



CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS – UNAUDITED

	3 months ended		6 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM '000	RM '000	RM '000	RM '000
Revenue	<u>10,446</u>	<u>-</u>	<u>29,052</u>	<u>-</u>
Operating loss	<u>(6,842)</u>	<u>-</u>	<u>(13,181)</u>	<u>-</u>
Finance income	-	-	47	-
Finance costs	(642)	-	(1,128)	-
Loss before tax	<u>(7,484)</u>	<u>-</u>	<u>(14,262)</u>	<u>-</u>
Tax expense	-	-	-	-
Loss after tax	<u>(7,484)</u>	<u>-</u>	<u>(14,262)</u>	<u>-</u>
Total comprehensive expense for the period	<u>(7,484)</u>	<u>-</u>	<u>(14,262)</u>	<u>-</u>
Loss attributable to:				
Owners of the Company	(7,547)	-	(14,367)	-
Non-controlling interest	63	-	105	-
Loss for the period	<u>(7,484)</u>	<u>-</u>	<u>(14,262)</u>	<u>-</u>
Total comprehensive expense attributable to:-				
Owners of the Company	(7,547)	-	(14,367)	-
Non-controlling interests	63	-	105	-
Total comprehensive expense for the period	<u>(7,484)</u>	<u>-</u>	<u>(14,262)</u>	<u>-</u>
Basic loss per ordinary share (sen)	<u>(1.75)</u>	<u>-</u>	<u>(3.33)</u>	<u>-</u>
Diluted loss per ordinary share (sen)	<u>(1.75)</u>	<u>-</u>	<u>(3.33)</u>	<u>-</u>

Notes:

- The Company had last year changed its financial year end from 31 December to 30 June. As such, there will be no comparative financial figures for the preceding year corresponding period ended 31 December 2021.
- The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	Unaudited As at 31.12.2022 RM '000	Audited As at 30.06.2022 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	37,725	33,545
Right-of-use assets	2,735	2,809
Investment properties	281	284
Deferred tax assets	-	-
Goodwill on consolidation	1,025	1,025
Total non-current assets	<u>41,766</u>	<u>37,663</u>
Current assets		
Inventories	20,891	16,573
Trade and other receivables	82,731	89,327
Current tax assets	256	143
Cash and cash equivalents	7,843	40,539
Total current assets	<u>111,721</u>	<u>146,582</u>
TOTAL ASSETS	<u>153,487</u>	<u>184,245</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	133,627	133,627
Reserves	(60,224)	(45,853)
Equity attributable to owners of the Company	<u>73,403</u>	<u>87,774</u>
Non-controlling interests	886	782
Total equity	<u>74,289</u>	<u>88,556</u>
Non-current liabilities		
Loans and borrowings	12,419	7,671
Employee benefits	580	580
Total non-current liabilities	<u>12,999</u>	<u>8,251</u>
Current liabilities		
Trade and other payables	29,468	32,329
Loans and borrowings	36,731	54,942
Current tax liabilities	-	167
Total current liabilities	<u>66,199</u>	<u>87,438</u>
Total liabilities	<u>79,198</u>	<u>95,689</u>
TOTAL EQUITY AND LIABILITIES	<u>153,487</u>	<u>184,245</u>
Net assets per share (RM)	<u>0.17</u>	<u>0.21</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2022 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							Total	Non-controlling interest	Total equity
	Non-distributable				Distributable					
	Share capital	Translation reserve	Treasury shares	Share options reserve	Merger reserve	Warrants 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 July 2022	133,627	-	-	-	2,991	-	(48,848)	87,770	782	88,552
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(14,367)	(14,367)	104	(14,263)
At 31 December 2022	<u>133,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,991</u>	<u>-</u>	<u>(63,215)</u>	<u>73,403</u>	<u>886</u>	<u>74,289</u>

- Notes:
- i) The Company had last year changed its financial year end from 31 December to 30 June. As such, there will be no comparative financial figures for the preceding year corresponding periods ended 31 December 2021.
 - ii) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

	Unaudited 6 months ended 31.12.2022 RM '000	Unaudited 6 months ended 31.12.2021 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(14,262)	-
Adjustments for:-		
Depreciation of:		
- Property, plant and equipment	1,704	-
- Investment properties	2	-
- Right-of-use assets	74	-
Equity settled share-based transaction	-	-
Finance costs	1,128	-
Finance income	(47)	-
Property, plant and equipment		
- Written off	19	-
- Loss due to fire	-	-
- Gain on disposal	-	-
Impairment loss on trade receivables	-	-
Impairment loss on investment properties	-	-
Insurance claim	-	-
Inventory written off due to fire	-	-
Reversal of inventories written down	-	-
Derecognition of right-of-use assts & lease liability	-	-
Unrealised (gain)/loss on foreign exchange	(190)	-
Operating loss before changes in working capital	<u>(11,572)</u>	<u>-</u>
Increase in employee benefits	-	-
Increase in inventories	(4,318)	-
Decrease/(Increase) in trade and other receivables	(33,300)	-
(Decrease)/Increase in trade and other payables	(2,737)	-
Decrease in contract assets	-	-
Cash used in operations	<u>(51,927)</u>	<u>-</u>
Tax paid	(280)	-
Other finance costs paid	(235)	-
Net cash used in operating activities	<u>(52,442)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(5,884)	-
Proceeds from disposal of property, plant and equipment	-	-
Proceeds from insurance claim	40,000	-
Interest received	47	-
Net cash from investing activities	<u>34,163</u>	<u>-</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

	Unaudited 6 months ended 31.12.2022 RM '000	Unaudited 6 months ended 31.12.2021 RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of term loans	-	-
Payment of lease liabilities	-	-
Net (repayment)/drawdown of short term borrowings	(13,523)	-
Proceeds from exercise of share option	-	-
Interest paid	(893)	-
Net cash (used in)/from financing activities	<u>(14,416)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(32,695)	-
Cash and cash equivalents at 1 January	40,539	-
Cash and cash equivalents at 31 December/30 June	<u>7,844</u>	<u>-</u>
Cash and cash equivalents at end of the year consist of:-		
Cash and bank balances	<u>7,844</u>	-
	<u>7,844</u>	<u>-</u>

Notes:

- i) The Company had last year changed its financial year end from 31 December to 30 June. As such, there will be no comparative financial figures for the preceding year corresponding period ended 31 December 2021.
- ii) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2022 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 30 June 2022. 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 30 June 2022.

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 January 2023

- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 plans 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.

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 during 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 and financial year-to-date.

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 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.



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
31 DECEMBER 2022**

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 South East Asia and Africa.

9 Material events subsequent to period end

There were no material events subsequent to period end.

10 Changes in composition of the group

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

11 Change of Financial Year End

As announced on 18 April 2022, the Board had approved the change of the Company's financial year end from 31 December 2021 to 30 June 2022, covering a period of 18 months. Thereafter, the financial year of the Company shall revert to 12 months ending 30 June, for each subsequent year.

12 Contingent liabilities

	Company	
	As at	As at
	31.12.2022	30.06.2022
	RM'000	RM'000
Secured corporate guarantees given to banks in respect of outstanding banking facilities of a subsidiary	49,150	62,613

13 Capital commitments

	As at	As at
	31.12.2022	30.06.2022
	RM'000	RM'000
Plant and equipment Contracted but not provided for	64,475	46,608

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 and six months ended 31 December 2022 is as follows:

Quarter Review

Revenue

For the 3 months ended 31 December 2022, the Group recorded a revenue of RM10.45 million.



The revenue for this quarter is derived principally from sub-contracting sales under Phase 1b of the Group's Business Recovery Plan, as well as sales of plain and metallized films and providing bag making and slitting services to other converters under Phase 1a.

Loss before tax

The Group reported a loss before tax of RM7.46 million for the quarter under review, mainly due to the low margins derived from its current sale via sub-contracting and unabsorbed factory overheads.

The Group is continuing with its collaboration with selected approved local Converters to ensure uninterrupted supply to customers pending the setting up and commissioning of the Group's retrofitted plant in Tampoi.

Six Months Review

Revenue

For the 6 months ended 31 December 2022, the Group recorded a revenue of RM29.05 million.

The revenue is derived principally from sub-contracting sales under Phase 1b of the Group's Business Recovery Plan, as well as sales of plain and metallized films and providing bag making and slitting services to other converters under Phase 1a.

Loss before tax

The Group reported a loss before tax of RM14.24 million for the six months period ended 31 December 2022, due principally to the low margins derived from its current sale via sub-contracting and unabsorbed factory overheads.

The Group is continuing with its collaboration with selected approved local Converters to ensure uninterrupted supply to customers pending the setting up and commissioning of the Group's retrofitted plant in Tampoi.

2 Current Quarter vs Immediate Preceding Quarter

Revenue

Revenue for the current quarter of RM10.45 million decreased by RM8.16 million or 44% lower as compared to RM18.61 million in the preceding quarter due to production limitations of our sub-contractors in the current quarter under review.

Loss before tax

The Group reported a loss before tax of RM7.46 million for the quarter under review as compared to a loss before tax of RM6.78 million in the preceding quarter. Despite the significant decrease in sales, the loss before tax increased by only RM0.68 million or 1% due to lower sales of those with negative margin as well as sales to certain customers with positive margins in the current quarter compared to negative in the previous quarter.

3 Commentary on Prospects

Further to the Group's announcement in the First Quarterly Report on the strategies adopted by the Group to recover from the fire incident, there has been further progress made over the last few months to re-position the Group back to its former strengths:

Phase 1 comprising of two (2) con-current sub-phases:



Phase 1a consist primarily of:

- i. Sales of excess raw materials.
- ii. Sales of obsolete cylinder blocks.
- iii. Sales of in-house manufactured plain and metallized film as well as providing bags making and slitting services to other Converters.

The above sub-phases i and ii have been substantially completed, while sub-phase iii is **on-going**.

Phase 1b which is primarily focused on continuing supply to maintain confidence and retain existing customers via sub-contracting of orders received from customers, to selected converters, is **on-going**.

Phase 2 which consists of setting up of a state-of-the-art production facility is progressing well according to schedule. This covers the delivery of machines, equipment and retrofitting works at the Group's Tampoi plant.

As of the report date, most of the major machines and ancillary equipment are already delivered, installed and at various stages of commissioning. All 4 printing lines, the single combi dry/solventless line and 1 single and 1 tandem extruder laminating lines are ready for commercial operation. The tandem dry/solventless laminating and another single extruder laminating lines are currently being commissioned whilst the last major machine, the second tandem extruder laminating line, has been shipped and will be installed and commissioned in the coming Q3-FY2023. Additional rewinders/slitters and other ancillary supporting equipment ranging from electrical signature analysis equipment to new laboratories for quality assurance/control and research and development activities will also be fully operational by Q3-FY2023.

The Tampoi plant has started to manufacture some of the customers' requirements in-house albeit on a low scale as the new machines and equipment are commissioned. Over the past few months, the Group has produced and submitted the product samples to customers and is waiting for feedback from these customers. In addition, the Group's facility has also recently been approved and obtained the Food Safety System Certification ("FSSC 22000") for food safety/quality management, a major milestone in our re-building exercise after the fire incident. This certification enables the Group to cater for additional orders from our customers.

Insurance claim

The Group had submitted final Material Damage Insurance ("MDI") claims for Property, Plant and Equipment and Stock-in-Trade and had continued to collaborate very closely with the Adjusters and Insurers to address all the queries raised and to finalise the MDI. The Group is currently awaiting the Insurers to make their final offer for the MDI. At the same time, the Group is working with the Adjuster on the Business Interruption Loss ("BIL") claims.

As of to date, the Group has received RM115 million, as announced on 31 March 2022 and 22 September 2022, which comprised of RM85 million for MDI and RM30 million for BIL respectively.

Phase 3 – Plans for Senai plant

With regards to the plans for the damaged Senai plant, the Group with the assistance of the engineering consulting firms, had issued tenders and received submissions. Clarifications for tenders received from the shortlisted Civil and Structural ("C&S") and Mechanical & Electrical ("M&E") contractors have been substantially completed and the final price for the construction of the Senai plant is subject to final negotiation. Planning and re-building plans have been submitted and are pending final approval from the local authority.



In the meantime, the Group is re-evaluating the commercial justification to re-build the Senai plant given the long lead time needed to re-build as well as various economic considerations.

Proposed M&A announced

Whilst the Group is retrofitting the Tampoi plant to re-commence operations soonest, the Group has also explored other avenues to restore the Tomy Pak Group to its past performance level.

The proposed acquisition of EB Packaging Sdn Bhd (“EB”), as announced upon signing of the MOUs on 11 August 2022, was a key strategy to achieve this objective. On 31 October 2022, the negotiations between the parties on the terms of the Share Sale Agreement, following the completion of the comprehensive due diligence exercise towards EB has resulted in no material conclusion upon the expiry of the exclusivity period.

Going forward

The Board is aware of the continuing challenges ahead especially with the prevailing global economic situation. The on-going recovery strategies and implementation plans have also provided the Group with a clearer view of the immediate future and beyond. The Group will continue to assess all options available and continue to implement strategic steps to re-build the business.

4 Profit forecast

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

5 Tax expense

Tax expense comprises the following:

	Individual quarter ended		Cumulative quarter ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Tax expense				
- Current period	-	-	-	-
	-	-	-	-

The Company had last year changed its financial year end from 31 December to 30 June. As such, there will be no comparative financial figures for the preceding year corresponding periods ended 31 December 2021.

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 at the end of the reporting period are as follows: -

	As at 31.12.2022 USD'000	As at 31.12.2022 RM'000	As at 30.06.2022 USD'000	As at 30.06.2022 RM'000
Non-current				
Secured				
Term loans	1,592	7,751	1,592	7,671
- denominated in USD				
Hire Purchase				
- denominated in MYR	-	7,770	-	-
	<u>1,592</u>	<u>15,521</u>	<u>1,592</u>	<u>7,671</u>
Current				
Secured				
Term loans	19	93	19	91
- denominated in USD				
Hire Purchase				
- denominated in MYR	-	2,150	-	-
	<u>2,243</u>	<u>2,243</u>	<u>2,243</u>	<u>91</u>
Unsecured				
Revolving credit				
- denominated in USD	3,000	14,163	3,000	13,213
Banker's acceptances				
- denominated in USD	3,290	11,134	7,565	33,320
- denominated in MYR	-	6,089	-	8,318
	<u>6,290</u>	<u>31,386</u>	<u>10,565</u>	<u>54,851</u>
	<u>8,533</u>	<u>33,629</u>	<u>12,808</u>	<u>54,942</u>
		<u>49,150</u>		<u>62,613</u>

8 Disclosure of derivatives

There were no financial derivatives during the current quarter under review.

9 Changes in material litigation

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

10 Dividend

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



11 Loss per ordinary shares

Basic loss per ordinary share

The calculation of basic loss per ordinary share for the period under review was based on loss 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 31.12.2022	Cumulative quarter ended 31.12.2022
Adjusted net loss attributable to ordinary shareholders (RM'000)	(7,547)	(14,367)
Weighted average number of ordinary shares in issue ('000)	431,117	431,075
Basic loss per ordinary share (sen)	<u>(1.75)</u>	<u>(3.33)</u>

Diluted loss per ordinary share

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

	Individual quarter ended 31.12.2022	Cumulative quarter ended 31.12.2022
Adjusted net loss attributable to ordinary shareholders (RM'000)	(7,547)	(14,367)
Weighted average number of ordinary shares outstanding after adjustment('000)	431,117	431,075
Diluted loss per ordinary share (sen)	<u>(1.75)</u>	<u>(3.33)</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 Profit or Loss

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

	Individual quarter ended		Cumulative quarter ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Interest expense	642	-	1,128	-
Depreciation of:				
- Property, plant and equipment	943	-	1,704	-
- Right-of-use assets	37	-	74	-
- Investment properties	1	-	2	-
Foreign exchange:				
- Realised (gain)/loss	(1,692)	-	(865)	-
- Unrealised loss/(gain)	1,171	-	882	-
	<u>1,171</u>	<u>-</u>	<u>882</u>	<u>-</u>

The Company had last year changed its financial year end from 31 December to 30 June. As such, there will be no comparative financial figures for the preceding year corresponding periods ended 31 December 2021.