 30.06.2019 RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(12,386)	(7,617)
Repayment of lease liabilities	(76)	-
Net short term borrowings	8,010	10,509
Proceeds from exercise of share option	130	20
Payment for repurchase of treasury shares	(240)	(21)
Interest paid	(1,249)	(1,687)
Net cash (used in)/from financing activities	<u>(5,811)</u>	<u>1,204</u>
Exchange difference on translation of financial statements of foreign exchange	-	-
Net decrease in cash and cash equivalents	(1,530)	(732)
Cash and cash equivalents at 1 January	9,563	7,055
Cash and cash equivalents at 30 June	<u>8,033</u>	<u>6,323</u>
Cash and cash equivalents at end of the year consist of:-		
Cash and bank balances	<u>8,033</u>	<u>6,323</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)



A. NOTES TO THE QUARTERLY FINANCIAL REPORT

1 Basis of preparation

(a) Statement of compliance

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 Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and International Accounting Standards (“IAS”) 34: 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 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 year ended 31 December 2019.

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 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*



The Group plan to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group upon their first adoption.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements except for recognition of deferred tax assets.

The deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the unabsorbed capital allowances and unutilised reinvestment allowances can be utilised. The Directors believe that there is probable taxable profits based on the profit projections to utilise the amount of deferred tax assets recognised.

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 and financial year-to-date.



5 Material changes in estimates

There were no changes in estimates of amounts, which have a material effect in the current quarter and financial year-to-date.

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

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

7 Dividend paid

The Board does not recommend any interim dividend to be paid for the current quarter.

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 markets. The local market relates to sales to customers within Malaysia. The export market relates to sales to overseas customers primarily in Eastern Europe, South East Asia, South America and Africa.

	Individual quarter ended		Cumulative quarter ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Local	14,021	16,070	27,516	34,553
- Overseas	<u>33,806</u>	<u>24,990</u>	<u>52,920</u>	<u>40,895</u>
	<u>47,827</u>	<u>41,060</u>	<u>80,436</u>	<u>75,448</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.

11 Changes in composition of the group

There were no changes in the composition of the Group for the current quarter except for the following:

Reference to the announcement dated 11 March 2020 in relation to the proposed acquisition of 102,000 ordinary shares representing 51% equity interest in SP Plastic & Packaging Sdn Bhd ("Vendor") for a purchase consideration of RM1,168,915 to be satisfied entirely via ordinary share in the Tomyapak ("Group").

On 23 July 2020, the Group had entered into a supplemental agreement with the Vendors to vary certain terms of the sale and purchase agreement ("SPA") dated 11 March 2020 as follows:



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

- a. The cumulative profit guarantee amounts and periods of not less than RM304,000 for the financial year ended (“FYE”) 30 June 2020 and RM460,000 for the FYE 30 June 2021 as contained in the SPA will be revised to not less than RM460,000 for the FYE 30 June 2021 and RM572,000 for the FYE 30 June 2022 respectively.
- b. In view of the above, the Purchase Consideration of RM1,168,915 will be revised to RM1,578,960 (“Revised Purchase Consideration”) based on the price-earnings multiple of approximately 6 times and the average cumulative profit after tax of RM516.000.

The terms of the supplemental agreement were mutually agreed by the Group and the Vendor after due consideration of the challenging operating environment during the recent months. Subsequently, the Acquisition has been completed on 30 July 2020.

12 Contingent liabilities

	Company	
	30 June 2020	30 June 2019
	RM'000	RM'000
Secured corporate guarantees given to banks in respect of outstanding banking facilities of a subsidiary	71,239	79,976

13 Capital commitments

	30 June 2020	30 June 2019
	RM'000	RM'000
Plant and equipment Contracted but not provided for	951	2,275

B. ADDITIONAL INFORMATION AS REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD’S LISTING REQUIREMENT

1 Review of performance

The Group’s performance for the quarter under review as compared to the same quarter of the previous financial year is as follows:

Quarter Review

For the 3 months period ended 30 June 2020, the Group achieved a revenue of RM47.3 million as compared to RM41.1 million for the same period last year. The increase in revenue in this period under review is primarily due to increase in sales to international customers as well as to an increase in demand of packed food during this COVID-19 pandemic. During this pandemic it has been observed that there has been a shift in the food and beverage consumption patterns.



The Group reported a profit before tax of RM4.0 million for the quarter under review as compared to a loss of RM2.7 million in the same quarter in FY 2019 primarily resulting from higher revenue as well as better contribution margins from improved operations in the current quarter compared to same quarter in the preceding year.

Six Months Review

For the six months ended 30 June 2020, the Group recorded a revenue of RM80.4 million as compared to RM75.4 million in the corresponding period in the previous financial year, an increase of RM5.0 million or 7%. The increase was primarily due to an increase in sales to international customers.

In line with increase in sales as well as improved contribution margins and lower overheads due primarily to the positive impact from the transformation program, the Group reported a lower loss before tax of RM2.5 million for the six months ended 30 June 2020 compared to a loss of RM7.0 million for the same period last year.

2 Current quarter vs immediate preceding quarter

Revenue for the current quarter of RM47.3 million was 45% higher compared to RM32.6 million for the preceding quarter, due to increased orders from both local and international customers.

The Group reported a profit before tax of RM4.0 million for the quarter under review as compared to a loss of RM6.5 million in the last quarter primarily due to higher revenue as well as higher contribution margins and reduction in overheads arising from improved operations in the current quarter compared to the preceding quarter arising from the positive impact of the transformation program.

3 Prospects

Whilst the current COVID-19 pandemic continues to affect the general population and business locally and worldwide, the market for food packaging has been encouraging and the Group will continue to leverage on our capabilities.

The Group will continue to intensify sales and marketing efforts to secure more orders from existing customers and secure additional new customers as well as develop new products to improve our competitive advantage. In addition, the Group will also focus on further improvements in operations.

The Board is optimistic that the performance of the Group will be positive.

4 Profit forecast

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



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

5 Tax (expense)/ income

Taxation comprises the following:

	Individual quarter ended		Cumulative quarter ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
The tax (expense)/ income comprises the followings:				
Tax expense				
- Current period	(2)	(8)	(6)	(8)
- Prior year	-	-	-	-
	<u>(2)</u>	<u>(8)</u>	<u>(6)</u>	<u>(8)</u>
Deferred tax income				
- Current period	-	738	-	1,429
- Prior year	-	-	-	-
	<u>-</u>	<u>738</u>	<u>-</u>	<u>1,429</u>
	<u><u>(2)</u></u>	<u><u>730</u></u>	<u><u>(6)</u></u>	<u><u>1,421</u></u>

6 Status of corporate proposal announced

There was no corporate proposal announced for the current quarter.

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: -

	30 June 2020 RM'000	30 June 2019 RM'000
Non-current		
Secured		
Term loans	9,453	2,143
	<u>9,453</u>	<u>2,143</u>
Current		
Secured		
Term loans	9,972	36,079
Revolving credit	18,865	14,534
	<u>28,837</u>	<u>50,613</u>
Unsecured		
Trust receipts	32,949	27,220
	<u>32,949</u>	<u>27,220</u>
	<u>61,786</u>	<u>77,833</u>
	<u><u>71,239</u></u>	<u><u>79,976</u></u>



8 Disclosure of derivatives

There were no financial derivatives for the current quarter ended 30 June 2020.

9 Changes in material litigation

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

10 Dividend

No dividend was declared by the Company for the current quarter under review.

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 the weighted average number of ordinary shares in issue during the said financial period, calculated as follows:

	Individual quarter ended		Cumulative quarter ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Adjusted Net Earning/ (loss) attributable to ordinary shareholders	4,018	(2,678)	(2,526)	(5,544)
Weighted average number of ordinary shares in issue ('000)	418,159	418,926	418,138	418,939
Basic earning/ (loss) per ordinary share (sen)	<u>0.96</u>	<u>(0.64)</u>	<u>(0.60)</u>	<u>(1.32)</u>

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share for the period under review is based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Individual quarter ended		Cumulative quarter ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Adjusted Net Earning/ (loss) attributable to ordinary shareholders	4,018	(2,678)	(2,526)	(5,544)
Weighted average number of ordinary shares in issue ('000)	418,159	419,127	418,138	419,140
Diluted earning/ (loss) per ordinary share (sen)	<u>0.96</u>	<u>(0.64)</u>	<u>(0.60)</u>	<u>(1.32)</u>



12 Related party transactions

There were no significant related party transactions for the Group during the period under review.

13 Notes to the Statements of Comprehensive Income

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

	Individual quarter ended		Cumulative quarter ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	RM'000	RM'000	RM'000	RM'000
Interest expense	620	830	1,291	1,762
Depreciation on:				
- Property, plant and equipment	4,352	4,511	8,755	9,039
- Right-of-use assets	7	-	79	-
Impairment loss on trade receivables	-	-	116	-
Allowance for slow moving inventories	227	22	27	968
Foreign exchange:				
- Realised gain	(212)	(324)	(407)	(170)
- Unrealised loss/(gain)	(496)	481	2,157	(1,035)
Loss on disposal of property, plant and equipment	-	1	5	41
Equity settled share based transaction (ESOS expense)	-	-	112	65