



TOMYPAK HOLDINGS BERHAD

Company No. 199501008545 (337743-W)
(Incorporated in Malaysia)

QUARTERLY REPORT

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME OR EXPENSE**

	Note	3 months ended 31.03.2024 RM '000	3 months ended 31.03.2023 RM '000	9 months ended 31.03.2024 RM '000	9 months ended 31.03.2023 RM '000
Revenue	7	54,191	11,899	103,011	40,951
Operating (loss)/profit		(1,479)	113,959	(17,979)	100,778
Finance income		16	77	354	124
Finance costs		(1,926)	(762)	(3,857)	(1,890)
(Loss)/Profit before tax		(3,389)	113,274	(21,482)	99,012
Tax expense	15	(1,123)	(23,800)	(1,809)	(23,800)
(Loss)/Profit after tax		(4,512)	89,474	(23,291)	75,212
(Loss)/Profit attributable to:					
Owners of the Company		(5,336)	89,451	(24,565)	75,084
Non-controlling interest		824	23	1,274	128
(Loss)/Profit for the period and total comprehensive (expense)/income for the period		(4,512)	89,474	(23,291)	75,212
Basic and diluted earnings per ordinary share (sen)	21	(1.24)	20.75	(5.70)	17.42

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at Note 31.03.2024 RM'000	Audited As at 30.6.2023 RM'000
ASSETS		
Property, plant and equipment	137,803	90,685
Right-of-use assets	4,388	4,830
Investment property	276	279
Goodwill	12,169	-
Non-current assets	154,636	95,794
Inventories	57,858	17,849
Trade and other receivables	58,066	35,776
Current tax assets	981	249
Cash and cash equivalents	45,368	49,318
Assets classified as held for sale	18,298	18,298
Current assets	180,571	121,490
Total assets	335,207	217,284
EQUITY AND LIABILITIES		
Share capital	133,627	133,627
Reserves	(14,952)	34,668
Equity attributable to owners of the Company	118,675	168,295
Non-controlling interest	28,350	792
Total Equity	147,025	169,087
Loans and borrowings	17 79,576	7,720
Lease liabilities	1,465	1,784
Employee benefits	491	526
Put option liabilities	16,053	-
Deferred tax liabilities	6,768	-
Non-current liabilities	104,353	10,030
Trade and other payables	37,631	21,858
Loans and borrowings	17 35,053	15,901
Lease liabilities	423	402
Put option liabilities	9,002	-
Current tax liabilities	1,720	6
Current liabilities	83,829	38,167
Total liabilities	188,182	48,197
Total equity and liabilities	335,207	217,284
Net assets per share attributable to owners of the Company (RM)	0.28	0.39

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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	Merger reserve RM '000	Other reserves RM '000	Retained earnings RM '000			
At 1 July 2023	133,627	2,991	-	31,677	168,295	792	169,087
Acquisition of subsidiary	-	-	-	-	-	26,284	26,284
(Loss)/Profit and total comprehensive (expense)/income for the period	-	-	-	(24,565)	(24,565)	1,274	(23,291)
Put option liabilities	-	-	(25,055)	-	(25,055)	-	(25,055)
At 31 March 2024	<u>133,627</u>	<u>2,991</u>	<u>(25,055)</u>	<u>7,112</u>	<u>118,675</u>	<u>28,350</u>	<u>147,025</u>
At 1 July 2022	133,627	2,991	-	(48,848)	87,770	782	88,552
(Loss)/Profit and total comprehensive (expense)/income for the period	-	-	-	75,084	75,084	128	75,212
At 31 March 2023	<u>133,627</u>	<u>2,991</u>	<u>-</u>	<u>26,236</u>	<u>162,854</u>	<u>910</u>	<u>163,764</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2023.

TOMYPAK HOLDINGS BERHAD

Company No. 199501008545 (337743-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 31.03.2024 RM'000	9 months ended 31.03.2023 RM'000
Cash flows from operating activities		
Loss before tax	(21,482)	99,012
Adjustments for:		
Depreciation	10,439	3,059
Finance costs	3,857	1,890
Finance income	(354)	(124)
Insurance claim receivable	-	(120,000)
Loss on disposal of machinery	618	-
Property, plant and equipment written off	103	-
Reclassification of impairment loss on trade receivables	(741)	-
Unrealised gain on foreign exchange	(707)	-
Operating loss before changes in working capital	(8,267)	(16,163)
Change in employee benefits	(35)	-
Change in inventories	1,627	(6,752)
Change in trade and other receivables	16,053	25,594
Change in trade and other payables	(1,220)	9,774
Cash used in operations	8,158	12,453
Tax paid	(740)	(319)
Other finance costs paid	(49)	(35)
Net cash used in operating activities	7,369	12,099
Cash flows from investing activities		
Acquisition of property, plant and equipment	(15,394)	(66,644)
Acquisition of subsidiary	(54,097)	-
Proceeds from disposal of property, plant and equipment	447	-
Proceeds from insurance claim	-	40,000
Interest received	354	124
Net cash from investing activities	(68,690)	(26,520)
Cash flows from financing activities		
Drawdown of term loans	66,588	(68)
Drawdown of hire purchase	9,162	10,000
Repayment of term loans	(3,591)	-
Repayment of hire purchase	(2,136)	(508)
Repayment of lease liabilities	(298)	-
Net repayment of short-term borrowings	(8,546)	(29,353)
Interest paid	(3,808)	(1,855)
Net cash used in financing activities	57,371	(21,784)
Net decrease in cash and cash equivalents	(3,950)	(36,205)
Cash and cash equivalents at beginning of period	49,318	40,539
Cash and cash equivalents at end of period	45,368	4,334

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2023.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

These interim financial statements have been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Financial Reporting Standard (“MFRS”) 134: *Interim Financial Reporting* and International Accounting Standards (“IAS”) 34: *Interim Financial Reporting*. The interim financial statements are unaudited and should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the explanatory notes accompanying the interim financial statements.

The accounting standards adopted in the preparation of the interim financial statements are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 30 June 2023, except for the following which were adopted at the beginning of the current financial year. These pronouncements are either not relevant or do not have any material impact on the Group's financial statements for the current financial year.

Effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- 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*

Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases – *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, Presentation of Financial Statements – *Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – *Supplier Finance Arrangements*

The following pronouncements are not yet effective and either not relevant or not expected to have any material impact on the Group's financial statements:

Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – *Lack of Exchangeability*

Effective for annual periods beginning on or after a date yet to be announced

- 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*

2. Audit Qualification

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

3. Seasonality or Cyclical of Operations

The business operations of the Group during the 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 that have a material effect in the current quarter and financial year-to-date.

6. Debts and Equity Securities

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

7. 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 Southeast Asia and Africa.

	3 months ended		9 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Local	25,666	3,551	42,844	15,245
- Export	28,525	8,348	60,167	25,706
	<u>54,191</u>	<u>11,899</u>	<u>103,011</u>	<u>40,951</u>

8. Material Event Subsequent to Period End

On 19 April 2024, Tomypak Flexible Packaging Sdn Bhd ("TFP"), a wholly-owned subsidiary of the Group, served a written notice to Siow Chew Kiong, Teo Kee Lin, Hoo Jik Heng and Teo Peng Hong (collectively, "Promoters") to exercise the First Call Option by requiring Promoters to dispose of First Option Share in EB Packaging Sdn Bhd in accordance with the term and conditions of the Call and Put Option Agreement dated 13 June 2023 for a cash consideration of RM10,500,000.

Other than the above Call Option Exercise, there was no material event subsequent to the end of the current quarter ended 31 March 2024.

9. Changes in Composition of the Group

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

10. Contingent Liabilities

	Group	
	As at	As at
	31.03.2024	30.06.2023
	RM'000	RM'000
Secured corporate guarantees given to banks in respect of outstanding bank facilities of a subsidiary	82,767	23,046

11. Capital Commitments

	Group	
	As at	As at
	31.03.2024	30.06.2023
	RM'000	RM'000
Plant and equipment Contracted but not provided for	268	9,164

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

12. Review of Performance

Current quarter (3 months) vs corresponding quarter of the preceding year (Q3-FY2024 vs Q3-FY2023)

Revenue

For the current quarter ended 31 March 2024, the Group recorded a revenue of RM54.2 million, an increase of RM42.3 million or 3.55 times compared to RM11.9 million in the corresponding quarter in the previous financial year, mainly due to sales by the newly acquired subsidiary, EB Packaging Sdn Bhd (“EBP”), being consolidated as well as increase in sales orders recorded by TFP after the Tampoi plant achieved production readiness.

Loss before tax

The Group recorded a loss before tax of RM3.4 million for the current quarter under review compared to profit of RM113.3 million in the corresponding quarter. The profit was mainly due to material damages insurance claim of RM120.0 million included in the corresponding quarter in the previous financial year, while finance costs were higher in the current quarter.

Current financial period (cumulative 9 months) vs corresponding financial period of the preceding year (9M-FY2024 vs 9M-FY2023)

Revenue

For the current financial period ended 31 March 2024, the Group recorded a revenue of RM103.0 million, an increase of RM62.0 million compared to RM41.0 million in the corresponding financial period in the previous financial year due to the abovementioned reasons.

Loss before tax

The Group recorded a loss before tax of RM21.5 million for the current financial period under review compared to a profit of RM99.0 million in the corresponding financial period. The negative difference of RM120.5 million was mainly due to the reasons mentioned above.

Current quarter vs Immediate preceding quarter (Q3-FY2024 vs Q2-FY2024)

Revenue

Revenue for the current quarter of RM54.2 million increased by RM20.0 million or 58.5% as compared to RM34.2 million in the immediate preceding quarter, mainly due to EBP’s sales being consolidated for a full quarter compared to 2 months in the preceding quarter.

Loss before tax

The loss before tax of RM3.4 million for the quarter under review was lower by RM6.6 million or 66.0% compared to a loss of RM10.0 million in the preceding quarter mainly due to expenses relating to a corporate exercise included in the immediate preceding quarter as well as profit contribution from EBP.

13. Commentary on Prospects

As the Group continues its rebuilding efforts, engagement with existing customers and acquiring new customers through the operational Tampoi plant remain as our priorities.

Onboarding clients in the flexible packaging industry involves various intricate processes, contributing to a longer closing cycle. Given that Tampoi is essentially a new production site, our existing clients still require us to undergo the same rigorous onboarding and approval process prior to commercialisation. We have successfully regularised some of the key SKUs and are putting in the necessary efforts to reclaim previous orders and secure new orders from both existing and new customers.

Following the acquisition of EB Packaging, the Group has initiated efforts to deliver synergies aimed at strengthening our market position. This includes cross-selling and upselling activities among our respective clientele. The expanded product portfolio enables the Group to accelerate our entry into new accounts and market segments.

14. Profit Forecast

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

15. Taxation

	3 months ended		9 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Tax expense				
- Current year	1,123	23,800	1,809	23,800
- Prior year	-	-	-	-
	<u>1,123</u>	<u>23,800</u>	<u>1,809</u>	<u>23,800</u>

16. Status of Corporate Proposal Announced

There was no corporate proposal announced that is not completed as at the reporting date.

17. Group Borrowings and Debt Securities

The borrowings of the Group at the end of the reporting period are as follows:

	As at 31.03.2024 RM'000	As at 30.6.2023 RM'000
Non-current		
<i>Secured</i>		
Term loans	67,060	483
Hire Purchase	12,516	7,237
	79,576	7,720
Current		
<i>Secured</i>		
Term loans	7,756	92
Hire Purchase	3,567	1,820
	11,323	1,912
<i>Unsecured</i>		
Revolving credit - denominated in USD	-	12,159
Banker's acceptances		
- denominated in USD	11,470	1,830
- denominated in MYR	12,260	-
	23,730	13,989
	35,053	15,901
	114,629	23,621

18. Disclosure of Derivatives

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

19. Changes in Material Litigation

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

20. Dividend

There was no dividend declared in respect of the current quarter and the corresponding quarter in the previous year.

21. Earnings per Ordinary Share

	3 months ended		9 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit attributable to owners of the Company (RM'000)	(5,336)	89,451	(24,565)	75,084
Weighted average number of ordinary shares in issue ('000)	431,117	431,117	431,117	431,117
Basic and diluted earnings per ordinary share (sen)	<u>(1.24)</u>	<u>20.75</u>	<u>(5.70)</u>	<u>17.42</u>

The diluted earnings per share of the Group is similar to the basic earnings per share as the Group does not have any material potential dilutive ordinary shares in issue.

22. Related Party Transactions

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

23. Notes to the Statements of Profit and Loss

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

	3 months ended		9 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Interest expenses	1,926	762	3,857	1,890
Depreciation:				
- Property, plant and equipment	3,854	1,241	9,994	2,945
- Right-of-use assets	147	37	442	111
- Investment properties	1	1	3	3
Loss on disposal of machinery	62	-	618	-
Net foreign exchange differences	38	226	78	243
