

UNAUDITED QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS – UNAUDITED

	3 months ended		9 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM '000	RM '000	RM '000	RM '000
Revenue	11,899	-	40,951	-
Operating profit	113,959	-	100,778	-
Finance income	77	-	124	-
Finance costs	(762)	-	(1,890)	-
Profit before tax	113,274	-	99,012	-
Tax expense	(23,800)	-	(23,800)	-
Profit after tax	89,474	-	75,212	-
Total comprehensive income for the period	89,474	-	75,212	-
Profit attributable to:				
Owners of the Company	89,451	-	75,084	-
Non-controlling interest	23	-	128	-
Profit for the period	89,474	-	75,212	-
Total comprehensive income attributable to:-				
Owners of the Company	89,451	-	75,084	-
Non-controlling interests	23	-	128	-
Total comprehensive income for the period	89,474	-	75,212	-
Basic earnings per ordinary share (sen)	20.75	-	17.42	-
Diluted earnings per ordinary share (sen)	20.75	-	17.42	-

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 March 2022.
- ii) 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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	Unaudited As at 31.03.2023 RM '000	Audited As at 30.06.2022 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	97,244	33,545
Right-of-use assets	2,698	2,809
Investment properties	281	284
Goodwill on consolidation	1,025	1,025
Total non-current assets	<u>101,248</u>	<u>37,663</u>
Current assets		
Inventories	23,325	16,573
Trade and other receivables	143,733	89,327
Current tax assets	295	143
Cash and cash equivalents	4,334	40,539
Total current assets	<u>171,687</u>	<u>146,582</u>
TOTAL ASSETS	<u>272,935</u>	<u>184,245</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	133,627	133,627
Reserves	29,227	(45,853)
Equity attributable to owners of the Company	162,854	87,774
Non-controlling interests	910	782
Total equity	<u>163,764</u>	<u>88,556</u>
Non-current liabilities		
Loans and borrowings	14,530	7,671
Employee benefits	580	580
Total non-current liabilities	<u>15,110</u>	<u>8,251</u>
Current liabilities		
Trade and other payables	41,969	32,329
Loans and borrowings	28,292	54,942
Current tax liabilities	23,800	167
Total current liabilities	<u>94,061</u>	<u>87,438</u>
Total liabilities	<u>109,171</u>	<u>95,689</u>
TOTAL EQUITY AND LIABILITIES	<u>272,935</u>	<u>184,245</u>
Net assets per share (RM)	<u>0.38</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 RM '000	Non- controlling interest RM '000	Total equity RM '000	
	Non-distributable			Distributable						
	Share capital RM '000	Translation reserve RM '000	Treasury shares RM '000	Share options reserve RM '000	Merger reserve RM '000	Warrants reserve RM '000	Retained earnings RM '000			
At 1 July 2022	133,627	-	-	-	2,991	-	(48,848)	87,770	782	88,552
Profit and total comprehensive income for the period	-	-	-	-	-	-	75,084	75,084	128	75,212
At 31 March 2023	<u>133,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,991</u>	<u>-</u>	<u>26,236</u>	<u>162,854</u>	<u>910</u>	<u>163,764</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 March 2022.
- 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.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

	Unaudited 9 months ended 31.03.2023 RM '000	Unaudited 9 months ended 31.03.2022 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	99,012	-
Adjustments for:-		
Depreciation of:		
- Property, plant and equipment	2,945	-
- Investment properties	3	-
- Right-of-use assets	111	-
Finance costs	1,890	-
Finance income	(124)	-
Insurance claim receivable	(120,000)	-
Operating loss before changes in working capital	(16,163)	-
Change in inventories	(6,752)	-
Change in trade and other receivables	25,594	-
Change in trade and other payables	9,774	-
Cash generated from operations	12,453	-
Tax paid	(319)	-
Other finance costs paid	(35)	-
Net cash from operating activities	12,099	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(66,644)	-
Proceeds from insurance claim	40,000	-
Interest received	124	-
Net cash used in investing activities	(26,520)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(68)	-
Drawdown of hire purchase	10,000	-
Repayment of hire purchase	(508)	-
Net repayment of short term borrowings	(29,353)	-
Interest paid	(1,855)	-
Net cash used in financing activities	(21,784)	-
Net decrease in cash and cash equivalents	(36,205)	-
Cash and cash equivalents at 1 July	40,539	-
Cash and cash equivalents at 31 March	4,334	-
Cash and cash equivalents at end of the period consist of:-		
Cash and bank balances	4,334	-
	4,334	-

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 March 2022.
- 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.



PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING

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.



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(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.



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8 Segment information

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

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.

	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Local	3,551	-	15,245	-
- Export	8,348	-	25,706	-
	<u>11,899</u>	<u>-</u>	<u>40,951</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 March 2022.

9 Material events subsequent to period end

On 12 April 2023, the Company announced that its wholly-owned subsidiary, Tomypak Flexible Packaging Sdn Bhd ("TFPSB") had on 11 April 2023 received an offer for a final and full insurance compensation payment of RM205 million for Material Damage claim from the Lead Insurer, Berjaya Sompo Insurance Berhad. Following the two earlier payments on account totalling RM85 million, the net payment to be effected will be RM120 million from the final claim of RM205 million. The Board of the Company has on 12 April 2023 approved the acceptance of the offer.

With the final and full insurance claim being accepted and certain, it is an adjusting event under the MFRS 110, Events after the Reporting Period and hence the RM120 million has been recognised as insurance income in the current quarter under review.

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
	31.03.2023	30.06.2022
	RM'000	RM'000
Secured corporate guarantees given to banks in respect of outstanding banking facilities of a subsidiary	<u>42,822</u>	<u>62,613</u>



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13 Capital commitments

	As at 31.03.2023 RM'000	As at 30.06.2022 RM'000
Plant and equipment Contracted but not provided for	<u>18,119</u>	<u>46,608</u>

**PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

1 Review of performance

The Group's performance for the current quarter under review and 9 months ended 31 March 2023 is as follows:

Quarter Review

Revenue

For the 3 months ended 31 March 2023, the Group recorded a revenue of RM11.90 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.

Profit before tax

The Group reported a profit before tax of RM113.27 million for the quarter under review, mainly due to the net proceeds from the final insurance claims of RM120 million which more than offset the losses arising from the low margins derived from the current sale via sub-contracting and unabsorbed factory overheads.

Nine Months Review

Revenue

For the 9 months ended 31 March 2023, the Group recorded a revenue of RM40.95 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.

Profit before tax

The Group reported a profit before tax of RM99.01 million for the 9 months period ended 31 March 2023, due principally to the net proceeds from the final insurance claims of RM120 million which more than offset the losses arising from the low margins derived from the 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.



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2 Current Quarter vs Immediate Preceding Quarter

Revenue

Revenue for the current quarter of RM11.90 million increased by RM1.45 million or 12.18% higher as compared to RM10.45 million in the preceding quarter due to increased orders from key customers in the current quarter under review.

Profit before tax

The Group reported a profit before tax of RM113.27 million for the quarter under review as compared to a loss before tax of RM7.48 million in the preceding quarter. The higher profit is mainly due to the net proceeds from the final insurance claims of RM120 million in the current quarter under review.

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 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, 1 single and tandem combi dry/solventless line and 2 single and 1 tandem extruder laminating lines are ready for commercial operation. The second tandem extruder laminating line has been installed and awaiting commissioning in Q4-FY2023. Additionally, the rewinders, slitters and other equipment to new laboratories for quality assurance and research and development activities are already fully operational.

The Tampoi plant has started to manufacture some of the customers' requirements in-house albeit on a low scale. Over the past few months, the Group has produced and submitted the product samples to customers. In addition, the Group's facility has also recently 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.



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Insurance claim

The Group had accepted final and full insurance compensation payment of RM205 million for Material Damage Insurance (“MDI”) claims for Property, Plant and Equipment and Stock-in-Trade from the Lead Insurer, Berjaya Sampo Insurance Berhad on 12 April 2023. Following the two earlier payments on account totalling RM85 million, the net payment to be received will be RM120 million.

At the same time, the Group is working with the Adjuster on the Business Interruption Loss (“BIL”) claims. To date, RM30 million of the BIL has been received.

Please refer to our announcements of 31 March 2022, 22 September 2022 and 12 April 2023 on the above.

Phase 3 – Plans for Senai plant

With the announcement on 12 April 2023 of the Group’s acceptance of the final and full offer of RM205 million as mentioned above, the Group has decided not to proceed with the reinstatement of the Senai plant. For now, the Group will focus on the operations at the refurbished Tampoi plant as our main production site.

Proposed M&A announced

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Tax expense				
- Current period	23,800	-	23,800	-
	<u>23,800</u>	<u>-</u>	<u>23,800</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 March 2022.



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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 31.03.2023 USD'000	As at 31.03.2023 RM'000	As at 30.06.2022 USD'000	As at 30.06.2022 RM'000
Non-current				
Secured				
Term loans				
- denominated in USD	1,590	7,209	1,592	7,671
Hire Purchase				
- denominated in MYR	-	7,321	-	-
	1,590	14,530	1,592	7,671
Current				
Secured				
Term loans				
- denominated in USD	21	93	19	91
Hire Purchase				
- denominated in MYR	-	2,171	-	-
	21	2,264	19	91
Unsecured				
Revolving credit				
- denominated in USD	3,000	12,718	3,000	13,213
Banker's acceptances				
- denominated in USD	2,005	9,582	7,565	33,320
- denominated in MYR	-	3,728	-	8,318
	5,005	26,028	10,565	54,851
	5,026	28,292	10,584	54,942
		42,822		62,613

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

The Board of Directors proposed to declare an interim dividend of 1.0 sen per ordinary share in respect of the current financial year ending 30 June 2023. The date of payment and book closure of the said interim dividend will be determined at a later date.



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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 was 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
	31.03.2023	31.03.2023
Adjusted net profit attributable to ordinary shareholders (RM'000)	89,451	75,084
Weighted average number of ordinary shares in issue ('000)	431,117	431,117
Basic earnings per ordinary share (sen)	20.75	17.42

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share for the period under review was based on profit 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	Cumulative quarter ended
	31.03.2023	31.03.2023
Adjusted net profit attributable to ordinary shareholders (RM'000)	89,451	75,084
Weighted average number of ordinary shares outstanding after adjustment ('000)	431,117	431,117
Diluted earnings per ordinary share (sen)	20.75	17.42

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

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

	Individual quarter ended		Cumulative quarter ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Insurance claim	(120,000)	-	(120,000)	-
Interest expense	762	-	1,890	-
Depreciation of:				
- Property, plant and equipment	1,241	-	2,945	-
- Right-of-use assets	37	-	111	-
- Investment properties	1	-	3	-
Foreign exchange:				
- Realised (gain)/loss	(444)	-	(1,309)	-
- Unrealised loss/(gain)	670	-	1,552	-

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 March 2022.