



**TOMPAK HOLDINGS BERHAD**  
Registration No. 199501008545 (337743-W)



ANNUAL REPORT  
**2022**

**06**



**Chairman's  
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**Management  
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**Sustainability  
Report**



Strength, determination and resilience depicted by the distinct vector shapes on the cover of our Annual Report for FP 2022 symbolise our resolute and strive towards a brighter future as we seek to turn the challenges of the past 18 months into opportunities for growth. Our recovery strategies have enhanced our capabilities and renewed our confidence, and with a strong focus on achieving our sustainability goals, we are optimistic of better performance moving forward.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Chairman

Mr. Yong Kwet On  
Non-Independent Non-Executive Director

### Members

To' Puan Rozana Binti Tan Sri Redzuan  
Independent Non-Executive Director

Encik Azmi Bin Arshad  
Independent Non-Executive Director

Datuk Kamal Bin Khalid  
Independent Non-Executive Director

Mr. Tan See Yin  
Executive Director

## AUDIT COMMITTEE

### Chairman

Encik Azmi Bin Arshad

### Members

To' Puan Rozana Binti Tan Sri Redzuan

Datuk Kamal Bin Khalid

## REMUNERATION COMMITTEE

### Chairman

Encik Azmi Bin Arshad

### Members

Mr. Yong Kwet On

To' Puan Rozana Binti Tan Sri Redzuan

Datuk Kamal Bin Khalid

## NOMINATION COMMITTEE

### Chairman

To' Puan Rozana Binti Tan Sri Redzuan

### Members

Mr. Yong Kwet On

Encik Azmi Bin Arshad

Datuk Kamal Bin Khalid

## RISK MANAGEMENT COMMITTEE

### Chairman

Datuk Kamal Bin Khalid

### Members

Encik Azmi Bin Arshad

Mr. Tok Fu Soon

(Senior Manager of Corporate Affairs of Tomypak Flexible Packaging Sdn Bhd)

## INVESTMENT AND DEVELOPMENT COMMITTEE

### Chairman

Mr. Yong Kwet On

### Members

Mr. Tan See Yin

Datuk Kamal Bin Khalid

## EMPLOYEES' SHARE OPTION SCHEME ("ESOS") COMMITTEE

### Chairman

To' Puan Rozana Binti Tan Sri Redzuan

### Members

Mr. Saw Ser Chyang  
(Manager of Image, Design, Colour Management of Tomypak Flexible Packaging Sdn Bhd)  
(Ceased on 10 November 2021)

Mr. Chuan Teik Boon  
(General Manager of Sales & Marketing of Tomypak Flexible Packaging Sdn Bhd)

## REGISTERED OFFICE

Suite 9D, Level 9, Menara Ansar  
65, Jalan Trus  
80000 Johor Bahru  
Johor Darul Takzim  
Tel : 07-224 1035  
Fax: 07-221 0891

## PRINCIPAL PLACE OF BUSINESS

Head Office & Main Factory:  
No.11, Jalan Tahana  
Kawasan Perindustrian Tampoi  
80350 Johor Bahru  
Johor Darul Takzim  
Tel : 07-535 2222  
Fax: 07-535 2228

Sales & Marketing Office:  
Unit 508 & 510, Level 5, Block A,  
Kelana Centre Point,  
No. 3, Jalan SS7/19, Kelana Jaya  
47301 Petaling Jaya, Selangor  
Tel : 03-7880 4233  
Fax: 03-7880 3653

SP Plastic & Packaging Sdn Bhd  
Lot 1293 & 1294,  
Jalan Industri Rembia 9,  
Kawasan Perindustrian Rembia,  
78000 Alor Gajah, Malacca

**SUBSIDIARIES**

Tomypak Flexible Packaging Sdn Bhd  
(Wholly owned)

SP Plastic & Packaging Sdn Bhd  
(51% owned)

**COMPANY SECRETARIES**

Madam Santhi A/P Saminathan  
(MAICSA 7069709)

Madam Tai Yit Chan  
(MAICSA 7009143)  
*(Appointed on 1 June 2022)*

Madam Leong Siew Foong  
(MAICSA 7007572)  
*(Ceased on 1 June 2022)*

**SHARE REGISTRAR**

Boardroom Share Registrars Sdn Bhd  
(Registration No.  
199601006647 (378993-D))  
11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7890 4700  
Fax: 03-7890 4670

**AUDITORS**

KPMG PLT  
Chartered Accountants  
Level 3, CIMB Leadership Academy,  
No.3, Jalan Medini Utara 1,  
Medini Iskandar,  
79200 Iskandar Puteri,  
Johor Darul Takzim  
Tel : 07-266 2213  
Fax: 07-266 2214

**PRINCIPAL BANKERS**

United Overseas Bank (Malaysia) Berhad  
RHB Bank Berhad  
AmBank (M) Berhad  
Hong Leong Bank Berhad  
OCBC Bank (Malaysia) Berhad  
HSBC Bank Malaysia Berhad

**STOCK EXCHANGE LISTING**

Main Market of Bursa Malaysia  
Securities Berhad  
Sector : Industrial Products  
Stock Name : Tomypak  
Stock Code : 7285

**WEBSITE ADDRESS**

<http://www.tomypak.com.my>



# COMPANY PROFILE



Since its incorporation in 1979 and listing on the main board of Bursa Malaysia in 1996, Tomypak has established itself as a leader in the flexible packaging marketplace. We ensure quality of the highest standards through innovation and adopting latest technologies and facilities to meet customers' requirements and expectations in terms of quality, for long term success and sustainability. Tomypak is the first flexible packaging manufacturing company in Malaysia certified with HACCP (Hazard Analysis Critical Control Point for food safety), back in 2003.

The Group's strength is in our people where more than 200 experienced and dedicated employees work harmoniously together with excellent



*First unit of super combi dry and solventless laminating line.*

team work. The Group is focused on innovation, consistent quality and timely delivery to ensure long term relationships, trust and continuous support from our customers.

## GROUP VISION

To be the leading innovator for sustainable high-barrier packaging in the Flexible Packaging Converting Industry in this region.

### GROUP MISSION

To be the leading innovator of a flexible food packaging company in this region through :

- provision of value-added high-barrier metallised packaging with our technologically advanced equipment and experienced skilled workforce
- continuous Research & Development to develop sustainable packaging to meet the requirements of our customers
- efficient production with leading-edge facilities to meet market demands at all times
- creating value for all stakeholders with strong corporate governance and solid financial management



*Tampoi plant's car park area.*

### QUALITY ASSURANCE AND CERTIFICATION

We place utmost importance on ensuring that our products are consistently of high quality through a rigorous quality assurance process, state-of-the-art machinery, research & development, innovation and skilled personnel, all of which and whom are upgraded from time to time. This is complemented with the setting up of well-equipped laboratories for continuous improvements, and use of highly specialised latest technologies such as High Resolution Camera Inspection Units, Computer Control Panels and Settings for Inspection as well as Tagging for Uncertainty and Non Conforming Goods. All such technologies allow for the supply of products that meets the high quality standards demanded by our customers.

In addition, the Group is deeply committed to its long standing tradition of achieving international certifications to increase competitiveness, quality and customer confidence including:

- Food Safety System Certification 22000 (FSSC 22000) since 2015
- HACCP Certification by Lloyd's Register since 2003
- Raw Materials compliance to global food safety standards such as US Food & Drug Administration, European Community ("EC") Requirements, Singapore Food Act and Malaysia Food Act
- Advanced laboratory test equipment compliant with global test methods such as American Society for Testing and Material to support Research & Development and Quality Control activities
- World's leading ethical trade membership organization such as Supplier Ethical Data Exchange ("SEDEX")



*8-colour gravure printing line.*

# CHAIRMAN'S REPORT

## Dear Valued Shareholders,

**On behalf of the Board of Directors of Tomypak Holdings Berhad (“Tomypak” or “Company”), I am pleased to present the report on the performance of Tomypak and its subsidiaries (“Tomypak Group” or “Group”) for the financial period ended 30 June 2022 (“FP 2022”).**

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. This is due to the fire incident at our Senai Plant on 19 December 2021 that had caused a delay in the auditing of our accounts. Henceforth, the financial year of the Company shall revert to twelve (12) months ending 30 June, for each subsequent year.

**Phase 1:**  
**Maintain confidence of our stakeholders**

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**Phase 2:**  
**Focused on retrofitting Tampoi plant**

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**Phase 3:**  
**Rebuild**

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### THE PERIOD IN REVIEW

#### General

Our business and operations faced unprecedented challenges in FP 2022, initially in the calendar year 2021 due to a weakened global economy, supply chain disruptions, and the continuing impact from the COVID-19 pandemic. On top of all these, we experienced an unfortunate fire incident on 19 December 2021 at our Senai factory that further negatively affected our operational and financial performance. Nevertheless, we assure shareholders and stakeholders that we are determined to speedily recover from this setback and take this opportunity to put in place all necessary measures to ensure we return to productivity beyond previous levels and even better.

There were two distinct phases of our operations for FP 2022.

#### The Operation Phase – January 2021 to 31 December 2021

Amidst a challenging operating environment that remains impacted by the lingering effects of the COVID-19 pandemic, the resulting severe disruptions to global supply chains and the persistent and rising inflation impacting costs, the initial twelve months operations of FP 2022 saw the Group continuing with its aggressive strategy to pursue growth in revenue whilst protecting the Group’s business against the prevailing economic headwinds and volatility.

The Tomypak Group recorded a revenue of RM143.4 million for the 12 months ended 31 December 2021 as compared to RM154.3 million in the previous financial year, a decrease of RM0.9 million or 7%. The decrease was primarily due to the fire incident where although the Group had received orders of RM175 million as at 19 December 2021, the fire had destroyed stocks of finished goods and work-in-progress totalling RM17.5 million, which were due to be delivered in that month. In addition, there was a balance of RM17.5 million orders received which could not be manufactured due to the fire incident.





Mr. Yong Kwet On  
Chairman, Non-Independent  
Non-Executive Director

### The Recovery Phase – 20 December 2021 onwards

We remain resolute in our plans to restore our operations and have implemented a three-phase business recovery strategy immediately after the incident. Our business recovery plan is divided into 3 clear and distinct phases that have been implemented concurrently where appropriate.

Insofar as Phase 1 is concerned, the key objective is to maintain confidence across all our valued stakeholders namely our shareholders, employees, our international and local customers, our suppliers, the financial institutions and various regulatory authorities with a clear message that the Tomypak Group will continue to be a viable going concern despite this temporary setback.

Phase 1 is further divided into 1a and 1b. Phase 1a is to ensure that the Group would have sufficient funds and have an alternative income stream in place to continue and sustain operations and more importantly, to sustain and support the work force of the Group pending receipt of fund from insurance claims. We immediately moved the operations of our wholly owned subsidiary, Tomypak Flexible Packaging Sdn Bhd ("TFPSB") to our Tampoi plant. This enabled us to stay productive and deliver our commitments by completing our outstanding bag-making orders, sales of in-house manufactured CPP films, secure contract bag-making and metalising films from other converters who require such services. In addition, we sold off excess raw materials warehoused at Tampoi, and old cylinders no longer in use. We also reached out and engaged with our major customers, suppliers and financial institutions to keep them informed on the developments and agree on various strategies and action plans for continuing support from these key stakeholders to keep the Group going.

Also, of paramount importance was the immediate engagement with our Insurers and their appointed Adjuster to commence with the insurance claims. Our foresight and sound risk

management policies had benefitted us immensely where the Group had in place a comprehensive Industrial All Risks insurance policy covering both Material Damage and Business Interruption Loss. We had also engaged an international firm to be our Insurance Claim Consultant to support us in the tedious and long claim process. With the support of all parties, the Group has as of today secured payments from Insurers for two Payments on Account amounting to RM115 million whilst we continue to work closely with the Insurers and Adjuster to resolve the final Material Damage claim expeditiously as all data have been submitted to the Adjuster as at end August 2022. The team has also begun engaging with the Adjuster to bring forward finalising the Business Interruption Loss claim so that this can be resolved and funds received before 24 months after the fire.

Phase 1b encompasses the retention of existing major customers especially those from Tier 1 and 2 by ensuring that the Group is able to continue supporting these customers without any interruptions in our supply of their requirements by completing outstanding orders as at the date of the incident as well as secure new orders. Thereafter, these customers will continue to order their requirements monthly or as and when they require the products as was done in the past. This is achieved by working with friendly sub-contractors to manufacture the Group's customers' requirements on a contract basis. Three major sub-contractors have been appointed and had been manufacturing on behalf of Tomypak Group since February 2022. In the case of some smaller contracts, work orders have been given to smaller converters for production on an ad hoc basis.

Phase 2 is focused on ensuring that we have our own manufacturing facility in operational condition within the shortest possible timeframe with the required complementing plant and machineries that will be able to meet our valued customers' requirements of having the right quality and delivery schedule.

## CHAIRMAN'S REPORT (CONT'D)

An entire range of the latest equipment from 6 to 9 colour printing lines, both dry, solventless and extrusion laminating machines, rewinders and slitters and all ancillary equipment such as viscosity controllers, web inspection and rewinders, new laboratory equipment for QA and QC as well as Research & Development laboratory equipment, were ordered towards end February 2022 to complement the existing bag making machines, film casting and metalising lines thus restoring the Group with the full range of equipment.

Integrated In-Process Quality Control from printing to laminating was incorporated into the new machines ordered and this will ensure that the high standards and stringent quality requirements of our customers will be met. The new printing machines will have highly flexible tandem capabilities to meet various colours requests including add-ons like Electro-Static-Assist (ESA) to achieve high-quality paper printing. The new lamination machines will come with a Multi-function Co-Extrusion system for a wider range of extrusion coating applications to meet new market demands for more complex and sophisticated extrusion structures too.

Overall, our new facilities will transform Tomypak Group into an advanced, efficient, and highly capable flexible packaging company. The state-of-the-art facilities with embedded automation over a fibre infrastructure will also initiate our journey into the IR4.0 smart manufacturing chapter. Major civil & structural and mechanical & electrical works are also being implemented to upgrade the Tampoi plant to higher standards incorporating upgraded firefighting equipment to accommodate the new equipment and to achieve higher standards to meet customers' requirements and enhance the Group's production efficiencies. As of end October 2022, one complete production line from a 6-colour tandem printing line to an Extrusion Laminating Line and a Dry Combi Laminating Line and the necessary rewinders and slitters have been delivered, already installed and are in final stages of commissioning. This complete line will be ready for commercial operation in early November 2022.

**Phase 3** is dedicated to rebuilding and restoring the Senai plant. As of today, all the necessary building plans have been completed and submitted to the local authority for approval. Tenders for the civil & structural and mechanical & electrical works have been received and already evaluated by the engineering consultant firm. Concurrently the Senai site has been cleared of all debris and is ready for contractors to begin work once the approvals have been received. Whilst all these activities for the rebuilding of Senai are ready and pending approval from local authority, the Board of Directors are re-evaluating the commercial justifications to rebuild Senai given the long lead time to rebuild as well as various economic considerations.

### OPERATIONAL AND FINANCIAL PERFORMANCE

Amidst the challenging operating environment that remains impacted by the lingering effects of the COVID-19 pandemic; the resulting severe disruptions to global supply chains; persistent and rising inflation impacting costs, FP 2022 was a period that the Group continued to pursue recovery of its operations to set the framework for future growth whilst protecting the Group's business against prevailing economic headwinds and volatility. The Tomypak Group revenue for FP 2022 was recorded at RM167.2 million for the 18 months financial period ending 30 June 2022 which consists of RM143.4 million generated up to 31 December 2021 from the then existing business operations in Senai and RMRM23.8 million from the Business Recovery Phase. The lower sales recorded as at 31 December 2021 as compared to RM154.3 million achieved in FY 2020 was mainly due to business interruptions from COVID-19 and the fire incident of 19 December 2021. A total of RM17.5 million worth of finished goods and work in progress were destroyed in the fire that would have otherwise been shipped to customers before the year end whilst orders up to another RM17.5 million were received to be manufactured and shipped to customers.

Export sales in FP 2022 accounted for 55% (RM91.3 million) of our total revenue as compared to 65% (RM101 million) in FY 2020 due to decrease in sales to our international major business partners whilst sales to our local business partners increased due to the higher demand for clean and hygienic packaging materials created by the pandemic.

The lower earnings before interest, tax and depreciation at a negative RM74.6 million was primarily due to the one-off assets write-off amounting to RM180.1 million and also increases in material costs as well as shipping costs due to the global supply chain disruption.

The Group foresees sustained improvements in revenue and operational results for the immediate future with revenue continuing to be generated from our subcontracting work as well as from internal production when the retrofitted Tampoi plant commences commercial production in November 2022. We have also appointed an experienced Director of Sales & Marketing professional since the beginning of 2021 which has now been redesignated to the position of Chief Operating Officer to enhance our business capabilities even further.

A more detailed discussion on the financial performance and financial position of the Group can be found on pages 19 to 21, under Management Discussion and Analysis.



Roofing work progress in August 2022.

### Proposed M&A announced

While the retrofitting of the Tampoi plant to recommence operations is ongoing and action has been taken to plan the rebuilding of the Senai plant, the Group has also explored other avenues to restore Tomypak to its past performance level. The proposed acquisition of EB Packaging Sdn Bhd as announced upon signing of the MOUs on 11 August 2022, is a key strategy to achieve this objective.

The appointed Advisors are completing their due diligence exercise on the target company and will be presenting their findings and recommendations to the Board of Directors for final decision soon. Further announcements will be made in due course in relation to this matter.

### CORPORATE GOVERNANCE & BOARD COMMITMENT

Your Board is also well attuned on the need to continually enhance the Group's adherence and compliance to the Corporate Governance guidelines established by Bursa Malaysia Securities Berhad. Our Board's independence and capabilities continue to enhance our risk management given the fast changing and uncertain operational environment seen over the past year.

The Management has continually assessed and updated the Risk Register regularly. Anti-bribery related matters have also been incorporated into the Risk Register since the implementation of the Anti-Bribery Policy.

### OPPORTUNITIES FOR NEW GROWTH

Despite the difficulties and challenges facing the Group, the fundamental strength inherent in the Group continues to provide us with the resilience to turn adversity into opportunities. Your Management had continued with the strategic plans that were developed and activated in mid-2020 to deal with the global economic challenges as a result of the pandemic and the emergence of geopolitical tensions. This was done so as to ensure the well-being, health and safety of our employees remain unaffected in order to maintain business continuity and the ability to seize opportunities as the global economy recovers, and with our business restored and elevated to a new level.

We will continue to enhance our product offerings and provide value-added solutions to all our customers to better manage the supply chain disruptions together. We will leverage on our long operational and business experience; prudent financial discipline; and strong customer base to ensure that we continue to deliver long-term value to our stakeholders.



## CHAIRMAN'S REPORT (CONT'D)

### SUSTAINABILITY

Tomypak has always regarded sustainability as our key priority in creating sustainable long-term value for our stakeholders.

Sustainability is one of Tomypak's most exciting opportunities for growth. We are leveraging our unique scale, reach and expertise to meet customers' growing sustainability needs in the present and beyond.

In FP 2022, we saw a further acceleration of our efforts in responsible packaging, where we delivered a variety of packaging innovations alongside forging key partnerships to support improvements toward our recyclable and biodegradable materials at the forefront.

The retrofitting and investments in equipping our Tampoi plant with latest and modern machinery and technology will contribute towards reducing excess water usage, materials wastage, emissions and energy consumption for lower carbon

footprint. With our solar-panel-ready roofing, we are exploring with our partners our future energy requirements with the aim to invest in powering our plants with renewable solar energy as part of our sustainability efforts to reduce our reliance on fossil fuel sources of energy for a greener and cleaner workplace. We will install solar-powered perimeter lights at Tampoi plant as our first step into the renewable energy journey.

We are resolute in our social responsibility as an exemplary employer that cares for our people at all times. In spite of the fire incident, we still retained all our workers and contributed to their overall welfare by continuing to provide them with basic pay and accommodation where appropriate. The various actions taken to upgrade the new retrofitted Tampoi plant will provide our employees with a much better, safer and healthier working environment which we firmly believe will lead to improved productivity.

**We will strive to enhance our product offerings and provide value-added solutions to all our customers to better manage the supply chain disruptions together.**



Work progress for Block A of Tampoi plant in September 2022.

Tomypak will continue to embrace a sustainability mindset at all levels and corners as part of our corporate culture. A Sustainability Committee comprising relevant department heads and executives as well as a director as an adviser has recently been formed to lead this journey. This committee is responsible to assess and review the implementation of the relevant Environment, Social and Governance (ESG) metrics to support the day-to-day business operations with its sustainability management process.

We aim to operate as a responsible corporation with strong governance across all levels and a clear framework to communicate, measure, improve and deliver against our ambitious sustainability commitments.

#### **APPRECIATION**

I would like to express my special thanks and appreciation to our valued customers, partners and stakeholders; our loyal shareholders; governmental and regulatory authorities; our trade and business partners; and our dedicated and loyal staff and management for your continued commitment, support and dedication during this crucial period where the Group is undergoing a transformation for a better future.

To our bankers and business associates, and to our Insurers and Adjuster, our deepest appreciation for your unwavering confidence and cooperation that has enabled us to come this far in our recovery efforts.

And to my esteemed colleagues on the Board, a very special thank you for your fullest support, hard work and perseverance during this challenging and long FP 2022 period and for your invaluable input and contributions.

Thank you and very best regards

**Yong Kwet On**

CHAIRMAN







# PROFILE OF DIRECTORS

## YONG KWET ON

Non-Independent Non-Executive Director

Nationality	Age
Malaysian	65

Date of Appointment  
18 November 2014

		Chairman
		Member








**Mr. Yong Kwet On** was appointed a Non-Independent and Non-Executive Director of the Company on 18 November 2014. He was subsequently appointed as Chairman of the Board of Directors on 1 October 2019. He has more than 40 years' experience in the Technology and ICT Industry, from hands on to top management work experience covering large scale data centre infrastructure development projects, systems, process engineering, manufacturing systems and large-scale technology implementations. While primarily based in Malaysia, his experience covers business and project deliveries in Asia such as Singapore, Thailand, Indonesia, Philippines, India as well as in Europe including the United Kingdom, Germany, Spain and Switzerland.

He graduated in 1978 with a BA (Econs) from the University of Windsor, Ontario, Canada. He was a founding member and honorary secretary of the Malaysia Canada Business Council and a founding member of the Malaysia Data Centre Alliance (under the auspices of MDeC and Pikom).

He has been involved in two successful international IPO listings, one on SESDAQ Singapore Stock Exchange and the other on AIM London Stock Exchange.

Mr. Yong is a member of the Nomination Committee and Remuneration Committee and Chairman of the Investment Development Committee of the Group since 13 February 2015. Mr Yong ceased as a member of Risk Management Committee with effect from 18 May 2017.

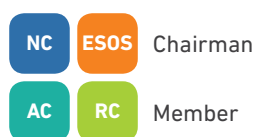
He has no family relationship with any Director. He is a substantial shareholder of the Group through his substantial interest in New Orient Resources Sdn Bhd. There is no conflict of interest in respect of his involvement with the Group and he has not been convicted of any offences within the past 5 years.

-  Board
-  Audit Committee
-  Remuneration Committee
-  Nomination Committee
-  Risk Management Committee
-  Investment and Development Committee
-  Employees' Share Option Scheme Committee

**TO' PUAN ROZANA BINTI TAN SRI REDZUAN**

Independent Non-Executive Director

Nationality	Age	Date of Appointment
Malaysian	57	1 April 2015



**To' Puan Rozana Binti Tan Sri Redzuan** was appointed as an Independent Non-Executive Director of the Company on 1 April 2015. To' Puan has been a member of the Audit and Remuneration Committees of the Group since 28 May 2015 and was subsequently appointed as the Chairman of the Audit Committee on 1 September 2016. To' Puan was also appointed as a member of Nomination Committee of the Group on 20 August 2015 and a member of the ESOS Committee of the Group on 24 November 2015.

To' Puan was subsequently elected as the Chairman of ESOS Committee and appointed as a member of Risk Management Committee on 18 May 2017. To' Puan was redesignated as a member of Audit Committee and Chairman of Nomination Committee on 1 December 2019. She also stepped down from Risk Management Committee on 1 December 2019.

She is a member of the Association of Chartered Certified Accountants ("ACCA") and Malaysian Institute of Accountants ("MIA").

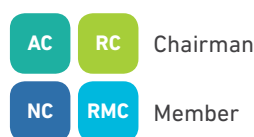
She was the Chief Executive Officer of Plantation & Development (M) Berhad ("P & D"), a company listed on Bursa Malaysia, from 1999 to 2003. P & D was involved in plantation activities, property development and construction. She also spearheaded the corporate restructuring of the company. Prior to joining the P & D Group of companies in 1995, she was an accountant with the now defunct accounting firm, Arthur Andersen & Co, and subsequently joined PB Securities Sdn. Bhd., a stockbroking firm. She presently sits on the board of various private companies that are in activities such as mining, IT-related business and property development.

To' Puan Rozana has no family relationship with any Director and/or substantial shareholder of the Group. There is no conflict of interest in respect of her involvement with the Group and she has not been convicted of any offences within the past 5 years.

**AZMI BIN ARSHAD**

Independent Non-Executive Director

Nationality	Age	Date of Appointment
Malaysian	59	1 October 2019



**Encik Azmi** was appointed as an Independent and Non-Executive Director of the Company on 1 October 2019. He was subsequently appointed as Chairman of the Audit Committee and the Remuneration Committee, member of the Nomination Committee and member of the Risk Management Committee on 1 December 2019.

Encik Azmi graduated with an honours degree in accountancy from the University of East Anglia, Norwich, UK in 1986. He then underwent articleship with KPMG Peat Marwick McLintock, London and completed the professional examinations of the Institute of Chartered Accountants in England & Wales (ICAEW) in 1990. He then continued his career in Malaysia with KPMG Kuala Lumpur in charge of audits of various public listed companies and advisory work.

He was Head of the Funds Management and Budget Department at Malaysia Building Society Berhad, Corporate Finance Manager at Usaha Tegas Sdn Bhd, Vice President of the Property and Energy Sector of the Sapura Group, Senior General Manager of Finance at Crest Petroleum Berhad in 2003 and Chief Financial Officer of SapuraCrest Petroleum Berhad until 2011, after which he was Chief Operating Officer of Sapura Resources Berhad until 2012. He then moved on to become one of the founding members of Reach Energy Berhad in 2012, which was subsequently listed on the Main Board of Bursa Malaysia as an oil and gas special purpose acquisition company (SPAC). He was Chief Financial Officer of Reach Energy Berhad until 2018. He also sat on the board of LBI Capital Berhad 1991-1996.

He has more than 30 years' experience in accounting, financial management, risk management, corporate finance, joint ventures, acquisitions, business rationalisation and corporate restructuring and has served in companies involved in financing, manufacturing, property development, property investments, broadcasting, oil and gas services and aviation.

He also presently sits on the Board of Trustees and is Chairman of the Audit Committee of Lembaga Amanah Kolej Islam Malaysia Berdaftar. He is also on the Board of Governors of Universiti Islam Malaysia and on the Board of Reach Energy Holdings Sdn Bhd.

Encik Azmi is the son of the late Tun Arshad Bin Ayub, who was a substantial shareholder of the Company. Saved as disclosed, he does not have any family relationship with any other director and/or substantial shareholder of the Group. There is no conflict of interest in respect of his involvement with the Group and has not been convicted of any offence within the past 5 years.

## PROFILE OF DIRECTORS (CONT'D)

### DATUK KAMAL BIN KHALID

Independent Non-Executive Director

Nationality	Age	Date of Appointment
Malaysian	51	1 September 2020



**Datuk Kamal** was appointed as an Independent Non-Executive Director of the Company on 1 September 2020. He was also appointed as Chairman of Risk Management Committee and member of the Nomination, Remuneration, Audit and Investment and Development Committees on 1 September 2020.

He is currently the Chief Corporate and Transformation Officer at Celcom Axiata Berhad. He received his secondary education in MRSM Muar, Johor, and graduated with a Bachelor of Laws (with Honours) Degree from the University of Nottingham, England, in 1994. He was selected to become Malaysia's Eisenhower Fellow for 2005.

He previously served as Group Managing Director at Media Prima Berhad from August 2017 to March 2020, having held various positions including Chief Executive Officer, Television Networks, Chief Operating Officer of Group Shared Services, Chief Operating Officer of Business Development and International and Head of Content Distribution.

Prior to joining Media Prima on 4 May 2009, he served as Head of the Communications Unit in the Prime Minister's Office from October 2003 to April 2009.

He has worked in the financial services sector, gaining experience in banking and private equity financing. He spent three and a half years at the Policy and Development Division at the Kuala Lumpur Stock Exchange (now Bursa Malaysia), where he eventually rose to the position of Manager, International Affairs.

He was an Independent, Non-Executive Director of Utusan Melayu (M) Berhad from 2004 to 2009. He has also been a Director on the Board of Malaysia External Trade Development Corporation (MATRADE) since 2018.

Datuk Kamal has no family relationship with any Director and/or substantial shareholder of the Group. There is no conflict of interest in respect of his involvement with the Group and he has not been convicted of any offences within the past 5 years.

### TAN SEE YIN

Executive Director

Nationality	Age	Date of Appointment
Malaysian	66	18 November 2014



**Mr. Tan See Yin** was appointed a Non-Independent and Non-Executive Director of the Company on 18 November 2014. He was subsequently redesignated to Executive Director on 4 February 2016. He graduated from University of Malaya in 1979 with a Bachelor of Accounting (Hons) and is a member of the Malaysian Institute of Accountant.

He started his career as a management consultant in 1979 and for 11 years he was attached to two of the largest management consultancy firms in Malaysia. In 1990, he joined one of Malaysia's then most dynamic and largest conglomerate, and served in a number of senior executive positions for 20 years, where he was involved intimately in a wide range of line and corporate functions for this Group, in varied industries domestically and internationally. Operationally, he served as Group Managing Director in two of the group companies listed on Bursa Malaysia. His last posting was as Senior Director of Group Strategy and Business Development for the entire Group, a position he held until he retired in October 2010.

He has no family relationship with any Director and/or substantial shareholder of the Group. There is no conflict of interest in respect of his involvement with the Group and he has not been convicted of any offences within the past 5 years.

# KEY SENIOR MANAGEMENT

## TAN SEE YIN

Executive Director

Please refer to Directors' Profile page 14.

## LEE KWEE HENG

Chief Operating Officer of Tomypak Flexible Packaging Sdn Bhd

**Mr. Lee Kwee Heng**, a Malaysian, male, age 54, was appointed to the position of Director of Sales & Marketing on 1 March 2021 and redesignated to the position of Chief Operating Officer on 15 September 2022.

He holds a Bachelor of Science in Management Information System from Indiana University of Pennsylvania USA. Mr. Lee held many notable sales and marketing leadership positions with P&L experience in IBM across different countries and regions. His last position in IBM Asia Pacific (AP) as AP Sales Director was to lead and manage the AP sales team across 4 diversified regions (ANZ, India, Korea and ASEAN) to drive strategic growth, partnership development, and marketing to deliver on breakthrough business result. He is also a result-oriented business leader with a proven track record of reviving/transforming several weakening businesses to healthy growth.

He has no family relationship with any Director and/or major shareholder of Tomypak. He does not hold any directorship in public companies and listed issuers. He has not been convicted of any offence within the past five (5) years or been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial year.

## FOO JEE TENG

Chief Manufacturing Officer of Tomypak Flexible Packaging Sdn Bhd

**Mr. Foo Jee Teng**, a Malaysian, male, age 44, was appointed to the position of Director of Operations on 1 January 2021 and redesignated to the position of Chief Manufacturing Officer on 15 September 2022.

He joined the company in June 2018 as Assistant Plant Manager and was promoted to the position of Technical Director since June 2019. He has more than 23 years of extensive experiences in flexible packaging industry across Malaysia, Thailand, Indonesia and Taiwan. He is highly regarded by our customers for his technical acumen and knowledge. Currently, he manages the entire factory operations including the Printing, Laminating, Slitting and Bag-making departments. He is also responsible for Production Planning, Film casting and Metalising as well as overall maintenance of both factories.

He has no family relationship with any Director and/or major shareholder of Tomypak. He does not hold any directorship in public companies and listed issuers. He has not been convicted of any offence within the past five (5) years or been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial year.

# KEY SENIOR MANAGEMENT

## **TOK FU SOON**

Senior Manager, Corporate Affairs of Tomypak Flexible Packaging Sdn Bhd

**Mr. Tok Fu Soon**, a Malaysian, male, aged 29, joined on 1 November 2018 and was subsequently appointed to the position of Senior Manager of Corporate Affairs on 1 January 2021.

He holds a qualification from the Association of Chartered Certified Accountant ("ACCA"), United Kingdom (UK). He is also a member of the Malaysian Institute of Accountants ("MIA"). Prior to joining the Group in 2018 as Corporate Finance Manager, he was attached to KPMG and was involved in the audit of various companies in the manufacturing sector.

He has no family relationship with any Director and/or major shareholder of Tomypak. He does not hold any directorship in public companies and listed issuers. He has not been convicted of any offence within the past five (5) years or been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial year.

The disclosure on the particulars of the key senior management is made in compliance pursuant to Appendix 9C of Bursa Malaysia Securities Main Market Listing Requirement.



# MANAGEMENT DISCUSSION AND ANALYSIS



This section seeks to provide our shareholders with a better appreciation and insight into the business and operations of the Group as well as to enlighten shareholders on our performance for FP 2022 and the immediate prospect for the Group.

*Installation and commissioning of super combi dry and solventless laminating line in September 2022.*

## GROUP OVERVIEW

### Group Business & Operations

Tomypak Holdings Berhad operates through wholly owned subsidiary, Tomypak Flexible Packaging Sdn Bhd ("TFPSB") and 51% owned subsidiary, SP Plastic & Packaging Sdn Bhd ("SPPSB").

The Group is involved in the manufacture and marketing of flexible packaging materials. The products manufactured and marketed by TFPSB are primarily for local and international food and beverage companies who use these printed, laminated and metallised packaging materials either in roll or bag form, to pack their final products such as sauces, seasonings, noodles, beverages, oils as well as snacks. SPPSB currently focuses on digital printing and serves as a marketing arm of the Group to service small scale customers.

The main categories of the Group's products are generally divided into the following:

- a. Foil, which are generally made for the sauce, seasoning, snacks and beverage products;

- b. Metallised, which are made for noodles, seasoning, beverage and oil products; and
- c. General, which are primarily made for noodles, oils, seasoning and beverage products.

### Production Facilities

As at 19 December 2021, the Group operates out of three separate but complementary factories at (i) TFPSB's larger plant and head office sited on a 10.5-acre freehold land in Senai Industrial Estate; (ii) TFPSB's existing plant on a 4-acre leasehold land located at the Tampoi Light Industrial Estate; and (iii) SPPSB's digital printing works currently operating out of its premises in Malacca.

The total rated production capacity of TFPSB as at 19 December 2021 was 40,000 metric tonnes per annum. However, TFPSB's Senai plant was destroyed in an unfortunate fire incident on 19 December 2021 leaving the Group with only a potential 3,600 tonnes per annum rated production capacity thereafter.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Consequently, and after the Senai plant fire incident of 19 December 2021, the main plant and equipment of TFPSB as at 30 June 2022 presently consists of:

The Tampoi Plant:

1. 2 metallising plants;
2. 10 bags making machines;
3. 1 film casting machine; and
4. 2 slitter machines.

Before the Senai plant was destroyed by fire on 19 December 2021, the TFPSB manufacturing plants provided the Group with 478,000 sq. ft of total operational space and an annual rated production capacity of 40,000 metric tonnes.

To recover the lost production capacity as a result of the Senai fire incident, the Group immediately decided to set up a state-of-the-art production facility at the Tampoi plant. The retrofitted Tampoi plant will provide TFPSB with an annual rated capacity of 16,000 metric tonnes whilst plans and process for the recovery of the destroyed Senai plant is currently ongoing.

The current total work force of the Group consists of 188 staff, of which 151 are in direct operations and all based in the Tampoi plant. Being a responsible employer, we have continued to retain all our workers despite having to operate at a reduced capacity after the Senai fire incident. Some of our production workers have been assigned for duty with selected sub-contractors who were carrying out production on our behalf. SPPSB has a work force of 9 staff for its overall business operations.

### Fire Incident and Damage to Operations

Forensic investigations have cleared the Group to proceed with its insurance claims. The fire that had destroyed the Senai Plant had affected approximately 93% of the premises involving four blocks of factory buildings and an office block, covering an area of around 197,000 sq. ft. This incident had stifled our production capabilities as most of the equipment and machinery were destroyed in the blaze. Nevertheless, we will continue to strive for excellence in delivering exceptional services to our customers through the proactive business recovery plans that we have put in place.

### Outsourcing of Production

To prevent impacting our customers' activities as a result of the disruption to our operations and to enable the Group to continue servicing the market's needs, we have placed work orders for production of our customers' orders to selected

sub-contractors. This critical measure was taken to ensure that we honour our delivery obligations we have towards our customers. The selective outsourcing of our production to sub-contractors we have collaborations with is a part of our long-term strategy for forging key partnerships to maintain business continuity.

### Insurance Claims

On the matters of insurance claims, the Group had submitted the final Material Damage claims for all Property, Plant and Equipment and Stock in Trade to the Adjuster and has begun the process of calculating and submitting our Business Interruption Loss claim to the Adjuster. As announced, the Group had received and accepted two interim insurance compensation payments of RM75,000,000 and RM40,000,000 in respect of Material Damage and Business Interruption Loss. Meanwhile the Adjuster is presently reviewing all documents that were submitted to finalise the Material Damage claim soonest possible.

### Operational Recovery Strategy

As part of the Group's efforts to steer towards a pathway to recovery, we have outlined a strategic plan that will help the Group sustain and restore our operations expeditiously to what it once was before the fire incident but with more modern production facilities. Our efforts to this end will be carried out in three phases as follows:

- Phase 1 comprising of two concurrent sub-phases:
  - o **Phase 1a:**
    - i. Sales of excess raw materials.
    - ii. Sales of obsolete cylinder blocks.
    - iii. Sales of in-house manufactured plain and metallised films as well as providing bags making services to other Converters.

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

- o **Phase 1b:**
  - i. Continuing supply to maintain confidence and retain existing customers via subcontracting of orders received from customers, to selected converters.

Phase 1b is on-going.

- Phase 2 – state-of-the-art production capabilities
  - o Delivery of machines and equipment and retrofitting works required for setting up of a state-of-the-art production facility at the Group's Tampoi plant are progressing according to schedule.
  - o Three slitting machines have been delivered and commissioned at Tampoi plant.
  - o Following this, partial semi-finished goods were brought back from other converters for in-house slitting process and delivery to customers.
  - o In addition, the first combi dry and solventless laminating line, 6-colour tandem gravure printing line, and a single extrusion laminating line are being installed and are expected to commence commercial operation in November 2022.
  - o Functional Acceptance Test for the 2 units 8-colour gravure printing line and the second combi dry and solventless laminating line have been completed and all these machines are being delivered and will be installed and commissioned in Q2-FY2023.
  - o Other major equipment such as the 9-colour gravure printing lines, combi dry and solventless laminating line and another two extruder laminating lines are at various stages of fabrication by the appointed equipment manufacturers and these will be progressively delivered and commissioned over the next two quarters.
  - o In addition, rewinders/slitters and a range of ancillary supporting equipment ranging from electrical signature analysis equipment to new laboratory equipment for quality assurance/quality control and research & development activities, will also be progressively delivered in line with the commencement of production at the Tampoi plant.
  - o Concurrently, major civil & structural and mechanical & electrical works are being implemented to upgrade the Tampoi plant to accommodate the new equipment and to achieve higher standards to meet customers' requirements and enhance the Group's production efficiencies.

- Phase 3 – Plans for Senai plant

With regards to the plans for the damaged Senai plant, the Group with the assistance of engineering consulting firms, had issued tenders and received submissions which are currently being reviewed by these engineering consulting firms. Meanwhile the salvaging company has completed demolishing all damaged buildings and is currently clearing all debris from the site to allow rebuilding to commence. Submission to local authority for approval to commence construction has been made and is currently awaiting approval to commence reconstruction should the Group decides to carry on with the rebuilding of Senai.

**Summarised below are the key financial information for the Group.**

#### REVIEW OF FINANCIAL RESULTS

Despite the movement restrictions imposed by the Malaysian government since March 2020 and throughout the calendar year 2021, the Group managed to carry on its operations as it was granted approval by the Ministry of International Trade and Industry ("MITI") to operate under the essential industry category.

Whilst the Group managed to continue with its operations at the Senai plant throughout 2021, there were still instances wherein the Senai plant operations had to operate at lower capacity due to Full Movement Control Order where the Group was only allowed to operate at 60% capacity in early June to end September 2021. In addition, the Senai plant also voluntarily closed for 2 weeks in August 2021 to contain Covid-19 infection and to allow for proper sanitisation of the entire plant.

The Group recorded higher operational losses during the year as a result of the significantly higher raw materials prices, higher ocean freight charges, incidental expenses related to COVID-19, foreign exchange loss as well as write-off of assets destroyed in the Senai fire incident.

As mentioned earlier, the Group had changed its financial year end from 31 December 2021 to 30 June 2022, covering a period of 18 months due to the Senai plant fire incident on 19 December 2021.

Period/Year Ended 30 June/ 31 December <sup>(1)</sup>	2022	2020
<b>Results (RM'000)</b>		
Revenue	167,157	154,285
Profit/(loss) from operations <sup>(2)</sup>	(93,185)	1,434
Loss before taxation	(95,152)	(480)
Net loss for the financial period/year	(99,860)	(540)
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	(74,571)	18,888
<b>Statement of financial position (RM'000)</b>		
Shareholders' equity	87,774	187,136
Total borrowings	62,613	53,602
Total assets	184,245	263,298
<b>Ratio</b>		
Earnings per share (sen) <sup>(3)</sup>	(23.16)	(0.15)
Interest cover (times) <sup>(4)</sup>	(47.37)	0.75
EBITDA/Revenue <sup>(5)</sup>	(44.61%)	12.24%
Return on equity <sup>(6)</sup>	(113.77%)	(0.29%)
Return on total assets <sup>(7)</sup>	(50.58%)	0.54%
Gearing <sup>(8)</sup>	0.71	0.29
Net assets per share (RM)	0.20	0.44

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



First unit of single extrusion laminating line.

<sup>(1)</sup> The presentation of the 18-month financial period ended 30 June 2022 ("2022") follows a change in Tomypak's financial year end announced on 18 April 2022.

The previous financial year presented (FY2020) has a financial year end of 31 December

<sup>(2)</sup> Earnings before interest and tax

<sup>(3)</sup> Net Profit/(Loss) for the financial period/year over total number of shares as at 30 June/31 December

<sup>(4)</sup> Profit/(Loss) from operations over finance costs

<sup>(5)</sup> EBITDA over revenue

<sup>(6)</sup> Net loss for the financial period/year over Shareholders' equity

<sup>(7)</sup> Profit/(Loss) from operations over Total assets

<sup>(8)</sup> Total borrowings over Shareholders' equity

### Revenue

The Group recorded revenue of RM167.2 million for the 18 months ended 30 June 2022 compared to RM154.3 million achieved in FY 2020. Of this, the Group revenue for 12 months period ended 31 December 2021 was RM143.4 million whilst the Group managed to record revenue of RM23.8 million for the 6 months from January to June 2022.

The decrease in revenue for the 12 months compared to the preceding 12 months period of FY 2020 was mainly due to the enforcement of various stages of the Government's COVID-19 Movement Control Orders which restricted operations and also due to manpower shortages, whilst globally, there were disruptions in global supply chain resulting in shortage of raw materials, and delayed shipments of raw materials and finished goods due to shortage of containers and ports congestion, all of which had resulted in substantial increase in cost of operations. In addition, the fire incident at the Senai plant had destroyed RM17.5 million of finished goods and work-in-progress stock which were scheduled to have been

delivered to customers by end of December 2021 and another RM17.5 million orders received could not be manufactured.

After the fire incident, the revenue for 6 months period ended 30 June 2022 was at RM23.8 million derived principally from sub-contracting sales under Phase 1b of the Group's Business Recovery Plan as well as sale of excess raw materials, old cylinder blocks, plain and metallised films and providing bag making services to other Converters and cylinder block suppliers under Phase 1a.

To ensure uninterrupted supply to as many customers as possible, the Group entered into strategic collaboration with selected approved local Converters to manufacture our sales orders pending the setting up and commissioning of the Group's retrofitted plant in Tampoi. The Group managed to continue receiving orders from our major customers during the period, albeit the margins from sub-contracting are very low.

Almost all of the Group's customers are from the food and beverage industry, both multinational and local. More than half of the revenue for the period ended 31 December 2021 was derived from the Group's export sales to a number of international and multinational companies which accounted for 59% or RM84.5 million of total revenue for this period as compared to 65% or RM100.5 million in FY 2020.

These export sales are primarily denominated in USD which provides the Group with substantial natural hedge against import of major raw materials as well as payment of USD denominated term loans secured to purchase equipment for expansion of the Senai plant. Countries where Tomypak's products are exported to include Singapore, Thailand, Indonesia, The Philippines, Myanmar, Papua New Guinea, Sri Lanka, Russia, Ukraine, Brazil, Peru, Nigeria and South Africa. Most of the major customers are long term partners and some



have been purchasing from the Group for over 10 years, as the Group has been able to consistently meet clients' key criteria of consistent quality, timely delivery and competitive commercial terms.

#### *Loss From Operations*

The Group recorded a loss from operations (loss before interest and tax) during the period amounting to RM93.2 million compared to a profit of RM1.4 million in FY 2020. These are after accounting for costs of production, sales and marketing expenses, general administrative expenses and sub-contracting costs.

The increase in the loss from operations in FP 2022 as compared to FY 2020 was due primarily to the lower contribution margins from operations as a result of the significantly higher raw material prices, higher ocean freight charges, incidental expenses related to COVID-19 and foreign exchange loss due to the weakening of the Malaysian Ringgit against the USD during the initial 12 months period to end December 2021. Margins from orders sub-contracted are also much lower. In addition, there is a RM180 million write-off of assets (property, plant and equipment and inventories) destroyed in the fire.

#### *Loss Before Tax*

As a consequence of the operational loss mentioned above, and after accounting for financial expenses of RM2.0 million for 18 months period ended 30 June 2022 (FY 2020: RM2.0 million), the Group recorded a higher Loss Before Tax ("LBT") of RM95.2 million compared to RM0.5 million in the previous year due to assets written-off, lower contribution margins, and unabsorbed overheads.

#### *Net Loss After Tax*

Net loss after tax for 18 months period ended 30 June 2022 was RM99.9 million compared to RM0.5 million in FY 2020 due to the above factors and deferred tax impairment of RM4.7 million.

#### *Earnings Before Interest, Tax, Depreciation and Amortisation*

Earnings before interest, tax, depreciation and amortisation ("EBITDA") of the Group had remained relatively strong over the past few years. However, the Group recorded a negative EBITDA of RM74.6 million in FP 2022 compared to RM18.9 million for the previous year.

The decrease is primarily a result of the operational loss resulting from the increase in raw material costs, shipping costs and operational expenses, and the write-off of assets due to the fire incident as mentioned above.

#### *Shareholders' Equity*

Shareholders' Equity decreased from RM187.1 million as at the end of FY 2020 to RM87.8 million as at the end of FP 2022 mainly as a result of operational losses incurred and assets written-off due to fire.

#### *Gearing*

Total loans and borrowings (short term and long-term) increased from RM53.6 million as at the end of FY 2020, to RM62.6 million as at the end of FP 2022.

This increase was primarily due to lower cash inflow from operations and further drawdown of working capital to support day to day operations.

The Group's debt : equity ratio increased to 0.71 times as at end of FP 2022 compared to 0.29 times as at end of FY 2020. This is primarily due to increase in total loans and borrowings and reduction in total equity as mentioned above.

Total cash and cash equivalent were RM40.5 million as at end of FP 2022 as compared to RM10.2 million the previous year. The higher cash and cash equivalent as at end of FP 2022 was mainly due to receipts of insurance claim Payments on Account.

#### *Total Assets*

Decrease in total assets from RM263.3 million to RM184.2 million is primarily due to normal depreciation expenses of RM18.6 million during the period and assets being written-off as a result of the fire incident.

#### *Capital Management and Returns to Shareholders Capital*

Your board and management are mindful of the need to reward loyal shareholders. However, due to the Group's current financial condition, no dividends were declared for this financial year.

## **CORPORATE DEVELOPMENTS**

### **Proposed Acquisition of EB Packaging Sdn Bhd**

While the Group is retrofitting the Tampoi plant to recommence operations as soon as possible and at the same time taking steps to rebuild Senai plant, the Group has also explored other avenues to restore the Tomypak Group to its past performance levels.

The proposed acquisition of EB Packaging Sdn Bhd as announced upon signing of the MOUs on 11 August 2022, is one such key strategy to achieve this objective. The Group is currently carrying out a due diligence exercise on the target company.

## **ANTICIPATED OR KNOWN RISKS**

### **COVID-19**

Outbreaks and subsequent lockdowns would adversely affect the Group's business and operations. The Management continues to closely monitor the risks posed by the COVID-19 pandemic and will take timely and appropriate steps to reduce any impact from the resulting consequences of any risks associated with COVID-19.

### **Workforce Shortage & Automation**

With reduced foreign labour supply as a result of the COVID-19 pandemic, our operational efficiencies and capabilities were affected during the height of the pandemic in calendar year 2021. This resulted in the need to hire temporary contract workers and for in-house staff to work longer hours, all of which resulted in higher cost of operations. Going forward, the Group do not see the labour situation improving and as such have established several key measures that will enable us to



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

address this issue in an effective manner. Among some of the measures we have employed is the use of automation through our procurement of state-of-the-art equipment and machinery that is in tandem with the industry's move towards IR4.0.

### Supply Chain Disruptions

The COVID-19 pandemic, ongoing geopolitical tensions and trade wars have accentuated the risk of interruptions to our supply chain. Operational disruptions at our suppliers' plants due to border restrictions and lockdowns, could have negative impact on our operational and financial performance. As part of our risk mitigation measures, we maintain regular contact with our key suppliers to anticipate potential disruptions early and manage them accordingly. We have also increased buffer stock of critical materials by an additional one month while closely following up on the delivery schedule to alleviate this concern.

### High Freight Costs

We import a substantial proportion of our raw materials and at the same time export a sizeable amount of our finished products overseas. As a result of the COVID-19 pandemic, freight cost has reached an unusually high level. If the maritime freight costs remain at an elevated rate, our profitability may be affected. To manage this risk, we maintain regular communications with our logistics providers to monitor the latest development on the freight rates. Whenever possible, we strive to optimise our maritime freight scheduling to contain costs.

### OUTLOOK & PROSPECTS

Tomypak foresees there will be a high demand for packed food and beverage in tandem with the ever-changing lifestyles permeating in this region as well as globally. In the longer term, the growth of packaging companies particularly within the Asia Pacific region is expected to continue to remain robust

due to the increase in domestic demand for flexible packaging with the rapid urbanisation across emerging economies. Healthy growth from end-users across the region are further driving the need for producing higher grade flexible packaging products.

The Group will strive to continue focusing on its core business of manufacturing and marketing of flexible packaging materials. We will leverage and build on our strong reputation in the market as a consistently reliable partner in delivering quality and competitive packaging materials to our broad base of customers. The Group will continue to undertake various strategies and product innovation as well as continue to reinforce our sales and marketing efforts to secure new customers to improve market share in both the local and international markets going forward.

Notwithstanding that, delays and late delivery of equipment and machinery from overseas due to the lingering impacts of the COVID-19 pandemic may cause delays to the refurbishment of the Tampoi plant to bolster our production capacity, and may also affect the capacity reconstruction of the Senai plant and its subsequent operation. Rest assured, the Group will persevere to ensure that our operations are restored as quickly as possible and we will emerge stronger and better than before.

### APPRECIATION

The Board and Management of Tomypak would like to express our heartfelt gratitude to all our shareholders and all stakeholders for their commitment and unprecedented support that deserves the utmost commendation particularly during this challenging and difficult period impacting the Group.

With the ongoing recovery and restoration efforts of our operations progressing, your Management expects the performance of the Group will soon rise to greater heights as we move forward.



*Slitting machines have been delivered and commissioned at Tampoi plant.*

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



**The Board of Directors of Tomypak is pleased to present this overview statement to provide shareholders with an insight and appreciation of the various aspects of corporate governance (“CG”) practices that the Group has undertaken during the FP 2022.**

The Board strongly believes and subscribes that good corporate governance, including full accountability and transparency, would allow the Group to operate smoothly and efficiently, result in sustainable long term growth, safeguard the interests of all stakeholders, and enhance shareholders’ value and improve the company’s financial performance. And good corporate governance must be accepted and practiced by all employees in the organization.

In preparing this Statement, the Board has considered the manner in which it has applied the Principles and Practices of the Malaysian Code of Corporate Governance 2021 (“CG Code”). The Group has applied most of the Practices set out in the CG Code for the whole financial period 2022. The Annual Report 2022 and the CG Report are available at the Company’s website [www.tompok.com.my](http://www.tompok.com.my) and Bursa Malaysia Securities Berhad (“Bursa Malaysia”) website.

To facilitate proper governance of the Group, the Board has taken note and implemented the recommendations and proposals by various regulatory authorities on a continuing

*Super combi dry and solventless laminating line’s room partitioning work progress in September 2022.*

basis and has also on its own accord taken into consideration the requirements necessary to ensure that the interests of all stakeholders of the Group are well managed. In this respect, the mandatory committees assist the Board in ensuring that all key areas for proper governance are in place and the Board has also established additional committees and requested additional action plans that the Board deemed necessary. One of the key additional steps taken by the Board is the set up of an Investment and Development Committee (see page 30 to 31) to assist the Board in developing and managing the implementation of investment and operational strategies and action plans to expand the activities of the Group.

Given importance of environmental, social and governance (“ESG”), the Board has mandated the setting up of a Sustainability Committee with a Board member as advisor to chart the way forward for the Group in ensuring that aspects of ESG are taken into consideration in the rebuilding journey of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### BOARD LEADERSHIP AND EFFECTIVENESS

#### Board's Roles and Responsibilities

The Board is fully responsible for the overall conduct and performance of the Group and provides the necessary stewardship and oversight on behalf of the shareholders. It focuses mainly on setting the overall strategic directions that the Group should embark, review and provide guidance on critical and material business issues and specific areas such as corporate governance, risk management, business strategies, operational and financial performance, internal control, investor relations and shareholders' communication, as well as overseeing the performance of management. The Board also reviews, recommends and adopts long term strategic plans for the Group, set the necessary key performance indicators ("KPIs"), reviews and ensure that appropriate succession planning are in place, including appointing and fixing the compensation of key senior personnel in the Group.

There is clear and distinct segregation of the positions of the Chairman and the Executive Director and these critical positions are held by different individuals. The Non-Independent Non-Executive Chairman is responsible to lead the Board in instilling good corporate governance practices, leadership and effectiveness of the Board. The Chairman encourages constructive relations amongst Board members as well between Board members and key senior personnel, and ensures open, healthy and effective debates are held by allowing sufficient time to be given on the deliberation of issues.

To ensure that some of the functions are discharged effectively, various Board committees have been constituted and are charged with the authority and responsibility to review and recommend various policies and strategies for the Board to endorse. The Board Committees established within the Tomypak Group are the normal mandated committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee; and as additional comfort to ensure successful implementation of the Group's expansion strategies, the Board has also established an Investment and Development Committee. These various committees are constituted with clear terms of reference with regards to their respective area of responsibility. Nevertheless, the Board collectively retains full responsibility and accountability for all the company's performance.

The Executive Director, supported by Senior Management are directly involved in managing the day-to-day Group's business operations and resources.

The Non-Independent Non-Executive and Independent Non-Executive Directors are actively involved in various Board Committees and contribute significantly in areas such as performance monitoring and enhancement of corporate governance and controls, for a broader view and a check and balance.

During the financial period ended 30 June 2022, the Board had convened eleven (11) meetings. The following activities were undertaken by the Board in FP 2022:

- (i) reviewed and approved the quarterly results and the audited financial statements for the financial period ended 30 June 2022;
- (ii) reviewed the 5-years strategic corporate plans for the Group; reviewed and approved the Group's annual budget, major capital commitments and KPIs for the Company;
- (iii) identified principal risks and ensured the implementation of an effective risk management and internal control system;
- (iv) received briefings and approved the recommendations from the various Board Committees;
- (v) reviewed and oversaw the continuing implementation of the Employee Share Options Scheme;
- (vi) reviewed and approved the protocols suggested and implemented by the special COVID-19 response team;
- (vii) reviewed and approved the Directors' Fit and Proper policy; and
- (viii) reviewed and approved the Business Recovery Plan after the fire incident on 19 December 2021.

#### Board Composition

The Board take cognizance of the need to have the appropriate size, profiles and experiences of directors, age group, qualifications and gender so that the Board can perform its functions of stewardship and oversight in a more effective manner. Such attributes will provide the Board with proper and comprehensive perspective when making critical decisions for the Group.

The Board in FP 2022 comprised five (5) members of whom four (4) are non-executive directors and one (1) is executive director. The Board is comprised of professionals from varying professions and experiences and has representations from both genders and other, diversities that will enhance the functioning of the Board.

Three (3) of the five (5) directors are independent directors. The Board's composition complies with the Listing Requirements which require one-third (1/3) of the Board members to be independent directors to reflect fairly the interests of the minority shareholders of the Company. In the event of any vacancy in the Board composition, resulting in non-compliance with the aforesaid, the Company must fill the vacancy within 3 months. The profile of each director is presented on page 12 to page 14 of this Annual Report.

The Board has discussed the need to increase the number of Board members, admitting board members with different qualifications and experience as well as to increase the number of female board members during the period. After deliberation, the Board believes that appointing an additional Independent Director would further enhance the effectiveness of Board Committees.

### Nomination Committee

The Nomination Committee takes the overall responsibility of identifying and selecting suitable candidates for admission to the Board as well as reviewing the structure, size and composition of the Board.

The Nomination Committee comprised the following members during the period:

#### Chairman

To' Puan Rozana Binti Tan Sri Redzuan  
(Independent Non-Executive Director)

#### Members

Mr. Yong Kwet On  
(Non-Independent Non-Executive Director)

Encik Azmi Bin Arshad  
(Independent Non-Executive Director)

Datuk Kamal Bin Khalid  
(Independent Non-Executive Director)

The Group has in place a process for selection, nomination and appointment of suitable candidates to the Board. Potential candidates can be identified by the Nomination Committee, existing Directors or any shareholder through internal or external sources. The Nomination Committee, after evaluating of the potential candidate's experiences and qualifications, as well as discussion with the suitable candidate, will then recommend the suitable candidate for appointment to the Board, and the final endorsement lies with the Board.

The Nomination Committee ensures the appointment is made on merit, and ensures that the required mix of skills, experiences and expertise of members of the Board is sufficient. The Nomination Committee will also consider whether the candidate meets the requirements as defined in Bursa Malaysia's Listing Requirements.

Clause 103 of the Company's constitution expressly states that at the Annual General Meeting ("AGM") in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third of the Directors shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election. Whereas Clause 110 of the Company's Constitution provides that any Director so appointed either to fill a casual vacancy or as an addition to

the existing Directors shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

The terms of reference and activities of the Nomination Committee are set out below:

- (i) review the structure, size and composition of the Board, and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- (ii) identify and nominate candidates for the approval of the Board to fill Board vacancies;
- (iii) ensure a mix of skills, experience, other qualities and competencies to assess the effectiveness of the Board, Board Committees and contributions of Directors of the Board;
- (iv) recommend to the Board for the continuation or termination of service of the Managing Director, Executive Director and other Directors;
- (v) recommend Directors who are retiring by rotation and eligible to be put forward for re-election; and
- (vi) recommend to the Board the employment of adviser or consultant, where necessary and appropriate, to enable the Board to discharge its responsibilities.

The Nomination Committee held three (3) meetings during the financial period ended 30 June 2022.

Among the activities undertaken by the Nomination Committee during the financial period under review:

- (i) reviewed the Board size, composition and the effectiveness of the Board and Board Committees;
- (ii) assessed the independence of the independent directors;
- (iii) assessed the evaluation, criteria, contribution of the directors and assess the fit and proper criteria of the respective directors standing for re-election in recommending their re-election;
- (iv) assessed the performance of the Executive Director for the duration of FP 2022 and recommended the extension of the director to the Board;
- (v) discussed the appointment of additional Independent Director to further enhance the effectiveness of Board Committees;
- (vi) discussed and recommended the Directors' Fit and Proper policy to the Board;

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(vii) assessed and approved appointment of Insurance Claim Consultant to assist in insurance claims; and

(viii) assessed and approved short term appointment of a Financial Advisor to assist the Management in relation to the proposed acquisition of EB Packaging Sdn Bhd.

### Remuneration Committee

The Remuneration Committee takes the overall responsibility of reviewing the remuneration of the Executive Director, directors and senior executives of the Group.

The members of the Remuneration Committee during the period were:-

#### Chairman

Encik Azmi Bin Arshad  
(Independent Non-Executive Director)

#### Members

Mr. Yong Kwet On  
(Non-Independent Non-Executive Director)

To' Puan Rozana Binti Tan Sri Redzuan  
(Independent Non-Executive Director)

Datuk Kamal Bin Khalid  
(Independent Non-Executive Director)

The Committee consists of only Non-Executive Directors with the majority being Independent Directors.

The terms of reference and activities of the Committee are set out below:

- (i) determine and agree with the Board the framework or broad policy for the remuneration of the Group's Executive Director and Non-Executive Directors and other senior executives of the Group;
- (ii) determine and recommend to the Board any performance related pay schemes for the Group;
- (iii) determine the policy and scope of service agreements for the Executive and Non-Executive Directors, termination payments and compensation commitments;
- (iv) oversee any major changes in employee remuneration and benefit structures throughout the Group; and
- (v) recommend to the Board the appointment of the services of advisers or consultants as it deems necessary to fulfil its responsibilities.

### Remuneration

The remuneration of the Directors is set at levels so as to enable the Group to attract and retain Directors with relevant experience and expertise to assist in managing the Group effectively. The Executive Director receive remuneration which is determined based on his level of responsibilities, skills, experience and performance. The Non- Executive Directors receive fees for their services rendered which are subject to the shareholders' approval at the forthcoming Annual General Meeting (AGM) before payment is disburse.

Details of Directors' remuneration for the financial period ended 30 June 2022 covering 18 months are as follows:

	Salaries* RM'000	Allowances RM'000	Fees RM'000	Total RM'000
<b>Non-Executive Directors</b>				
Mr. Yong Kwet On	-	11.7	120.0	131.7
To' Puan Rozana Binti Tan Sri Redzuan	-	8.3	120.0	128.3
Datuk Kamal Bin Khalid	-	7.5	120.0	127.5
Encik Azmi Bin Arshad	-	8.9	120.0	128.9
<b>Executive Directors</b>				
Mr. Tan See Yin	803.9	-	-	803.9

\* Includes basic salary, fixed allowance, EPF and Socso paid in FP 2022.

The number of Directors whose remuneration falls into each successive band of RM50,000.00 for the financial period ended 30 June 2022 are set out below:

Range of Remuneration	Executive Directors	Non-Executive Directors
RM100,001 to RM150,000	NIL	4
RM800,001 to RM850,000	1	NIL
Total	1	4



The Board is aware of the need for transparency in the disclosure of its senior management's (who are not Board members) remuneration. However, the Board is of the view that such disclosure could be detrimental to its business interests given the highly competitive human resource environment in the industry in which the Group operates where there is constantly intense headhunting for personnel with the right expertise, knowledge and relevant working experience. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.

The Board ensures that the remuneration of the senior management personnel commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating senior management to lead and run the Company successfully.

### Attendance of Directors

The attendance of individual Directors at the Board and the various Board Committees meetings during FP 2022 is as detailed below:

Director	Board	AC	RC	NC	RMC	IDC	ESOS
<b>Non-Independent Non-Executive Director</b>							
Yong Kwet On	11/11		5/5	3/3		5/5	
<b>Independent Non-Executive Director</b>							
Datuk Kamal Bin Khalid	10/11	7/7	4/5	2/3	1/1	4/5	
To' Puan Rozana Binti Tan Sri Redzuan	11/11	7/7	5/5	3/3			*
Encik Azmi Bin Arshad	11/11	7/7	5/5	3/3	1/1		
<b>Executive Directors</b>							
Tan See Yin	11/11					5/5	

\* Last meeting was on 18 August 2020 and the last grant was on 21 May 2021.

■ Board/Board Committee Chairman    ■ Member

AC      Audit Committee  
 RC      Remuneration Committee  
 NC      Nomination Committee  
 RMC     Risk Management Committee  
 IDC     Investment and Development Committee  
 ESOS    Employees' Share Option Scheme Committee

### Code of Conduct

The Board firmly believes in and observes the Directors' Code of Ethics established by the Companies Commission of Malaysia ("CCM") which can be viewed from CCM's website at [www.ssm.com.my](http://www.ssm.com.my).

The Group adopts the "Code of Conduct" which applies to the management and employees of the Group. The "Code of Conduct" is an ethical compass, addresses the most relevant ethical issues that an employee can face in his or her daily work life. The "Code of Conduct" has a set of provisions that ensure the Group is in compliance with laws and regulations, privacy, confidentiality and sound employment practices. Moreover, there are provisions on conflicts of interests, business courtesies and the protection and proper use of the Group's resources and assets.

### Whistle-blowing Policy

The Board has formed the Whistle-blowing Committee which serves as a platform to facilitate concerned employees and any member of the public such as our suppliers, agents, contractors, shareholders and customers who become aware of any misconduct or inappropriate practices, to submit reports/complaints of any such misdeeds, bad practices or suspected irregularity, by email to [whistleblower@tomypak.com.my](mailto:whistleblower@tomypak.com.my) or respective Committee members or physical delivery of such reports to company by mail to office premises. The Whistle-Blowing Committee consists of two Independent Non-Executive Directors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### Anti-Bribery Management System ("ABMS")

The Board recognises that the 2018 Malaysian Anti-Corruption Commission (Amendment) Act ("MACC (Amendment) Act 2018") was passed in Parliament and gazetted on 4 May 2018 and has been effective since 1 June 2020. The main thrust of this Act was to introduce a new far reaching corporate liability provision into the existing MACC Act 2009. The amendment introduced a new Section 17A, which provided that "a commercial organization commits an offence if any person associated with the commercial organization commits a corrupt act in order to obtain or retain business or advantage for the commercial organization".

To implement the above effectively, the Group appointed an external consulting firm to work with management to review and modify the policies and procedures on gifts, entertainment, hospitality & travel, and charitable donations and sponsorships. A systematic review was carried out and resulting from this review, a set of policies on such matters was developed and communicated to all staff. In addition, for purpose of monitoring, all employees are required to submit details of any gifts, entertainment, hospitality and similar benefits they provide or receive, to the Human Resource Department through their respective Heads of Department.

An Anti-Bribery Committee chaired by the Executive Director was formed and serves as a platform to facilitate the training and communication of ABMS policies and procedures to all the new joiners and company staff every year, as well as periodically review the existing policies to reflect current situation.

### Directors' Fit and Proper Policy

The Board had on 29 June 2022 approved and adopted a Directors' Fit and Proper Policy, that serves as a guide to the NC and the Board in their review and assessment of candidates to be appointed to the Board as well as existing directors who are retiring and seeking re-election. The aforesaid policy serves to ensure that the person to be appointed or re-elected as a director possesses the necessary character and integrity, experience and competence as well as the ability to discharge and give appropriate commitment and participation and contribution to the Board and the Company.

The Directors' Fit and Proper Policy is published on the Company's website at [www.tomypak.com.my](http://www.tomypak.com.my).

### Strategies for Sustainability

The Board recognizes and accepts the importance of sustainability practices in the conduct of the Group business and promotes best practices which emphasize on adopting the most environmentally friendly business practices, and to promote amongst all employees the value of betterment of the environment, community and workplace. Various policies and best practices have been formulated and documented for all employees to be aware of and adhered to.

The Tomypak Group recognizes that the management of the Group ESG issues requires full time commitment and has thus organisationally incorporated this as a key and critical position that was filled in FY 2019. A comprehensive ESG program was developed as an important component of the overall strategic plan and implementation of various programs were undertaken in FP 2022 at the Senai plant where the main operations of the Tomypak Group were prior to the 19 December 2021 fire incident. The retrofitting of the new Tampoi plant has provided the Group with further and renewed opportunities to incorporate additional strategies that will enhance Tomypak Group's involvement and implementation of ESG programmes.

Another positive step taken with the recent organisation changes is the formation of a Sustainability Committee, chaired by the Executive Director with a member of the Board of Directors as Advisor.

The details of the sustainability initiatives are furnished in the Sustainability Report on pages 41 to 46 of this Annual Report.

### Access to Information and Advice

The Board has access to timely and accurate information within the Group, which allows them to discharge their duties effectively and efficiently. All Directors are furnished with comprehensive board papers, usually one (1) week before the Board meeting, to enable the Directors to have sufficient time to review the board papers and to obtain further explanations and information, where necessary, to facilitate the decision making process and the meaningful discharge of their duties.

The board papers include the meeting agenda, minutes of previous meeting, updates on matters arising from previous meeting, financial results, marketing and sales results, rolling forecasts for the financial year, industry issues and developments, human resources matters, and where appropriate for the Board information, latest developments in the Group. All proceedings of the Board and the Board Committees are minuted, reviewed and confirmed at the subsequent meeting by the respective Chairman of the meetings.

Directors have access to the financial and operation officers as well as the internal and external auditors of the Group. Where necessary, Board members are also entitled to seek independent professional advice on specific issues at the Group's expense to enable them to discharge their duties.

### Qualified Company Secretary

The Board has engaged the services of qualified and competent Company Secretaries who provide support to the Board for ensuring that the Board and its each respective committee's procedures are adhered to and that applicable laws and regulations are complied with. These include obligations of directors relating to disclosure of interests and disclosure of any conflict of interests in transactions with the Group.

The Company Secretaries organise and attend all Board and Board Committee meetings and are responsible for ensuring that Board and all committees' meeting procedures are followed and the Group's statutory records are maintained accordingly at the registered office of the Group.

### Board Charter

The Board has adopted a Board Charter which sets out the structure, role, function, composition and responsibilities of the Board. The Board Charter is used as a source of reference and provides insights to the Board.

The Directors will periodically review and where necessary revise the Board Charter in accordance with the needs of the Group and any new regulations that may have impact on the discharge of the Board's duties and responsibilities.

The Board Charter is available for reference in the Company's website at [www.tomypak.com.my](http://www.tomypak.com.my).

## EFFECTIVE AUDIT AND RISK MANAGEMENT

The Board appreciates that an effective and robust risk management and internal control framework is necessary to ensure that the Group executes its strategies with measures taken to minimise risk and impact of potentially adverse events. In this respect, the Group also manages this effectively through the Audit Committee, the Risk Management Committee, the Investment and Development Committee and the internal audit function.

The Board also takes cognizance that as the Group expanded its business operations over the past few years and prevailing external factors such as geopolitical tension and health pandemic, etc, the risk profile of the Group has changed as more risks were identified. With the unfortunate event on 19 December 2021, the risk profile of the Group has changed even further. Given this challenging environment, the Board has instructed the Risk Management Committee to increase the frequency of the RMC (and/or the RMC nominated sub committees) should meet and at the same time, to intensify its assessment as well as propose and implement additional effective risk strategies.

### Audit Committee ("AC")

The AC has been in place since 15 March 1996 and takes the overall responsibility to ensure compliance of accounting policies, reliability of financial statements and both internal and external audit findings. The AC also has policies and procedures in place to assess the suitability and independence of external auditors.

The AC is chaired by an Independent Director. All members of the AC are Independent Directors and are either members of Malaysian Institute of Accountants ("MIA") or are financially literate.

The composition, terms of reference and activities of the AC are set on pages 34 to 36 of this Annual Report.

### Assessment of Suitability and Independence of External Auditors

The Company has always maintained a transparent relationship with its external auditors through the AC in seeking professional advice and ensuring compliance with accounting standards.

The AC has reviewed and monitored the suitability and independence of the external auditors, assessed their performance and reported to the Board its recommendation for the reappointment of the external auditors at the forthcoming annual general meeting.

The external auditors are invited to attend the annual general meeting of the Group and are available to respond to any Shareholders' enquiries. There were no significant non-audit services provided by the external auditors for FP 2022 except for the review of the Statement on Risk Management and Internal Control.

### Risk Management Committee

The Risk Management Committee was established on 27 February 2003 and takes the overall responsibility for developing, evaluating and monitoring risk policies, procedures and controls. The composition, terms of reference and activities of the committee are set out below:

The Risk Management Committee in FP 2022 comprised the following members:

#### Chairman

Datuk Kamal Bin Khalid  
(Independent Non-Executive Director)

#### Members

Encik Azmi Bin Arshad  
(Non-Independent Non-Executive Director)

Mr. Tok Fu Soon  
(Senior Manager of Corporate Affairs of Tomypak Flexible Packaging Sdn. Bhd.)

The functions of the Committee are as follows:

- (i) investigate and assess prevailing state of internal and external risk control already in place in the Group;
- (ii) extract, encourage or assist members of staff to highlight and propose strategies and action plans to overcome identified risks;
- (iii) where necessary, provide assistance and advice to Board members of the Group on reasonable strategies and action plans to overcome, lessen or limit unavoidable risks;

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

- (iv) highlight to the Board of Directors any situation, transaction, procedure or conduct that raises questions of negligence;
- (v) ensure coordination where participation of more than one department of the Company is required to avoid or lessen a prevailing risk;
- (vi) review reports from the Group relating to
  - (a) risk identification;
  - (b) steps taken to avoid/lessen risk;
  - (c) damage control (emergency plan) i.e. steps in place or to be taken in the event existing preventive measures fail; and
  - (d) monitoring the risks and control continuously
- (vii) communicate any updated and new processes to all employees with the Company so as to build awareness amongst all employees; and
- (viii) ensure appropriate training in risk management are provided to all employees to enhance greater understanding and facilitate informed decision making.

During the period under review, one (1) meeting was held by the Risk Management Committee to review and update the Risk Assessment Report, Detail Risk Register and Risk Management Policy and Procedure. The Group has taken steps to ensure that the risks are identified and managed properly.

The Statement on Risk Management and Internal Control set out on pages 37 to 40 of this Annual Report provides an overview of the state of risk management and internal control within the Group.

### Investment and Development Committee

In addition to the Risk Management Committee, the Board formed an Investment and Development Committee ("IDC") in February 2016 (*formerly known as Development Committee when it was first formed in 2015*) to oversee and manage the key risks in relation to the Group's expansion program involving the development of a new manufacturing facility in Senai.

Upon completion of the development plan for Senai, the role of the IDC was expanded to assist the Board in reviewing the strategic plans for future growth of Tomypak, including review of any potential mergers and acquisitions, assessing other strategies for the future sustainable expansion and growth, major procurement and other corporate matters. The IDC after careful deliberations will then make the final recommendations to the Board of Directors for approval.

After the unfortunate fire incident of 19 December 2021, the IDC undertook the key role in reviewing and managing key risks in relation to the Business Recovery Plan prepared and implemented by the Management to ensure that primarily

goals such as customer base protection and retention, reinstating production capabilities within the shortest timeframe and positioning the Company to address new customer requirements and market trends are successfully implemented. The IDC also undertook the responsibilities of reviewing and ensuring that all risks associated expansion strategies such as the proposed acquisition of EB Packaging Sdn Bhd are appropriately reviewed, discussed and mitigating strategies are in place to minimise or eliminate the risks identified.

The IDC after careful deliberations will then make the final recommendations to the Board of Directors for approval.

The Investment and Development Committee in FP 2022 comprised of the following members:

#### Chairman

Mr. Yong Kwet On  
(Non-Independent Non-Executive Director)

#### Members

Datuk Kamal Bin Khalid  
(Independent Non-Executive Director)

Mr. Tan See Yin  
(Executive Director)

The Investment and Development Committee met on five (5) occasions during the financial period ended 30 June 2022. The following activities were undertaken by the Investment and Development Committee during the financial period under review:

- reviewed whether the Group had achieved the initial targets set out for the expansion and discussed with management appropriate strategies and action plans to make up for the shortfall;
- reviewed potential mergers and acquisition candidates put forth by Management for consideration and briefed the Board;
- initiated and oversaw the revision of the Group's strategies and action plans to achieve further growth for the Group;
- reviewed 5 years strategic plan and action plans on sales & marketing, financial & corporate, production, human resources and corporate social responsibilities to achieve approved business target;
- reviewed and recommend the five major key performance indicators ("KPIs) of the Group to the Board for approval and implementation;
- reviewed and approved the Business Recovery Plan proposed by Management for consideration and briefed the Board; and

- reviewed the proposed acquisition of EB Packaging Sdn Bhd and all the relevant matters including result and findings of the due diligence exercises.

### Internal Audit Functions

The Group has an internal audit function that is outsourced to an external consultant who submits and present relevant Internal Audit Reports to the AC on a quarterly basis.

The AC reviewed the internal audit scope of work, audit plans prior to the commencement of the internal audit. The audit has been conducted with reference to the guidelines of the International Professional Practice Framework for Internal Audit; International Standards for the Professional Practice of Internal Auditing and Code of Ethics as well as the Group's policies.

The internal auditor reported to the AC their recommendations for improvement of areas in control procedures. Follow-up audits were also carried out by the internal auditor to review the implementation of management action plans of the observations highlighted in Internal Audit Reports.

The internal audit function of the Group is detailed in the Statement on Risk Management and Internal Control on page 37 to 40.

### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKE- HOLDERS

#### Compliance with applicable financial reporting standards

The Board aims to present a balanced and understandable assessment of the Group's financial performance and prospects to its shareholders, investors, regulatory authorities and other stakeholders. The assessment is primarily provided in the audited financial statements and the quarterly results announcement as well as the Chairman's Statement and the Management Discussion and Analysis in the Annual Report. The Board ensures that the financial statements are drawn up in accordance with the Act and applicable accounting standards in Malaysia, particularly new standards as these standards are adopted in Malaysia.

The Audit Committee assists the Board to oversee the Group's financial reporting process and the quality of its financial reporting.

The Audit Committee reviews the quarterly unaudited financial results and announcements, final audited financial statements of the Group prior to recommending them to the Board of Directors for adoption and approval. The review is to ensure that the audited financial statements is in compliance with the provisions of the Companies Act 2016 and the applicable accounting standards approved by the Malaysian Accounting Standard Board.

The Audit Committee also reviews the audit findings of the external auditor arising from the audited financial statements as well as the audit findings of the internal auditor together with the management's responses thereon.

A Statement of Directors' responsibilities in preparing the financial statements is set out on page 109 of this Annual Report.

#### Strengthen Relationship Between Company and Shareholders Through Effective Communications

The Company understands and values the importance of effective communication with its shareholders.

The Group strives to provide its shareholders and investors with an overview of the Group's performance and operations by the timely release of financial results announcement through the Bursa Malaysia Securities Berhad website on a quarterly basis.

In addition, the Executive Director plays a major role in providing updates on the Group's activities by conducting regular meetings, dialogues and discussions with fund managers, financial analysts and media.

The Annual General Meeting ("AGM") of the Group also represents the principal forum for dialogue and interaction with all shareholders. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report at least 21 days before the date of the meeting. At each AGM, the Board encourages shareholders to participate in the question and answer session. The Chairman and other directors as well as the external auditors are present to answer questions raised by shareholders at the AGM including questions raised by the Minority Shareholders Watch Group. Results of all resolutions proposed at the AGM are announced to Bursa Malaysia Securities Berhad at the end of the meeting day.

The rights of shareholders, including the rights to demand for a poll, are found in the Company's Constitution.

To maintain transparency and effectively address any issues or concerns, the Group has created an email address at investor@tomypak.com.my where shareholders or other parties may raise any queries or concerns pertaining to the Group. Relevant queries will be reviewed and addressed by the Board accordingly.

#### Timely and High-Quality Disclosure

The Board observes the Corporate Disclosure Policy issued by Bursa Malaysia Securities Berhad which can be viewed at Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and complies with the disclosure requirements of the MMLR.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Group's corporate website at [www.tomypak.com.my](http://www.tomypak.com.my) serves as a key communication channel for shareholders, investors and the public to obtain up-to-date information on the Group, such as press statements, announcements, and corporate activities. As required by the Malaysian Code on Corporate Governance, the Board Charter and Corporate Governance Report are also available on the aforesaid website.

### Information Technology

The Board fully recognizes and subscribes to the use of information technology as the most efficient means of communication with all stakeholders. In this respect, information on the current website of the company is being constantly updated to ensure effective dissemination of information to all stakeholders. The Group maintains a website where information on the company, its annual reports,

quarterly and other announcements and other relevant information are easily available for reference. Investors can also write in to [investors@tomypak.com.my](mailto:investors@tomypak.com.my) to post any enquiries.

### DIRECTORS TRAINING

All the Directors have completed the Mandatory Accreditation Programme ('MAP') as required by Bursa Malaysia Securities Berhad.

The Directors will continue to attend relevant seminars and courses to stay abreast with the various issues arising from the ever-changing business environment, regulatory and corporate governance developments to enhance their professionalism and knowledge to effectively discharge their duties and obligations.

The trainings attended by the Directors, collectively or individually were as follows:

Name of Director	Topic of seminar/ briefing
Mr. Yong Kwet On	<ul style="list-style-type: none"> <li>Keeping Your Cool in The Heat of Corporate Investigations</li> <li>Board and Executive Remuneration in Times of Crisis</li> </ul>
To' Puan Rozana Binti Tan Sri Redzuan	<ul style="list-style-type: none"> <li>Collaboration in the Boardroom: Behavioural and Relationships</li> <li>Building the Mindsets of Tomorrow</li> <li>Board and Executive Remuneration in Times of Crisis</li> <li>Tax Measures and Impact on Businesses and Households</li> </ul>
Encik Azmi Bin Arshad	<ul style="list-style-type: none"> <li>Collaboration in the Boardroom: Behavioural and Relationships</li> <li>Building the Mindsets of Tomorrow</li> <li>Keeping Your Cool In The Heat of Corporate Investigations</li> <li>MCCG Revision 2021 - Changing the Game in Corporate Governance</li> <li>Board and Executive Remuneration in Times of Crisis</li> <li>Audit Oversight Board's Conversation with Audit Committee</li> </ul>
Datuk Kamal Bin Khalid	<ul style="list-style-type: none"> <li>Celcom Axiata Digital Data Driven Forum</li> </ul>
Mr. Tan See Yin	<ul style="list-style-type: none"> <li>Malaysian Code on Corporate Governance ("MCCG") Revision 2021: Key Impact and How You Can Transform for the Better</li> <li>Board and Executive Remuneration in Times of Crisis</li> </ul>

### OTHER COMPLIANCE INFORMATION

#### Material Contracts

There were no material contracts entered into by the Company or its subsidiaries during the financial period which involve the Directors and substantial shareholders' interests.

#### Utilisation of Proceeds

No proceeds were raised by the Company from any corporate proposal during the period.

#### Audit Fees

The amount of audit fees payable to external auditors by the Group for the financial period ended 30 June 2022 amounted to RM278,000.

### Non-Audit Fees

Non-audit fees incurred by the Group for the financial period ended 30 June 2022 amounted to RM5,000. This is principally for the review of Statement on the Risk Management and Internal Control for Annual Report 2022.

### Employees' Share Option Scheme ("ESOS")

Upon completion of the Rights Issue with Warrants, the Tomypak Group implemented the ESOS with effect from 8 July 2016, for the eligible Directors and employees of Group. The ESOS had been in force for a duration of five (5) years from 8 July 2016 and expired on 7 July 2021.

The details of the scheme as at 30 June 2022, since the commencement are as follows:-

	Number of options ('000)		
	Directors	Employees	Total
Total options granted	3,833	26,511	30,344
Total options exercised/lapsed by 7 July 2021	3,833	26,511	30,344
Total options outstanding as at 30 June 2022	-	-	-

Pursuant to the Company's ESOS By-laws, the aggregate maximum number of Shares available under the ESOS scheme to the directors of the Tomypak Group shall not exceed 13% of the total Shares to be issued and allotted under the ESOS scheme.

### Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Group and the Directors by the relevant regulatory bodies.

### 2022 AND BEYOND

The Board recognizes that there will always be opportunities to improve corporate governance activities which will enhance the profile of the Group amongst all its stakeholders. In this respect, the Board will continue to ensure that emphasis will be placed on specific areas that the Group needs to improve.



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# AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial period ended 30 June 2022.

## MEMBERS OF AUDIT COMMITTEE

The Audit Committee was established by the Board on 15 March 1996. The members of the Audit Committee during the FP 2022 are as follows:

### Chairman

Encik Azmi Bin Arshad  
(Independent Non-Executive Director)

### Members

To' Puan Rozana Binti Tan Sri Redzuan  
(Independent Non-Executive Director)

Datuk Kamal Bin Khalid  
(Independent Non-Executive Director)

The Audit Committee consists of three (3) Independent Non-Executive Directors of whom one is a Malaysian Institute of Accountants ("MIA") member. Please refer to the Directors Profile for further details of the members.

## TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:

### 1. Objectives of the Committee

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the Audit Committee shall:

- a) oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) assess the Group's processes relating to its risks and control environment.

### 2. Functions

The functions of the Audit Committee are as follows:

- a) review the following and report the same to the Board of Directors:
  - i) with the external auditors, the audit plan;
  - ii) with the external auditors, their evaluation of the system of internal controls;
  - iii) with the external auditors, the audit report;
  - iv) the assistance given by the Company's employees to the external auditors; and
  - v) any related party transaction and conflict of interest situation that may arise within the Company or the Tomypak Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) consider the external auditors' independence, objectivity, effectiveness and terms of engagement, including taking into consideration the provision of audit and non-audit services by the external auditors before recommending their re-appointment and fees;
- c) discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;
- d) review the quarterly results and period-end financial statements of the company and its subsidiaries, focusing particularly on:-
  - any changes in accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.
- e) discuss problems, issues and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- f) review the external auditor's management letter and management's response;

- g) carry out the following:
- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
  - review the appointment and performance of a firm of qualified professionals as the Tomypak Group's internal auditors as well as their independence and objectivity in fulfilling the internal audit function; and
  - review the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.
- h) consider the major findings of internal investigations and management's response; and
- i) consider other areas as defined by the Board.

### 3. Meetings

The Audit Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties.

In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any Committee member, the Executive Director, or the internal or external auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in consultation with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to the Committee members and to other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other directors and employees attend any particular Audit Committee meeting, specific to the relevant meeting.

The Audit Committee held a total of seven (7) meetings during the financial period ended 30 June 2022. The attendances of the Audit Committee members are as follows:

	Meetings Attended
<b>Encik Azmi Bin Arshad</b> (Chairman) Independent Non-Executive Director	7/7
<b>To' Puan Rozana Binti</b> <b>Tan Sri Redzuan</b> Independent Non-Executive Director	7/7
<b>Datuk Kamal Bin Khalid</b> Independent Non-Executive Director	7/7

In addition, the Audit Committee also held two private sessions with the external auditors without the presence of management.

### ACTIVITIES OF THE AUDIT COMMITTEE

The following activities were undertaken by the Audit Committee during the financial period under review:

- (i) reviewed the quarterly unaudited financial results and announcements of the Group prior to recommending them to the Board of Directors for approval;
- (ii) reviewed the audited financial statements of the Group prior to recommending them to the Board of Directors for approval;
- (iii) reviewed with the external auditor their scope of work, audit plans and reporting requirements for the period;
- (iv) reviewed the external auditors' competency, independence and suitability and recommend to the Board of Directors for their reappointment and their audit fee;
- (v) reviewed related party transaction and conflict of interest situation that arose within the Tomypak Group;
- (vi) reviewed the internal audit reports, which highlighted the audit issues, recommendations and management's response. Discussed with management the actions taken to improve the system of internal control;
- (vii) recommended to the Board the improvement opportunities in risk management, internal control and governance processes;

## AUDIT COMMITTEE REPORT (CONT'D)

- (viii) reviewed the Group's compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad and other relevant legal and regulatory requirements; and
- (ix) deliberated, including discussion with legal counsel, and investigated certain issues raised in the previous AGM.

### INTERNAL AUDIT FUNCTION

The Group does not have an internal audit department. Instead, the Group has engaged an external professional firm as its internal auditors to ensure that the Group continually has in place a sound system of internal controls for identifying, evaluating and managing significant risks that may be faced by the Group. The internal auditors provide independent and objective reports on various functional areas of the Group, including the organization's management, recording systems, various policies and procedures to the Audit Committee and the Board.

The role of the internal audit function is totally independent and not related to the Group's external auditors. The internal audits will include evaluation of the processes by which significant risks are identified, assessed and managed and ensuring that instituted controls are appropriate and effectively applied and the risk exposures are consistent with the Company's risk management policy.

During the period under review, three (3) internal audits were performed by the internal auditor to identify the risks associated with the activities, processes and systems of the areas audited. An evaluation of the risk was conducted based on an examination of the policies, manual and standards that govern these activities, processes, systems and data contained in relevant systems. Key personnel were also interviewed as part of the review process by the internal auditors.

The identified risks were then evaluated in terms of probability of occurrence and their impact on the functional process and the potential impact on the company as a whole after taking into consideration Management's inherent controls at the time of audit.

Internal audit reports are presented in detail to the Audit Committee highlighting the audit issues, the root cause of any issues discovered, the risks and implications, audit recommendations, management action plans, persons responsible and implementation timeline. The Audit Committee discusses with management the actions taken or further required to improve the internal control system and may recommend to the Board improvements in risk management, internal control and governance processes. A follow up review on the action plans to be undertaken by management is also conducted by the Audit Committee at the subsequent internal audit presentation.

During the financial period under review, the following internal audit reviews were conducted on the key process risks, controls and compliance surrounding the following areas:-

- (i) Information Technology General Control (IT disaster recovery plan, IT vendor evaluation, password management, data backup encryption, security incident reporting, IT asset disposal procedure);
- (ii) Safety & Health Management (inspection of First Aid Box, hazard identification, risk assessment and risk control, standard operating procedures); and
- (iii) Covid-19 – Business Resilience (pandemic response, supply chain resilience, manpower resilience, productivity resilience).

The amount of internal audit fees paid to internal auditors by the Group for the financial period ended 30 June 2022 amounted to RM40,500.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

**The Board of Directors (“the Board”) is committed to maintaining a robust system of internal controls as well as to ensure that there is an adequate and effective risk management system in place to safeguard shareholders’ investment and the Group’s assets. In doing so, the Board acknowledges its responsibility to identify major risks faced by the Group and ensure that relevant internal controls and appropriate and adequate operational policies and procedures are in place and complied with, in order to manage these risks within an acceptable risk profile to ensure that the Group’s business objectives are achieved.**

In view of the above, the Board is pleased to provide the following Statement on Risk Management and Internal Control which outlines the nature and scope of internal controls of the Group during the period pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

## BOARD OF DIRECTORS’ RESPONSIBILITIES

The Board understands fully its responsibility to maintain a sound system of risk management and internal controls and ensure accurate information is presented in the financial statements. Risk management and internal control systems are designed to manage rather than eliminate the risk of failure in achieving business objectives. In view of the inherent limitations in any system of internal controls and risk management, it can therefore only provide reasonable, rather than absolute assurance against material errors, losses, or misstatements.

In pursuing the business objectives, internal controls can only provide reasonable but not absolute assurance against material misstatement, loss or fraud. As such, the Board recognises that risk management and internal control system is an important part of managing risks in an effort to attain a balanced achievement of its business objectives, and operational efficiency and effectiveness and considers the risk management and internal control system to be satisfactory for the financial period under review and up to the date of approval of the Statement on Risk Management and Internal Control.

The Board has endeavoured to identify the relevant major risks faced by the Group on a regular basis in order to monitor these risks so as to ensure that the Group achieves its business objectives. The process is regularly reviewed by the Board and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Board has received assurance from Executive Director, Corporate Finance Senior Manager (Risk Officer) and Finance Manager that the Group’s risks management and internal control system for the financial period and up to the date of approval of the Statement on Risk Management and Internal

Control is generally operating adequately and effectively in all material aspects based on the risk management and internal controls system of the Group, albeit there may be lapses that could have an impact on the overall performance of the Group.

## THE RISK MANAGEMENT FRAMEWORK

In reviewing the adequacy and effectiveness of the risk management and internal control system, the Board has always ensured that there are appropriate delegation of duties and responsibilities from the Board to the Executive Director and Senior Management (“collectively known as The Management”) in carrying out the main operating functions of the Group in line with its business plans and annual budgets.

The Board has insisted on the proper analyses and identification of major risks that may affect the Group’s operations and sustainability. Appropriate risk management and internal control systems are then put in place to manage these risks, with clear strategic action plans. The Board will mandate the Internal Auditors to conduct further audit periodically on critical risk areas to ensure that these risks are well managed, and that mitigation measures and appropriate actions have been undertaken by The Management.

The Board is assisted by the Risk Management Committee (“RMC”) in ensuring that there is an on-going and systematic risk management process undertaken by The Management to identify, assess and evaluate principal risks. (Further information on the composition as well as the Terms of Reference of the Risk Management Committee are listed on pages 29 and 30)

## The Operation Phase - January 2021 to 19 December 2021

Management conducts periodic meetings to ensure that risk matters relevant to the Group are identified and managed properly to mitigate those risks affecting the achievement of the Group’s business objectives. In this respect, one (1) meeting was held in FP 2022 and the Management had kept the Board updated with on-going identified risks on a regular basis. COVID-19 pandemic related risks such as increase in material costs, freight charges, delays in delivery due to port congestions, temporary plant shutdown, etc were identified and reassessed throughout this period together with those highlighted by the Internal Auditors in their periodic audit.

At the same time, at management level, the Operational Risk Management Committee (“ORMC”) led by the Executive Director assisted by the Risk Officer and the division/department heads continued to review, discuss and update the risk register on a quarterly basis.

Key risks profiles are comprised of four major categories: strategic, financial, operational and compliance. The risk profiles are regularly updated with appropriate mitigating action plans developed and the implementation approved by the RMC to manage the risks identified.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

To ensure all employees embrace risk management as part of their daily work culture, each division in the company has its own risk team to constantly review and update its Risk Register and discuss issues at the ORMC. Each division is required to hold their regular meetings to continuously monitor risks identified, determine whether any new risks have surfaced and develop as well as monitor implementation strategies to mitigate the risks.

The Management has also adopted an "open discussion" approach in the day-to-day management of the Group. This has enabled various major business risks to be identified and communicated easily and dealt with in a prompt and orderly manner.

### The Recovery Phase – 20 December 2021 onwards

In relation to the fire incident on 19 December 2021, the Group had formed a Crisis Management Committee ("CMC") which comprises the Executive Director and respective division/department heads to discuss and manage all the necessary actions including but not limited to submission of all documents to relevant authorities, dealing with insurance matters, discussion on business recovery plans, employees welfare management and customer relations. Subsequently, the Board has reviewed and approved the business recovery plan to ensure the expeditious recommencement of the business operations. The Tampoi Task Force Committee ("TTFC") was formed, the composition including all division/department heads, to monitor and execute the Phase 2 business recovery plan to set up a production facility at the existing Tampoi plant. The TTFC meets weekly to ensure all key decisions required are attended to expeditiously.

All aspects of implementing this new facility, ranging from the type and specifications of equipment to be purchased based on customers' requirements to the civil & structural and the mechanical & electrical retrofitting (including upgrading the entire fire-fighting system) to securing the necessary certifications (such as FSSC 22000), manpower planning, additional warehousing facilities etc were integrated into the business recovery plan and the implementation closely monitored.

### INVESTMENT AND DEVELOPMENT COMMITTEE

In addition to the RMC, the Board, in recognising the substantive risks associated with the expansion plans that the Group had undertaken in the development of a new manufacturing facility in Senai, established an Investment and Development Committee (formerly known as Development Committee) in the year of 2015. The Investment and Development Committee is led by a non-independent non-executive director and the members comprise an independent director, the executive director and management team.

The scope of the Investment and Development Committee includes review and recommendation to the Board for approval or otherwise of any potential collaboration, mergers or acquisitions and other key growth strategies.

During the period under review, five (5) Investment and Development Committee meetings were held to review, analyse and propose where appropriate and feasible to implement and recommend these investments and/or development plans to the Board of Directors. The Investment and Development Committee had taken reasonable steps to ensure that the investment or development plans include commercial and financial justifications, as well as ensuring that the source of funds were identified. The Committee also ensures that appropriate operational strategies including sales and marketing strategies, financial strategies and human resource strategies are in place.

A comprehensive strategic plan including performance indicators, business, operational, sales and marketing, financial, human resource and sustainability strategies were presented to the Investment and Development Committee for review and discussed to ensure that the Group's long-term objectives are met.

For FP 2022, the 3 phases of the Group's business recovery plan were presented to the Investment and Development Committee for review and the plan was then recommended to the Board for approval.

In addition, the Investment and Development Committee had reviewed the proposed business collaboration and acquisition opportunity with EB Packaging Sdn Bhd and recommended to the Board for the next course of action.

### INTERNAL AUDIT FUNCTION

In order to enhance the effectiveness of the risk management and internal control system, the internal audit functions of the Group for FP 2022 was outsourced to an external consultant, Tricor Axcelasia Sdn Bhd (formerly known as NGL Tricor Governance Sdn Bhd), who submits relevant Internal Audit Reports for Audit Committee's deliberation on a quarterly basis.

The Group adopts a risk-based approach to the implementation and monitoring of relevant internal controls. The Internal Auditors conduct briefing and interview as part of risk assessment to identify significant concerns and risks perceived by the ORMC in order to draw up the risk-based internal audit plan.

Meetings are held between the Internal Auditors, head of divisions/departments and Management to discuss actions taken on internal control issues identified through reports prepared from regular internal audit visits. Additionally, internal audit reports together with findings, management's responses and corrective actions are presented by the Internal Auditors to the Audit Committee.

Certain control and operational areas have been identified for further improvements as a result of the audits conducted during FP 2022 and these have been substantially addressed by the Board and the Audit Committee to ensure that immediate corrective actions are taken. Based on the recommendations of the Internal Auditors, various areas of internal controls were enhanced to tighten controls.

None of these areas identified have resulted in any material losses, contingencies or uncertainties that would require mentioning in the Company's Annual Report. The Management of the Group continues to take measures to strengthen the internal control environment from time to time based on the recommendations by the Internal Auditors.

Any areas of improvement identified during the course of the statutory audit are also brought to the attention of the Audit Committee to ensure remedial action is taken.

The Board recognises that the development of the risk management and internal control system is an ongoing process for identifying, evaluating and managing the risks faced by the Group, as the Group undergoes various phases of growth, more so as the Group has invested substantially to expand its production capacity.

The Board maintains an ongoing commitment to strengthen the Group's internal control function and processes.

Indeed, the Board and Audit Committee have always ensured that the Group maintains a sound system of internal controls, corporate governance and best practices taking cognisance of possible establishment of additional processes for identifying, evaluating and managing the significant risks within the Group in accordance with the guidelines stipulated in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" issued by Bursa Malaysia Securities Berhad.

Within the Group, effective risk management is dynamic and on-going and as such has implemented various key internal controls for identifying, evaluating and managing the significant risks that may affect the achievement of its business objectives throughout the financial period under review.

In this respect, the Group has incorporated various key elements into its risk management and internal control system in order to safeguard shareholders' investment and the Group's assets by: -

- giving authority to the Board's committee members to investigate and report on any areas of improvement for the betterment of the Group;
- performing review on major variances and deliberating irregularities (if any) in the Board meetings and Audit Committee meetings so as to identify the causes of the problems and formulate solutions to resolve them;
- considering comments from External Auditors and consultants on any weaknesses in the risk management and internal control system. The Board would also be informed on the matters brought up in the Audit Committee meetings on a timely basis;
- delegating authority to the Executive Director as the link between the Board and Senior Management in implementing effective risk management and internal control system and managing the Group's operations in accordance with the Board's expectation;
- keeping The Management informed on the development of action plans for enhancing risk management and internal control system and allowing various management personnel to have access to important, accurate and timely information for better decision-making;
- monitoring key commercial, operational and financial risks through reviewing the risk management and internal control system and other operational structures so as to ensure that reasonable assurance on the effectiveness and efficiency of the same will mitigate the various risks faced by the Group to an appropriate level acceptable to the Board;
- maintaining internal policies and procedures which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group;
- formulating the appropriate business planning, budgeting and Key Performance Indicators ("KPI") so as to ensure the business performance is monitored on an ongoing basis. Key business risks are identified during the business planning process and are reviewed regularly during the period;
- regular audits (internal, HACCP and FSSC 22000) to boost operation efficiencies and assure consistency of product quality and work standards;
- on-going quality improvement initiatives throughout the Group;
- monitoring the day-to-day affairs of the Group by the management team through review of performance and operations reports and attending regular management meetings at different levels of the management hierarchy; and
- conducting regular review, developing and implementing appropriate and clear organisation structure with defined lines of authority, responsibility and accountability in place, to ensure the Group is able to achieve its strategies and business objectives.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the period ended 30 June 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.



First unit of 6-colour tandem gravure printing line.



# SUSTAINABILITY REPORT

## JOURNEY TO SUSTAINABILITY

Sustainability is vital to our everyday life and businesses. At Tomypak, we are determined to embed sustainability into our business activities and in everything we do. The Group is committed towards establishing a sustainable business and conducting our operations with a sustainability mindset at all corners and levels of business and society till it becomes part of our corporate culture. This is our ongoing key transformation and journey towards being a responsible corporation that places emphasis on people, planet & performance.

### Vision:

To be a global leader in sustainable flexible packaging who creates value for all stakeholders while protecting the environment for current and future generations.

Tomypak's pursuit of sustainable value creation through good corporate governance and commitment to ESG initiatives shall entail:

- Focus on attaining 100% of our plants' electricity requirements to be sourced from renewable energy in the long term.
- Circularity in the flexible packaging we produce that will be recycled or re-used to remain within the economy with none ending up in the landfill, seas or rivers.
- Reduction of wastage in production and conversion of waste into a significant income stream through responsible consumption and production practices.
- Being the preferred employer and a responsible investor in the manufacturing industry with well-defined sustainability initiatives, performance and culture.
- Ensuring all our plastic packaging is free of hazardous chemicals and processes to protect the health, safety, and rights of our people and respect for the community.
- Being at the helm of environmental best practices in mitigating climate change and deforestation, particularly in South East Asia where we operate in.

### Purpose and Mission:

To proactively meet customers' and society's dynamic demands for a sustainable future and contributing toward a healthy climate, environment and circular economy. This includes:

- Listening and collaborating with all our stakeholders to understand external developments, challenges and market expectations and identify potential opportunities and principal risks of our business.
- Strong governance and high transparency in building strong and trusting relationships with stakeholders and towards becoming a responsible and sustainable corporate citizen.
- Monitoring the welfare of our workforce and the labour force of our supply chains.
- Commitment towards reducing our carbon footprint by avoidance, reduction, replacing and, as a last resort, offsetting carbon in our footprint. (At present we have not yet measured our carbon footprint but will be doing so in the near future).
- Investing in R&D and collaborating with various interested parties to explore circular economy opportunities to create more value and employment.

### Core Values:

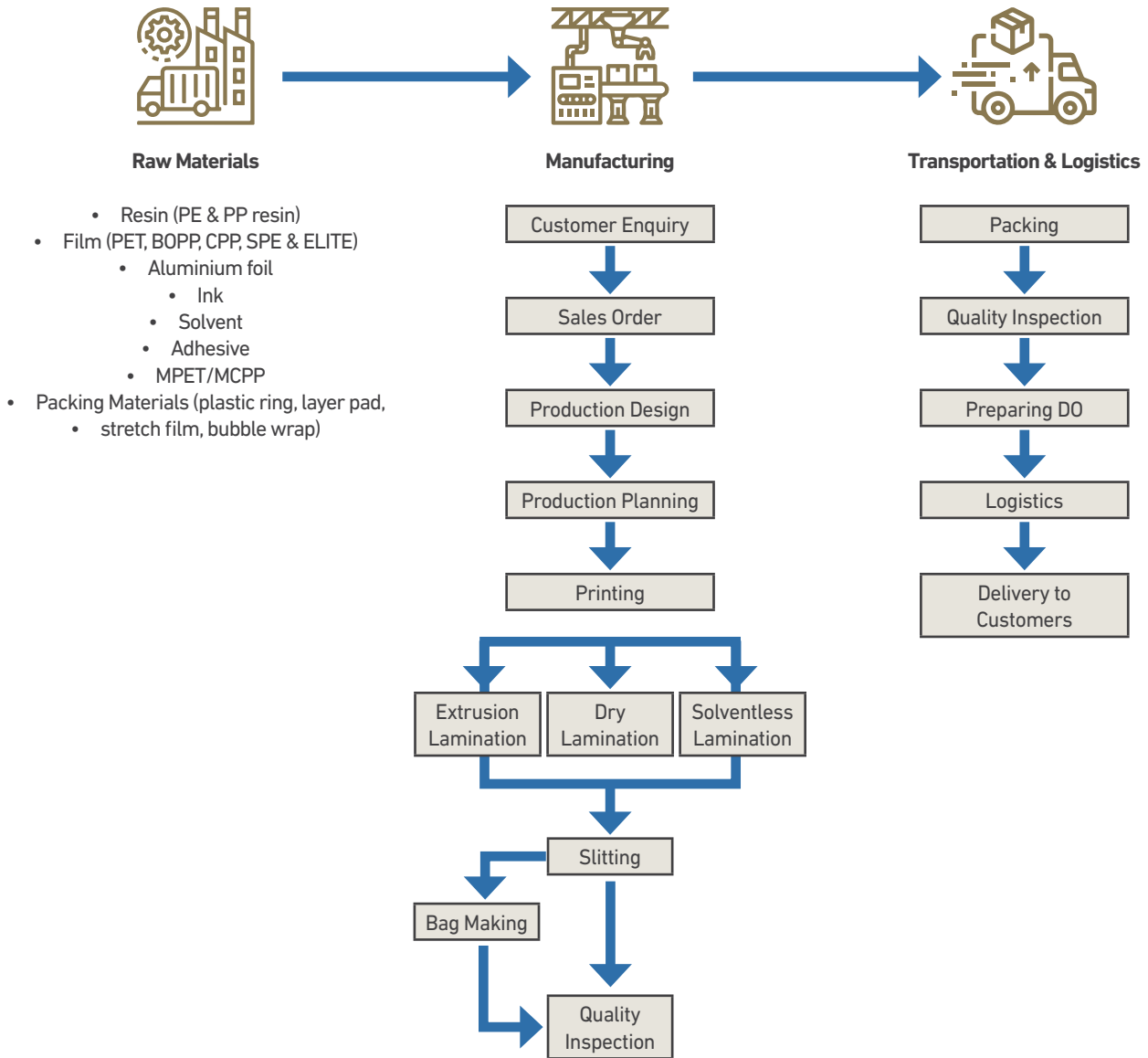
- **Integrity:** Standing by our principles and the company's code of ethics.
- **Empathy:** Being cognisant of the welfare of people, human rights and the environment.
- **Sincere, Truthful & Transparent:** Always trustworthy and accountable in all that we do.
- **Commitment:** To create and deliver value to ensure every customer's success.
- **Innovation:** R&D-focus with our technical expertise and constant close collaboration with partners, suppliers and customers enable us to develop sustainable and innovative products.



# SUSTAINABILITY REPORT

## (CONT'D)

Tomypak Flexible Packaging Supply Chain Flow:



## SUSTAINABILITY STRATEGY

Tomypak purchases its raw materials from sources worldwide, and at the same time services customers from different continents as well. As we broaden our product range and market footprint, we are well-aware of the increasing responsibility and sustainability risks and opportunities that may impact our business to sustain long-term value creation.

Our approach to addressing sustainability is to address Environmental, Social and Governance (ESG) aspects by developing a strong culture of sustainability within the workplace. We continually ensure that effective policies on ethics, social values and good environmental practices are systematically communicated at all levels of the Group's organisational structure. We have incorporated these elements into our decision-making processes at the highest level in the organisation to enable the Board and Management to lead Tomypak towards realising our long-term goals.

We are also committed to constantly adapting, improving and evolving to sustain the resilience to thrive in a dynamic business landscape. We remain guided by our aspirations for excellence through our vision & mission, core values, health & safety policies, ESG focus, and to all pertinent corporate governance and essential sustainability best practices.

We have embarked on our sustainability journey on our own initiative as we believe our business can help improve the quality of people's lives, protect our ecosystem and to preserve natural resources for future generations. Our holistic approach is to consider everything from raw materials to manufacturing to logistics and customer service where we are still gathering data for better sustainability reporting in the future. To this end, we will be internal and external experts to advise the company on measuring our carbon footprint, setting up a database of metrics, setting baselines and application of sustainability reporting standards, frameworks and guidelines as well as further initiatives and measures to strengthen our sustainability profile.

## SUSTAINABILITY GOVERNANCE

Tomypak's committed leadership and robust governance structure provide clear direction and influence required for the successful integration and effective management of our sustainability journey. Our sustainability governance process helps us implement our sustainability strategy across the business, enhance reporting, monitor progress, manage goal-setting and reporting processes, strengthen relations with internal and external stakeholders, and ensure overall accountability.

As a core part of good governance, the Group has formed a Sustainability Committee, which reports to the Board. The Sustainability Committee is chaired by the Managing Director with an independent director as advisor as well as comprises a good mix of coordinating executives to drive sustainability initiatives. Sustainability issues will be included in the agenda of board meetings at least twice a year.

*Please refer to page 23 of this Annual Report for details on our Corporate Governance.*

## MATERIALITY ASSESSMENT PROCESS

Key impacts were identified with reference to material topics in certain sustainability standards and through engagement with internal and external stakeholders mostly via meetings and digital communication. We then prioritised issues after taking into consideration the likelihood and severity of economic, social and environmental impacts.

## STAKEHOLDERS ENGAGEMENT

Tomypak's key stakeholders include its employees, customers, communities, investors, suppliers, contractors, as well as partners and industry associations. Up to now, the extent of engagement has been confined to a few stakeholders, including major customers, suppliers and government agencies to determine the material sustainability issues that are of concern to them. We aim to engage more stakeholders through meetings and other means of communication and produce a more detailed section on stakeholders' engagement in the future.

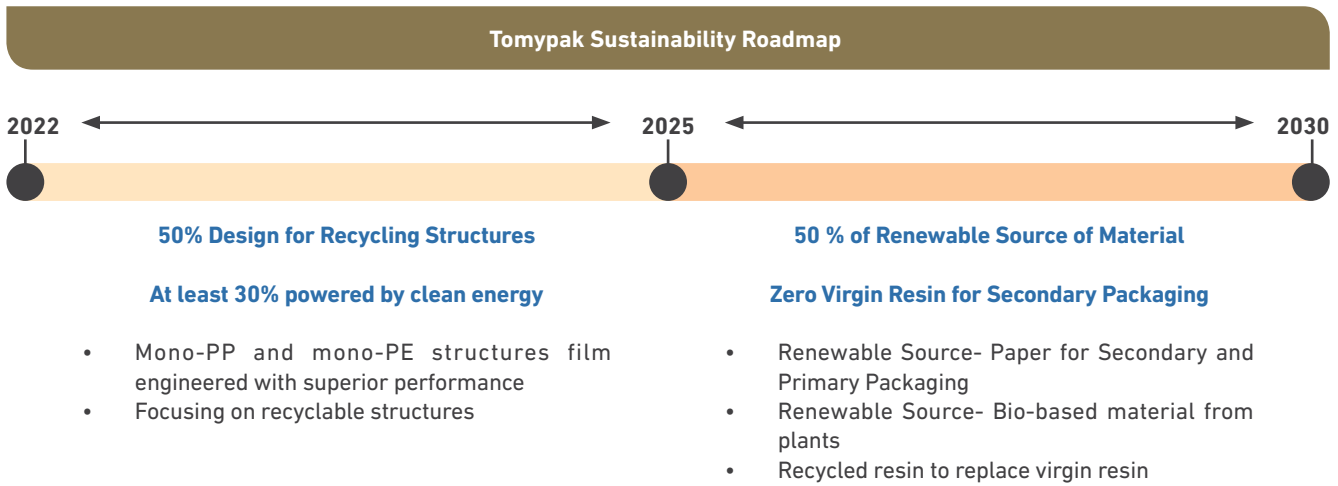
## MANAGING RISKS

Tomypak's risk management provides a systematic approach towards identifying, assessing and mitigating existing and potential risks that may impact our business operations as well as those where key stakeholders may be affected by our operations. This enables the Board and Management to integrate our sustainability-related priorities in our business model and value chains essential for competitiveness and the successful operation of our business.

*Please refer to page 37 of this Annual Report for details on our Statement on Risk Management and Internal Control.*

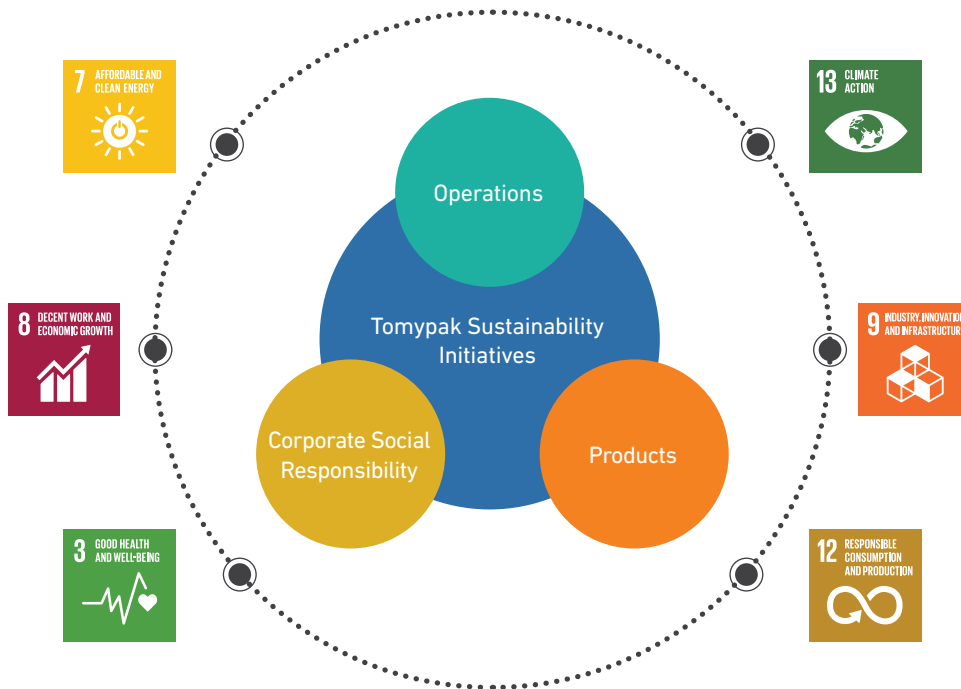
# SUSTAINABILITY REPORT (CONT'D)

## PRODUCT DEVELOPMENT SUSTAINABILITY ROADMAP



## MATERIAL SUSTAINABILITY RELATED IMPACTS

### Tomypak's Sustainability Development Goals (SDGs) in Action



## Workplace



Creating a healthy and safe environment for our employees, contractors, service providers, customers and visitors to our production facilities remain a priority with a strict policy to adhere to. Our Occupational, Safety, Health & Environment (OSHE) Committee is entrusted with cultivating safe workplace practices which encompass the following measures:

- Developing and administering safety policies.
- Conducting annual safety inspections of our production plants.
- Ensuring compliance with the Department of Occupational Safety and Health laws and regulations.
- To achieve and maintain our goal aimed for Zero accidents.
- Providing personal protective equipment to all production workers for their safety.
- Provide regular training sessions to all relevant production employees on fire safety, chemical spills, machine safety and accident-prevention.
- Investigate any safety incident including near misses and to take corrective measures to prevent future occurrences.
- Collaboration with the Fire Department to conduct training at our plants for our firefighting team to ensure preparedness in the eventuality of fire emergencies.

## Environment



We recognise that pollution, climate change and over-exploitation of natural resources can do great harm to human health, well-being and livelihoods and also negatively impact our business and operations. In order for our business and industry to flourish in a sustainable manner, we have taken or planned to take the following measures:

- Ensuring the availability of an assured supply of affordable and clean energy together with improved resource efficiency through the adoption of technology.

- Adopting environmental best practices in our production processes to minimise waste generation and manage scheduled waste within a compliant regulatory framework.
- Monitor and control emissions that consistently meet DOE guidelines, such as through the installation of carbon filters in all our exhaust systems.
- Adoption of solar energy as a step towards switching to clean electricity.
- Energy efficiency is given high consideration for machinery and equipment investment.
- Focus on developing sustainable flexible packaging solutions for effective environmental management and support of a circular economy.
- Cooperation with leading customers to play a more effective role particularly the conservation of the environment as we implement our solutions to align with their supply chain sustainability goals.

## Waste Management



### Solid Production Waste

Tomypak is in an industry where sustainable waste management continually aims to keep materials in use for as long as possible and to minimise the amount of solid waste sent to landfills or reduced as much as possible through incineration. We need to consider the entire lifecycle of the product to enable us to help reduce the negative environmental, social, and financial impacts of modern-day flexible packaging usage as well as circular economy opportunities.

Whether focusing on waste reduction at end-of-life or designing waste out of the production cycle at the conceptualisation stage, we are continuously improving our waste management practices to effectively deal with existing and anticipated waste streams, while also reducing the amount of waste at the same time, as follows:

- Mono structures of PE or PP are recycled.
- Mixed structures are sold for downcycling for non-food applications.

However, foil and metalised structures are currently non-recyclable and presently disposed of at the landfill.

# SUSTAINABILITY REPORT (CONT'D)

## Process Waste Water

Plans to install a wastewater treatment system by 2025 are in place not only to comply with the Department of Environment’s (DOE) regulations for clean water and ensure we do not negatively impact the environment around the community we operate in but also an opportunity for plant optimisation.

## Chemical & Other Hazardous Waste

The management of chemical and hazardous waste is undertaken by our appointed professional agents which includes the collection, recycling, treatment, transportation, disposal, and monitoring of waste disposal sites in accordance with DOE requirements for the disposal of scheduled waste

## Society & Social



Addressing social aspects involves having good our relations with our workforce and the communities in which we operate in. We view impacts from social concerns and our ability to effectively manage our relationships and reputation as critical to maintaining a long-term competitive advantage and public trust in the market.

The ability to maintain healthy, positive, fair, and ethical relationships with all our stakeholders is critical to the success of our business and includes taking the following initiatives:

- Engaging with the community to cultivate environmental awareness for their well-being and the preservation of natural resources.
- Practice responsible sourcing in an approach to actively and consciously source and procure supplies and services from supply chains that are ethical, sustainable and socially conscious.
- Adhering to our company’s purpose and commitment to the delivery of safe and effective products to consumers.
- Maintaining a safe and healthy working environment and complying with relevant laws and regulations to ensure the safety and health of our employees.
- To ensure all our employees are treated fairly and with respect.
- To provide equal employment opportunities to the community.
- Endeavour to increase staff retention rate and improve staff satisfaction rate by being a responsible employer.

## ANTI BRIBERY COMPLIANCE / ANTI CORRUPTION DECLARATION (ABC)

All participating vendors are required to comply with Tomypak’s ABC charter. Vendors are required to sign and agree to the Tomypak ABC charter regulation. Failure to comply, will result in the respective vendor not being considered in all Tomypak’s business.



Super combi dry and solventless laminating line’s room partitioning work progress in September 2022.



# FIVE-YEAR FINANCIAL HIGHLIGHTS AND FINANCIAL INDICATORS

Period/Year Ended 31 December/30 June <sup>(1)</sup>	2017	2018	2019	2020	2022
<b>Results (RM'000)</b>					
Revenue	205,907	168,382	158,061	154,285	167,157
Profit/(Loss) from operations <sup>(2)</sup>	11,174	(8,918)	(8,246)	1,434	(93,185)
Profit/(Loss) before taxation	9,889	(11,650)	(11,597)	(480)	(95,152)
Net Profit/(Loss) for the financial period/year	13,622	(1,870)	(11,609)	(540)	(99,860)
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	25,697	8,134	9,933	18,888	(74,571)
<b>Statement of financial position (RM'000)</b>					
Shareholders' equity	195,693	192,352	181,313	187,136	87,774
Total borrowings	50,757	78,206	73,556	53,602	62,613
Total assets	284,820	293,419	275,870	263,298	184,245
<b>Ratio</b>					
Earnings/(Loss) per share (sen) <sup>(3)</sup>	3.27	(0.44)	(2.77)	(0.15)	(23.16)
Interest cover (times) <sup>(4)</sup>	8.70	(3.26)	(2.46)	0.75	(47.37)
Return on equity <sup>(5)</sup>	6.96%	(0.97%)	(6.40%)	(0.29%)	(113.77%)
Return on total assets <sup>(6)</sup>	3.92%	(3.04%)	(2.99%)	0.54%	(50.58%)
Gearing <sup>(7)</sup>	0.26	0.41	0.41	0.29	0.71
Net assets per share (RM)	0.46	0.46	0.43	0.44	0.20

<sup>(1)</sup> The presentation of the 18-month financial period ended 30 June 2022 ("2022") follows a change in Tomypak's financial year end announced on 18 April 2022. The previous financial years presented (FY2017-FY2020) have a financial year end of 31 December

<sup>(2)</sup> Earnings before interest and tax

<sup>(3)</sup> Net Profit/(Loss) for the financial year/period over total number of shares as at 31 December/30 June

<sup>(4)</sup> Profit/(Loss) from operations over finance costs

<sup>(5)</sup> Net Profit/(Loss) for the financial year/period over Shareholders' equity

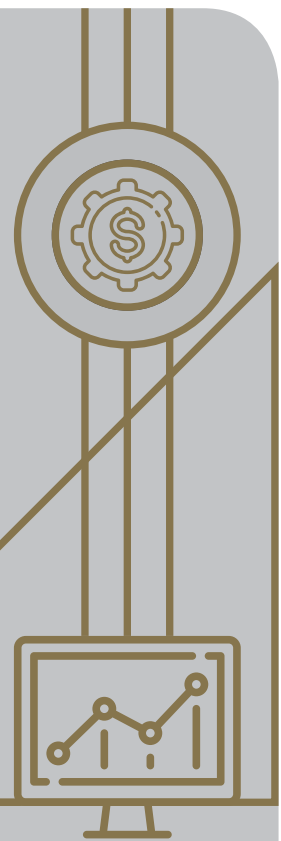
<sup>(6)</sup> Profit/(Loss) from operations over Total assets

<sup>(7)</sup> Total borrowings over Shareholders' equity

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

## For the period ended 30 June 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial period ended 30 June 2022.

### Principal activities

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial period.

### Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

### Change of financial year end

The Company changed its financial year end from 31 December to 30 June. Accordingly, the current financial statements are prepared for eighteen months from 1 January 2021 to 30 June 2022.

### Results

	Group RM'000	Company RM'000
(Loss)/Profit for the period attributable to:		
Owners of the Company	(100,033)	(678)
Non-controlling interests	173	—
	(99,860)	(678)

### Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial period under review except as disclosed in Note 12 to the financial statements.

### Dividends

No dividend has been paid or declared by the Company since the end of previous financial year.

The Board of Directors do not recommend any final dividend to be paid for the financial period ended 30 June 2022.

### Directors

Directors who served the Company during the financial period until the date of this report are:

Mr. Tan See Yin\*\*  
 Mr. Yong Kwet On  
 To' Puan Rozana binti Tan Sri Redzuan  
 En. Azmi bin Arshad  
 Datuk Kamal bin Khalid  
 Mr. Lim Hun Swee (resigned on 20 May 2021)

\*\* This Director is also a Director of the Company's subsidiaries.

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial period to the date of this report (not including those Directors listed above) are:

Mr. Charles Goh Sim Yew  
 Mr. Foo Jee Teng (appointed on 1 January 2021)  
 Mr. Tok Fu Soon (appointed on 1 January 2021)  
 Mr. Lee Kwee Heng (appointed on 1 June 2021)  
 Mr. Adrian Goh Sim Han (resigned on 15 February 2021)

## DIRECTORS' REPORT (CONT'D)

### Directors' interests in shares

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary) of those who were Directors at financial period end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Name of Directors	Interest	Number of ordinary shares			At 30 June 2022 '000
		At 1 January 2021 '000	Bought '000	Sold '000	
<b>Company</b>					
Mr. Yong Kwet On	Direct	1,117	—	—	1,117
	Deemed	99,555	80	—	99,635
Mr. Tan See Yin	Direct	441	—	—	441
To' Puan Rozana binti Tan Sri Redzuan	Direct	340	—	—	340
En. Azmi bin Arshad	Direct	70	30	—	100

Name of Director	Interest	Number of Warrants				At 30 June 2022 '000
		At 1 January 2021 '000	Bought '000	Sold '000	Lapsed '000	
<b>Company</b>						
Mr. Yong Kwet On	Deemed	3,000	—	—	(3,000)	—

The other Director holding office at 30 June 2022 does not have any interest in the ordinary shares of the Company and of its related corporations during the period.

### Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial period ended 30 June 2022 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	480	—
Remunerations/Allowances	36	717
Contributions to state plans	—	87
	516	804

There were no arrangements during and at the end of the financial period which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate apart from the issuance of Employees' Share Option Scheme ("ESOS") of the Company and Warrants.

## DIRECTORS' REPORT (CONT'D)

### Issue of shares

During the financial period, the Company issued the following shares:

- a) 545,100 new ordinary shares for cash arising from the exercise of the employees' share options at an exercise price of RM0.50 per ordinary share; and
- b) 18,700 new ordinary shares for cash arising from the exercise of the employees' share options at an exercise price of RM0.42 per ordinary share.

There were no other changes in the issued and paid-up capital of the Company during the financial period.

### Issue of Warrants

The Warrants are constituted by the Deed Poll dated 20 May 2016.

The main features of the Warrants are as follows:

- a) The Warrants which are exercisable into new ordinary shares, are attached to the Rights Shares without any cost and will be issued only to the entitled shareholders who subscribe for the Rights Shares;
- b) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at the exercise price of RM0.93 during the exercise period, subject to the adjustments in accordance with the Deed Poll constituting the Warrants;
- c) The Warrants may be exercised at any time on or after 5 July 2016 until the end of the tenure of the Warrants of five (5) years;
- d) The new shares to be issued upon the exercise of the Warrants shall, upon issuance and allotment, rank pari passu in all respects with the then existing shares of the Company except that they will not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid by the Company prior to be the relevant date of allotment and issue of the new shares to be issued pursuant to the exercise of the Warrants;
- e) For purpose of trading on Bursa Securities, a board lot for the Warrants shall comprise one hundred (100) Warrants carrying right to subscribe for 100 new shares at any time during the exercise period or such denomination as determined by Bursa Securities; and
- f) The Deed Poll and accordingly the Warrants are governed by and shall be construed in accordance with the laws of Malaysia.

100 Warrants have been exercised at an exercise price of RM0.93 during the financial period. The remaining 136,834,325 unexercised Warrants have expired on 21 June 2021 and were removed from the official list of Bursa Malaysia Securities Berhad.

### Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial period apart from the issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

At an ESOS Committee Meeting held on 3 August 2016, the Company's shareholders approved the establishment of the ESOS of not more than 15% of the issued and paid-up ordinary share capital of the Company to eligible Directors and employees of the Group.



## DIRECTORS' REPORT (CONT'D)

The salient features of the ESOS are as follows:

- a) The ESOS is administered by ESOS Committee appointed by the Board of Directors.
- b) The aggregate number of options issued and options offered under the ESOS Scheme shall not exceed fifteen per centum (15%) of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS Scheme.
- c) The eligible employee must be satisfy the following conditions:
  - i) at least eighteen (18) years old and have been confirmed and employed on full time basis on the date of offer; and
  - ii) the eligible employee must not be an undischarged bankrupt nor subject to any bankruptcy proceedings.
- d) The subscription price for each ordinary share shall be the weighted average market price of the shares of the Company for the five (5) market days immediately preceding the date of the offer with a discount of not more than ten percent (10%) or the par value of the ordinary shares, whichever is higher.
- e) The option is personal to the grantee and is non-assignable.
- f) The options granted may be exercised at any time within the period of five (5) years commencing from 8 July 2016, subject to a further extension of five (5) years as the Board may determine.
- g) Option exercisable in a particular year but not exercised can be carried forward to the subsequent years subject to the time limit of the Scheme.
- h) The options shall be exercised in multiple of and not less than one hundred (100) options.

The movements in outstanding options offered to take up unissued ordinary shares and the exercise price is as follows:

Date of offer	Exercise price	Number of options over ordinary shares ('000)					At 30 June 2022
		At 1 January 2021	Grant	Exercised	Forfeited	Lapsed	
9 September 2016	RM0.60	254	—	—	—	(254)	—
9 September 2017	RM0.87	3,524	—	—	(132)	(3,392)	—
28 January 2018	RM0.91	269	—	—	(31)	(238)	—
24 December 2018	RM0.53	349	—	—	(29)	(320)	—
15 January 2020	RM0.61	105	—	—	—	(105)	—
11 September 2020	RM0.43	186	—	—	—	(186)	—
9 March 2020	RM0.42	19	—	(19)	—	—	—
21 May 2021	RM0.50	—	8,869	(545)	(598)	(7,726)	—

The remaining ESOS of 12,221,000 that were unexercised have lapsed on 7 July 2021.

## DIRECTORS' REPORT (CONT'D)

### Indemnity and insurance costs

During the financial period, the total amount of premium paid for insurance effected for Directors and officers of the Company is RM7,430.

### Qualification of subsidiaries' financial statements

The auditors' report on the audited financial statements of Company's subsidiaries did not contain any qualification or any adverse comments.

### Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision has been made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial period and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial period.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, other than the significant events as disclosed below, the financial performance of the Group and of the Company for the financial period ended 30 June 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial period and the date of this report.

## DIRECTORS' REPORT (CONT'D)

### Significant events

A fire occurred on 19 December 2021 that resulted in destruction of the property, plant and equipment and inventories at the Group's manufacturing plant in Senai, Johor. Consequently, a total carrying value of property, plant and equipment amounting to RM127 million and inventories amounting to RM54 million were written off during the period.

The Group has taken up insurance policies to cover for the property, plant and equipment and inventories losses and business interruption losses. During the period, the Group has recognised insurance compensation of RM115 million which has been approved by the insurer. The remaining compensation has yet to be finalised and approved as of the date of financial statements.

### Subsequent event

On 11 August 2022, the subsidiary, Tomypak Flexible Packaging Sdn. Bhd. ("TFPSB") entered into memorandums of understandings ("MOUs") with the shareholders of EB Packaging Sdn. Bhd. ("EBPSB") to acquire the entire equity interest of EBPSB for a total purchase consideration of RM120 million. TFPSB has paid earnest deposits of RM3.6 million upon execution of the MOUs.

### Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The details of remuneration paid by the Group and the Company to auditors of the Group and the Company during the financial period are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
- Statutory audit		
KPMG PLT	278	78
Other auditors	20	—
	298	78

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Yong Kwet On**  
Director

**Tan See Yin**  
Director

Date: 31 October 2022

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2022

	Note	Group		Company	
		30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
<b>Assets</b>					
Property, plant and equipment	3	33,545	173,759	—	—
Right-of-use assets	4	2,809	3,254	—	—
Investment properties	5	284	375	—	—
Deferred tax assets	6	—	4,527	—	—
Investment in subsidiaries	7	—	—	139,289	138,898
Goodwill on consolidation	8	1,025	1,025	—	—
<b>Total non-current assets</b>		<b>37,663</b>	<b>182,940</b>	<b>139,289</b>	<b>138,898</b>
Inventories	9	16,573	20,454	—	—
Contract assets	10	—	8,829	—	—
Trade and other receivables	11	89,327	40,825	4,800	3,901
Current tax assets		143	6	34	3
Cash and cash equivalents		40,539	10,244	97	1,292
<b>Total current assets</b>		<b>146,582</b>	<b>80,358</b>	<b>4,931</b>	<b>5,196</b>
<b>Total assets</b>		<b>184,245</b>	<b>263,298</b>	<b>144,220</b>	<b>144,094</b>
<b>Equity</b>					
Share capital	12	133,627	116,353	133,627	116,353
Reserves	12	(45,853)	70,783	9,997	27,278
<b>Equity attributable to owners of the Company</b>		<b>87,774</b>	<b>187,136</b>	<b>143,624</b>	<b>143,631</b>
<b>Non-controlling interests</b>	7	<b>782</b>	<b>609</b>	<b>—</b>	<b>—</b>
<b>Total equity</b>		<b>88,556</b>	<b>187,745</b>	<b>143,624</b>	<b>143,631</b>
<b>Liabilities</b>					
Loans and borrowings	13	7,671	7,148	—	—
Lease liabilities		—	102	—	—
Employee benefits	14	580	548	—	—
<b>Total non-current liabilities</b>		<b>8,251</b>	<b>7,798</b>	<b>—</b>	<b>—</b>
Trade and other payables	15	32,329	21,050	596	463
Lease liabilities		—	160	—	—
Loans and borrowings	13	54,942	46,454	—	—
Current tax liabilities		167	91	—	—
<b>Total current liabilities</b>		<b>87,438</b>	<b>67,755</b>	<b>596</b>	<b>463</b>
<b>Total liabilities</b>		<b>95,689</b>	<b>75,553</b>	<b>596</b>	<b>463</b>
<b>Total equity and liabilities</b>		<b>184,245</b>	<b>263,298</b>	<b>144,220</b>	<b>144,094</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2022

	Note	Group		Company	
		1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
Revenue	16	167,157	154,285	—	1,000
Other cost of sales		(176,955)	(143,670)	—	—
Loss of inventories destroyed in fire		(53,551)	—	—	—
<b>Cost of sales</b>		<b>(230,506)</b>	<b>(143,670)</b>	<b>—</b>	<b>—</b>
<b>Gross (loss)/profit</b>		<b>(63,349)</b>	<b>10,615</b>	<b>—</b>	<b>1,000</b>
Other income		1,381	1,282	—	—
Distribution expenses		(5,706)	(3,335)	—	—
Administrative expenses		(9,589)	(6,625)	(814)	(831)
Other expenses		(15,922)	(503)	—	—
<b>Results from operating activities</b>		<b>(93,185)</b>	<b>1,434</b>	<b>(814)</b>	<b>169</b>
Finance income		108	35	136	30
Finance costs	17	(2,075)	(1,949)	—	—
<b>Net finance (costs)/income</b>		<b>(1,967)</b>	<b>(1,914)</b>	<b>136</b>	<b>30</b>
<b>(Loss)/Profit before tax</b>		<b>(95,152)</b>	<b>(480)</b>	<b>(678)</b>	<b>199</b>
Tax expense	18	(4,708)	(60)	—	(3)
<b>(Loss)/Profit for the period/year and total comprehensive (expense)/income for the period/year</b>	19	<b>(99,860)</b>	<b>(540)</b>	<b>(678)</b>	<b>196</b>
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company		(100,033)	(616)	(678)	196
Non-controlling interests		173	76	—	—
<b>(Loss)/Profit for the period/year and total comprehensive (expense)/income for the period/year</b>		<b>(99,860)</b>	<b>(540)</b>	<b>(678)</b>	<b>196</b>
Basic loss per ordinary share (sen)	20	(23.21)	(0.15)		
Diluted loss per ordinary share (sen)	20	—	(0.15)		

The accompanying notes form an integral part of the financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2022

	Attributable to owners of the Company										
	Non-distributable					Distributable					
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Merger reserve RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000	Note	
<b>Group</b>											
<b>At 1 January 2020</b>	110,015	(1,077)	2,244	2,991	16,967	50,173	181,313	—	181,313		
<b>(Loss)/Profit and total comprehensive (expense)/income for the year</b>	—	—	—	—	—	(616)	(616)	76	(540)		
<i>Contributions by and distributions to owners of the Company</i>											
Equity settled share based transaction											
- Share option granted	—	—	112	—	—	—	112	—	112	12	
- Share issued pursuant to ESOS	4,988	—	—	—	—	—	4,988	—	4,988		
- Share option exercised	1,350	—	(1,350)	—	—	—	—	—	—		
Own shares acquired	—	(239)	—	—	—	—	(239)	—	(239)		
Own shares sold	—	1,316	—	—	—	262	1,578	—	1,578		
<b>Total transactions with owners of the Company</b>	6,338	1,077	(1,238)	—	—	262	6,439	—	6,439		
Acquisition of a subsidiary	—	—	—	—	—	—	—	533	533	22	
Share options forfeited	—	—	(192)	—	—	192	—	—	—		
<b>At 31 December 2020</b>	116,353	—	814	2,991	16,967	50,011	187,136	609	187,745		

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Share option reserve RM'000	Merger reserve RM'000	Warrant reserve RM'000	Non-distributable (Accumulated loss) RM'000	Retained earnings/ RM'000	
<b>Group</b>							
<b>At 1 January 2021</b>	116,353	814	2,991	16,967	50,011	187,136	187,745
<b>(Loss)/Profit and total comprehensive (expense)/income for the period</b>	—	—	—	—	(100,033)	(100,033)	(99,860)
<i>Contributions by and distributions to owners of the Company</i>							
Equity settled share-based transaction							
- Share option granted	—	391	—	—	—	391	391
- Share issued pursuant to ESOS	280	—	—	—	—	280	280
- Share option exercised	27	(27)	—	—	—	—	—
<b>Total transactions with owners of the Company</b>	307	364	—	—	—	671	671
Share option forfeited	—	(62)	—	—	62	—	—
Share option lapsed	—	(1,116)	—	—	1,116	—	—
Warrants lapsed	16,967	—	—	(16,967)	—	—	—
<b>At 30 June 2022</b>	133,627	—	2,991	—	(48,844)	87,774	88,556

The accompanying notes form an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2022

	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Warrant reserve RM'000	Retained earnings RM'000	Distributable	
<b>Company</b>							
<b>At 1 January 2020</b>	110,015	(1,077)	2,244	16,967	8,847	136,996	
<b>Profit and total comprehensive income for the year</b>	—	—	—	—	196	196	
<i>Contributions by and distributions to owners of the Company</i>							
Equity settled share-based transaction							
- Share option granted	4,988	—	112	—	—	112	
- Share issued pursuant to ESOS	1,350	—	(1,350)	—	—	4,988	
- Share option exercised	—	(239)	—	—	—	(239)	
Own shares acquired	—	1,316	—	—	262	1,578	
Own shares sold	—	—	—	—	—	—	
<b>Total transactions with owners of the Company</b>	6,338	1,077	(1,238)	—	262	6,439	
Share option forfeited	—	—	(192)	—	192	—	
<b>At 31 December 2020</b>	116,353	—	814	16,967	9,497	143,631	

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The accompanying notes form an integral part of the financial statements.

## STATEMENT OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the Company					Total equity RM'000
	Share capital RM'000	Share option reserve RM'000	Warrant reserve RM'000	Retained earnings RM'000	Distributable	
<b>Company</b>						
<b>At 1 January 2021</b>	116,353	814	16,967	9,497	143,631	
<b>Loss and total comprehensive expense for the period</b>	—	—	—	(678)	(678)	
<i>Contributions by and distributions to owners of the Company</i>						
Equity settled share-based transaction						
- Share option granted	—	391	—	—	391	
- Share issued pursuant to ESOS	280	—	—	—	280	
- Share option exercised	27	(27)	—	—	—	
<b>Total transactions with owners of the Company</b>	307	364	—	—	671	
Share option forfeited	—	(62)	—	62	—	
Share option lapsed	—	(1,116)	—	1,116	—	
Warrants lapsed	16,967	—	(16,967)	—	—	
<b>At 30 June 2022</b>	133,627	—	—	9,997	143,624	

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The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the period ended 30 June 2022

	Note	Group		Company	
		1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
<b>Cash flows from operating activities</b>					
(Loss)/Profit before tax		(95,152)	(480)	(678)	199
Adjustments for:					
Depreciation of:					
- Property, plant and equipment		18,254	17,166	—	—
- Investment properties		6	3	—	—
- Right-of-use assets		354	285	—	—
Equity settled share-based transactions		391	112	—	—
Finance costs	17	2,075	1,949	—	—
Finance income		(108)	(35)	(136)	(30)
Loss of inventories destroyed in fire	9	53,551	—	—	—
Property, plant and equipment:					
- Written off due to obsolescence		10	—	—	—
- Written off due to fire		126,568	—	—	—
- Gain on disposal		(3)	(14)	—	—
Impairment loss on:					
- Trade receivables		561	482	—	—
- Investment properties		85	—	—	—
Reversal of inventories written down		(27)	—	—	—
Insurance claim		(115,000)	—	—	—
Gain on derecognition of right-of-use assets		(5)	—	—	—
Unrealised loss on foreign exchange		3,530	172	—	—
<b>Operating (loss)/profit before changes in working capital</b>		(4,910)	19,640	(814)	169
Change in employee benefits		32	(6)	—	—
Change in inventories		(49,643)	2,132	—	—
Change in trade and other receivables		(9,362)	(3,904)	(899)	(1)
Change in trade and other payables		10,505	(335)	133	(31)
Change in contract assets		8,829	1,206	—	—
<b>Cash (used in)/generated from operations</b>		(44,549)	18,733	(1,580)	137
Tax (paid)/refunded		(242)	(25)	(31)	2
Other finance costs paid		(156)	(167)	—	—
<b>Net cash (used in)/from operating activities</b>		(44,947)	18,541	(1,611)	139

The accompanying notes form an integral part of the financial statements.



## STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Group		Company	
		1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment		(4,685)	(2,043)	—	—
Acquisition of a subsidiary, net of cash and cash equivalents acquired	22	—	486	—	—
Proceeds from disposal of property, plant and equipment		70	39	—	—
Proceeds from insurance claim		75,000	—	—	—
Change in amount due from a subsidiary		—	—	—	(3,786)
Interest received		108	35	136	30
<b>Net cash from/(used in) investing activities</b>		<b>70,493</b>	<b>(1,483)</b>	<b>136</b>	<b>(3,756)</b>
<b>Cash flows from financing activities</b>					
Drawdown of term loans		104	259	—	—
Repayment of term loans		(4,458)	(18,699)	—	—
Net short-term borrowings		10,908	(699)	—	—
Proceeds from exercise of share option		280	4,988	280	4,988
Payment for repurchase of treasury shares		—	(239)	—	(239)
Payment of lease liabilities		(166)	(154)	—	—
Dividends paid to owners of the Company		—	(51)	—	(51)
Interest paid		(1,919)	(1,782)	—	—
<b>Net cash from/(used in) financing activities</b>		<b>4,749</b>	<b>(16,377)</b>	<b>280</b>	<b>4,698</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>30,295</b>	<b>681</b>	<b>(1,195)</b>	<b>1,081</b>
<b>Cash and cash equivalents at 1 January</b>		<b>10,244</b>	<b>9,563</b>	<b>1,292</b>	<b>211</b>
<b>Cash and cash equivalents at 30 June/31 December</b>		<b>40,539</b>	<b>10,244</b>	<b>97</b>	<b>1,292</b>

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

Cash and bank balances	40,539	10,244	97	1,292
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### Cash outflows for leases as a lessee

	Note	Group	
		1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
<b>Included in net cash from operating activities</b>			
Payment relating to short-term leases	19	132	79
Payment relating to leases of low-value assets	19	54	50
<b>Included in net cash from financing activities</b>			
Payment of lease liabilities		166	154
Interest paid in relation to lease liabilities	17	9	15
<b>Total cash outflows for leases</b>		<b>361</b>	<b>298</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

(CONT'D)

## Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 January 2021		Net changes from financing cash flows		Foreign exchange movement	Derecognition of leases	At 30 June 2022	
	RM'000	RM'000	RM'000	RM'000			RM'000	RM'000
Bankers' acceptances	6,430	1,888	—	—	—	—	8,318	
Term loans	11,705	(4,354)	411	—	—	—	7,762	
Trust receipts	20,031	11,738	1,551	—	—	—	33,320	
Revolving credit	15,436	(2,718)	495	—	—	—	13,213	
Lease liabilities	262	(166)	—	(96)	—	(96)	—	
<b>Total liabilities from financing activities</b>	<b>53,864</b>	<b>6,388</b>	<b>2,457</b>	<b>(96)</b>			<b>62,613</b>	

Group	At 1 January 2020		Net changes from financing cash flows		Foreign exchange movement	Derecognition of leases	At 31 December 2020	
	RM'000	RM'000	RM'000	RM'000			RM'000	RM'000
Bankers' acceptances	2,027	4,403	—	—	—	—	6,430	
Term loans	30,542	(18,440)	473	—	(870)	—	11,705	
Trust receipts	26,541	(6,510)	—	—	—	—	20,031	
Revolving credit	14,446	1,408	—	—	(418)	—	15,436	
Lease liabilities	409	(154)	41	(34)	—	(34)	262	
<b>Total liabilities from financing activities</b>	<b>73,965</b>	<b>(19,293)</b>	<b>514</b>	<b>(34)</b>	<b>(1,288)</b>		<b>53,864</b>	

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

Tomypak Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

## Principal place of business

No.11, Jalan Tahana  
Kawasan Perindustrian Tampoi  
80350 Johor Bahru  
Johor Darul Takzim  
Malaysia

## Registered office

Suite 9D, Level 9  
Menara Ansar  
65, Jalan Trus  
80000 Johor Bahru  
Johor Darul Takzim  
Malaysia

The consolidated financial statements of the Company as at and for the financial period ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial period ended 30 June 2022 do not include other entities.

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 7.

These financial statements were authorised for issue by the Board of Directors on 31 October 2022.

## 1. Basis of preparation

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs 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 April 2021***

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

#### ***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 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)*

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 1. Basis of preparation (continued)

#### (a) Statement of compliance (continued)

##### **MFRSs, interpretations and amendments 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*

##### **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 and the Company plan to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting 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 and the Company upon their first adoption.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than those disclosed in Note 2 and on the assumption that the Group will continue as a going concern.

The Group's operation and financial performance were severely impacted by the fire incident on 19 December 2021 at its subsidiary main manufacturing plant at Senai, Johor. This resulted the loss of the Group's major production capacity and the Group incurred a net loss of RM99.9 million for the period ended 30 June 2022.

In the preparation of the financial statements on a going concern basis, the Directors considered the following:

- As at the date of this report, a total insurance claim of RM115 million has been approved by the insurer of which RM75 million has been received before the period end and RM15 million has been received subsequent to the period end. The Group expects to receive the remaining claims to fulfil its obligations as and when they fall due and to execute its business recovery plan; and
- The continuing financial support from the banks and the timely payment of the insurance claims by the insurer will allow the Group to discharge its liabilities.

In view of the above, the Directors are confident that the Group has adequate resources to continue as a going concern for the next twelve months.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 1. Basis of preparation (continued)

#### (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 other than those disclosed in the following notes:

- Note 8 - goodwill on consolidation

### 2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

#### (a) Basis of consolidation

##### (i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

##### (ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (a) Basis of consolidation (continued)

##### (ii) Business combinations (continued)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

##### (iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

##### (iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

##### (v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

##### (vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (b) Foreign currency

##### Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

#### (c) Financial instruments

##### (i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

##### (ii) Financial instrument categories and subsequent measurement

###### *Financial assets*

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (c) Financial instruments (continued)

##### (ii) Financial instrument categories and subsequent measurement (continued)

###### *Financial assets (continued)*

The categories of financial assets at initial recognition are as follows:

###### (a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

###### (b) *Fair value through other comprehensive income*

###### (i) *Debt investments*

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (c) Financial instruments (continued)

##### (ii) Financial instrument categories and subsequent measurement (continued)

###### *Financial assets (continued)*

###### (b) *Fair value through other comprehensive income (continued)*

###### (ii) *Equity investments*

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

###### (c) *Fair value through profit or loss*

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(k)(i)).

###### *Financial liabilities*

The categories of financial liabilities at initial recognition are as follows:

###### (a) *Fair value through profit or loss*

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (c) Financial instruments (continued)

##### (ii) Financial instrument categories and subsequent measurement (continued)

###### *Financial liabilities (continued)*

###### (a) *Fair value through profit or loss (continued)*

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

###### (b) *Amortised cost*

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

##### (iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

- (a) the recognition of an asset on the day it is received by the Group or the Company, and
- (b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (c) Financial instruments (continued)

##### (iii) Regular way purchase or sale of financial assets (continued)

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

##### (iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

##### (v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### (vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (d) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

##### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	40 years
Plant and machinery	2 - 20 years
Office equipment, furniture and fittings	4 - 10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (e) Leases

##### Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

##### As a lessee

#### (i) Recognition and initial measurement

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (e) Leases (continued)

##### As a lessee (continued)

##### (i) Recognition and initial measurement (continued)

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (ii) Subsequent measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### (f) Investment property

##### Investment property carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a finance lease held for currently undetermined future use.

The Group shall transfer a property to, or from, investment property when, and only when, there is a change in use. Transfer between investment property, property, plant and equipment and inventories do not change the carrying amount of the property transferred.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment loss, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note (d).

Depreciation is recognised in profit or loss on a straight-line basis over their estimated useful lives.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (g) Intangible assets

##### Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

#### (h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in first-out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (i) Contract asset

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(k)(i)).

#### (j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

#### (k) Impairment

##### (i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (k) Impairment (continued)

##### (i) Financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

##### (ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, deferred tax assets and assets arising from employee benefits) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (k) Impairment (continued)

##### (ii) Other assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

#### (l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

##### (i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

##### (ii) Ordinary shares

Ordinary shares are classified as equity.

##### (iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

#### (n) Revenue and other income

##### (i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- (b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (n) Revenue and other income (continued)

##### (ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

##### (iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

##### (iv) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

#### (o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### (p) Employee benefits

##### (i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (p) Employee benefits (continued)

##### (ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### (iii) Defined benefit plans

The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is calculated based on 25% of the last drawn salary for each completed year of service up to balance sheet date and no qualified actuary has been appointed by the Group in the measurement of the defined benefit obligations since the amount is not expected to have a material impact to the financial statements.

##### (iv) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the vesting period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of employee share options is measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

#### (q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants and share options granted to employees.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. Significant accounting policies (continued)

#### (r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

#### (s) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. Property, plant and equipment

Note	Land and buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Construction in progress RM'000	Total RM'000	
<b>Group</b>							
<b>At cost</b>							
At 1 January 2020	67,040	287,079	19,213	1,709	—	375,041	
Acquisition through business combination	—	9	26	32	886	953	
Additions	428	1,494	121	—	—	2,043	
Disposals	—	(9,341)	(152)	—	—	(9,493)	
Written off	—	—	(5)	—	—	(5)	
At 31 December 2020/ 1 January 2021	67,468	279,241	19,203	1,741	886	368,539	
Additions	286	3,881	351	—	167	4,685	
Disposals	(2)	(3,851)	(188)	(150)	—	(4,191)	
Written off	3.2 (39,029)	(218,469)	(9,797)	(1,300)	—	(268,595)	
Transfer	886	—	—	—	(886)	—	
At 30 June 2022	29,609	60,802	9,569	291	167	100,438	
<b>Accumulated depreciation</b>							
At 1 January 2020	8,919	163,326	13,690	1,152	—	187,087	
Depreciation charge	1,592	13,504	1,808	262	—	17,166	
Disposals	—	(9,325)	(143)	—	—	(9,468)	
Written off	—	—	(5)	—	—	(5)	
At 31 December 2020/ 1 January 2021	10,511	167,505	15,350	1,414	—	194,780	
Depreciation charge	1,822	14,671	1,538	223	—	18,254	
Disposals	—	(3,791)	(183)	(150)	—	(4,124)	
Written off	3.2 (5,291)	(128,005)	(7,525)	(1,196)	—	(142,017)	
At 30 June 2022	7,042	50,380	9,180	291	—	66,893	
<b>Carrying amounts</b>							
At 1 January 2020	58,121	123,753	5,523	557	—	187,954	
At 31 December 2020/ 1 January 2021	56,957	111,736	3,853	327	886	173,759	
At 30 June 2022	22,567	10,422	389	—	167	33,545	
						<b>Group</b>	
						<b>30.6.2022 RM'000</b>	
						<b>31.12.2020 RM'000</b>	
<b>Carrying amounts of land and buildings</b>							
<b>At cost</b>							
Land						16,743	16,348
Buildings						5,824	40,609
						22,567	56,957

#### 3.1 Security

Certain property, plant and machinery of the Group with net book value of RM17,320,396 (31.12.2020: RM44,943,638) are charged to banks for banking facilities granted to the Group.

#### 3.2 Write-off of property, plant and equipment destroyed in fire

Included in property, plant and equipment written off is an amount of RM126,567,679 written off as a result of the fire incident occurred on 19 December 2021 (Note 28).



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4. Right-of-use assets

	Land RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
<b>Group</b>				
At 1 January 2020	1,678	1,433	403	3,514
Acquisition through business combination	—	—	59	59
Depreciation	(113)	(19)	(153)	(285)
Derecognition*	—	—	(34)	(34)
At 31 December 2020/1 January 2021	1,565	1,414	275	3,254
Depreciation	(168)	(29)	(157)	(354)
Derecognition*	—	—	(91)	(91)
At 30 June 2022	1,397	1,385	27	2,809

\* Derecognition of the right-of-use assets that were destroyed in the fire as disclosed in Note 28. In prior year, derecognition of right-of use assets was due to early termination of lease by a subsidiary.

The Group leases a piece of land for 40 years and 3 shop lots for 77 years.

#### 4.1 Significant judgements and assumptions in relation to lease

The Group applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

### 5. Investment properties

	Group RM'000
<b>At cost</b>	
At 1 January 2020	—
Acquisition through business combination	378
At 31 December 2020	378
At 1 January 2021/30 June 2022	378
<b>Accumulated depreciation</b>	
At 1 January 2020	—
Depreciation charge	3
At 31 December 2020/1 January 2021	3
Depreciation charge	6
At 30 June 2022	9
<b>Accumulated impairment loss</b>	
At 1 January 2021	—
Impairment loss	85
At 30 June 2022	85
<b>Carrying amounts</b>	
At 1 January 2020	—
At 31 December 2020/1 January 2021	375
At 30 June 2022	284

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. Investment properties (continued)

	Group RM'000
<b>Fair value</b>	
At 1 January 2020	—
At 31 December 2020/1 January 2021	381
At 30 June 2022	285

Investment properties comprise a vacant leasehold building.

#### Fair value information

Fair value of investment properties is categories as follows:

Group	Level 3	
	30.6.2022 RM'000	31.12.2020 RM'000
Leasehold building	285	381

#### Level 3 fair value

The fair value is based of the Directors' best estimate. The following table shows the valuation techniques used in determination of fair values within Level 3, as well as the significant unobservable inputs in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison method: Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property.	Price per square foot of comparable properties (30.6.2022: RM442 – RM615; 31.12.2020: RM613 - RM822).	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).

### 6. Deferred tax assets

#### Recognised deferred tax assets

Deferred tax assets and liabilities are attributable to the following:

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
Property, plant and equipment	(232)	(18,556)
Unabsorbed capital allowances	3,832	12,620
Unutilised reinvestment allowances	—	10,053
Insurance claim	(3,600)	—
Others	—	410
	—	4,527

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 6. Deferred tax assets (continued)

#### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
Unutilised reinvestment allowances	69,749	27,854
Unutilised tax losses	47,416	—
Unabsorbed capital allowances	19,298	—
Others	4,392	—
	140,855	27,854

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Pursuant to the Finance Act 2018, unutilised reinvestment allowances can only be carried forward up to 7 consecutive years of assessment. The recognised and unrecognised unutilised reinvestment allowances will expire in year 2025.

Pursuant to the Finance Act 2021, unutilised tax losses for the year of assessment 2019 onwards can be carried forward up to 10 consecutive years of assessment immediately following that year of assessment.

The unutilised tax losses will expire in the following year of assessment:

	Group 30.6.2022 RM'000
2031	23,708
2032	23,708
	47,416

The unabsorbed capital allowances do not expire under the current tax legislation.

#### Movement in temporary differences during the period

	At 1 January 2020 RM'000	Recognised in profit or loss (Note 18) RM'000	At 31 December 2020/ 1 January 2021 RM'000	Recognised in profit or loss (Note 18) RM'000	At 30 June 2022 RM'000
<b>Group</b>					
Property, plant and equipment	(17,643)	(913)	(18,556)	18,324	(232)
Unabsorbed capital allowances	12,668	(48)	12,620	(8,788)	3,832
Unutilised reinvestment allowances	9,665	388	10,053	(10,053)	—
Insurance claim	—	—	—	(3,600)	(3,600)
Others	(163)	573	410	(410)	—
	4,527	—	4,527	(4,527)	—

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 7. Investment in subsidiaries

	Company	
	30.6.2022 RM'000	31.12.2020 RM'000
Cost of investment	139,289	138,898

Details of the subsidiaries are as follows:

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest	
			30.6.2022 %	31.12.2020 %
Tomypak Flexible Packaging Sdn. Bhd.	Manufacture and sale of packaging materials, polyethylene, polypropylene films and sheets	Malaysia	100	100
SP Plastic & Packaging Sdn. Bhd.#	Wholesale of plastic materials in primary forms	Malaysia	51	51

# Not audited by KPMG PLT.

#### 7.1 Non-controlling interests in a subsidiary

The Group's subsidiary that has material non-controlling interests ("NCI") is as follows:

	30.6.2022	31.12.2020
<b>SP Plastic &amp; Packaging Sdn. Bhd.</b>		
NCI percentage of ownership interest and voting interest	49%	49%
	<b>RM'000</b>	<b>RM'000</b>
Carrying amount of NCI	782	609
Profit allocated to NCI	173	76
<b>Summarised financial information before intra-group elimination As at 30 June 2022/31 December 2020</b>		
Non-current assets	1,628	1,365
Current assets	1,948	1,944
Non-current liabilities	(574)	(601)
Current liabilities	(1,393)	(1,465)
Net assets	1,609	1,243
<b>Period/Year ended 30 June 2022/31 December 2020</b>		
Revenue	11,097	2,828
Profit for the period/year	353	156
Cash flows from operating activities	394	320
Cash flows (used in)/from investing activities	(452)	168
Cash flows used in financing activities	(88)	(15)
Net (decrease)/increase in cash and cash equivalents	(146)	473

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 8. Goodwill on consolidation

	Goodwill/ Total RM'000
<b>Group</b>	
<b>At cost</b>	
At 1 January 2020	—
Acquisition through business combination	1,025
At 31 December 2020	1,025
At 1 January 2021/30 June 2022	1,025
<b>Carrying amounts</b>	
At 1 January 2020	—
At 31 December 2020/1 January 2021	1,025
At 30 June 2022	1,025

#### Goodwill

During prior period, the Company acquired 51% equity interest of SP Plastic & Packaging Sdn. Bhd. for a total consideration of RM1,578,960 which was satisfied through a transfer of 2,205,500 treasury shares of the Company at an average market price of RM0.716.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

The aggregate carrying amounts of goodwill are allocated as follows:

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
Sale of plastic materials in primary forms	1,025	1,025

The recoverable amount for the goodwill were based on its value in use, determined by discounting the future cash flows to be generated from the CGU and were based on the following key assumptions:

- i) Cash flows were projected based on 4-year business plan and an estimated terminal value with 5% growth rate.
- ii) Revenue were projected based on 4-year business plan with growth rate ranges from 7% to 25%.
- iii) Profit margins were based on historical performance and remain constant throughout the projected period.
- iv) A pre-tax discount rate of 10.0% was applied in determining the recoverable amount. The discount rate was estimated based on the industry's weighted average cost of capital.

Based on management assessment, the recoverable amount of the unit was determined to be higher than its carrying amount and therefore, no impairment loss is required.

Based on the sensitivity analysis, any reasonably possible change in the key assumptions applied is not likely to cause the carrying amount of goodwill to exceed its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 9. Inventories

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
Raw materials	14,593	13,483
Work-in-progress	—	3,003
Finished goods	1,847	1,829
Consumables	133	2,139
	16,573	20,454
Recognised in profit or loss:		
- Inventories recognised as cost of sales	176,982	143,670
- Loss of inventories destroyed in fire	53,551	—
- Reversal of inventories written down	(27)	—
- Write-down to net realisable value	—	186

The loss of inventories destroyed in fire, write-down and reversal of inventories written down are included in cost of sales.

### 10. Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed on contracts but not yet billed at the reporting date. Typically, the amount will be billed upon delivery and payment is expected within 60 to 120 days.

The contract assets balances at the beginning of the period were all billed during the period.

### 11. Trade and other receivables

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
Trade receivables	13,777	39,304	—	—
Other receivables, deposits and prepayments	35,550	1,521	15	2
Insurance claim receivables	40,000	—	—	—
Loan to a subsidiary	—	—	3,000	3,000
Due from a subsidiary - non-trade	—	—	1,785	899
	89,327	40,825	4,800	3,901

Included in other receivables, deposits and prepayments are deposits and part payments of RM25,085,230 (31.12.2020: RM322,801) for the acquisition of plant and machineries and RM8,926,823 (31.12.2020: NIL) of advances to sub-contractors.

The insurance claim receivables represent the second interim insurance compensation payment of RM25,000,000 for material damages and RM15,000,000 for business interruption loss approved by the insurer.

Loan to a subsidiary is subject to 3% (31.12.2020: 3%) per annum and repayable on demand. Non-trade amount due from a subsidiary is unsecured, interest free and repayable on demand.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 12. Capital and reserves

#### Share capital

	Group/Company		Group/Company	
	30.6.2022 RM'000	31.12.2020 RM'000	Number of ordinary shares	
			30.6.2022 '000	31.12.2020 '000
Issued and fully paid shares with no par value classified as equity instruments				
Ordinary shares:				
At 1 January	116,353	110,015	430,553	420,064
Shares issued pursuant to ESOS	280	4,988	564	10,489
Share option exercised	27	1,350	—	—
Transfer from Warrants reserve	16,967	—	—	—
At 30 June/31 December	133,627	116,353	431,117	430,553

#### Reserves

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
<b>Non-distributable</b>				
Share option reserve	—	814	—	814
Warrant reserve	—	16,967	—	16,967
Merger reserve	2,991	2,991	—	—
Accumulated losses	(48,844)	—	—	—
	(45,853)	20,772	—	17,781
<b>Distributable</b>				
Retained earnings	—	50,011	9,997	9,497
	(45,853)	70,783	9,997	27,278

#### Share option reserve

Share option reserve comprises cumulative value of employee services received for the issue of share options.

When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share option expires, the amount from the share option reserve is transferred to retained earnings. The share option programme is disclosed in Note 14.2.

The remaining ESOS of 12,221,000 that were unexercised have lapsed on 7 July 2021.

#### Warrant reserve

On 5 July 2016, the Company completed a Rights Issue of 54,733,770 Rights Shares with Warrants on the basis of one (1) Rights Share for every two (2) existing shares held, together with Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed, which were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 5 July 2016.

The remaining 136,834,325 unexercised Warrants have expired on 21 June 2021 and were removed from the official list of Bursa Malaysia Securities Berhad. Consequently, the Warrant reserve is transferred to share capital.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 13. Loans and borrowings

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
<b>Non-current</b>		
<b>Secured</b>		
Term loans	7,671	7,148
<b>Current</b>		
<b>Secured</b>		
Term loans	91	4,557
<b>Unsecured</b>		
Trust receipts	33,320	20,031
Revolving credit	13,213	15,436
Bankers' acceptances	8,318	6,430
	54,851	41,897
	54,942	46,454
	62,613	53,602

#### Security

The loans and borrowings are secured by way of:

- i) Legal charges and specific debenture over certain property, plant and machineries of subsidiaries as disclosed in Note 3; and
- ii) Corporate guarantee by the Company.

#### Significant covenants

The loans and borrowings of a subsidiary are subject to the following financial covenants:

- i) Gearing ratio shall not exceed 1.0;
- ii) A subsidiary's tangible net worth shall not be less than RM45 million; and
- iii) Debt service coverage ratio shall not exceed 1.0.

One of the subsidiaries has not complied with the financial covenant of maintaining the debt service coverage ratio of not exceeding 1.0. This constituted an Event of Default ("EOD") which resulted in the outstanding amounts being repayable on demand. Nevertheless there is no demand served by the bank as at the date of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14. Employee benefits

#### 14.1 Retirement benefits

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
Defined benefit liability	580	548

The Group has a retirement benefit plan that pays a lump sum benefits for certain employees upon retirement. Under the scheme, eligible employees are entitled to retirement benefits of 25% of the last drawn salary for each completed year of service upon retirement age of 60.

#### Movement in defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for defined benefit liability.

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
Balance at 1 January	548	554
<b>Included in profit or loss</b>		
Current service cost	71	42
	619	596
Reversal of benefits	(39)	(48)
Balance at 30 June/31 December	580	548

#### 14.2 Share-based payments arrangement

##### Share option programme (equity settled)

At an ESOS Committee Meeting held on 3 August 2016, the Company's shareholders approved the establishment of an Employees' Share Option Scheme (ESOS) of not more than 15% of the issued and paid-up ordinary share capital of the Company to eligible Directors and employees of the Group.

The terms and conditions relating to the grants of the new share option programme are as follows; all options are to be settled by physical delivery of shares:

Grant date/ Employees entitled	Number of options '000	Contractual life of options
Option granted to all employees on		
- 9 September 2016	4,037	5 years
- 6 January 2017	135	4.66 years
- 9 September 2017	5,130	4 years
- 28 January 2018	724	3.44 years
- 24 December 2018	5,910	2.54 years
- 15 January 2019	511	2.46 years
- 11 September 2019	6,684	2 years
- 9 March 2020	957	1.5 years
- 21 May 2021	8,869	0.1 years

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14. Employee benefits (continued)

#### 14.2 Share-based payments arrangement (continued)

##### Share option programme (equity settled) (continued)

The number and weighted average exercise prices of the share options are as follows:

	30.6.2022		31.12.2020	
	Weighted average exercise price RM	Number of options ('000)	Weighted average exercise price RM	Number of options ('000)
Outstanding at 1 January	0.81	4,706	0.58	15,655
Granted during the period	0.50	8,869	0.42	957
Forfeited during the period	0.58	(790)	0.52	(1,417)
Exercised during the period	0.50	(564)	0.48	(10,489)
Lapsed during the period	0.61	(12,221)	—	—
Outstanding at 30 June/ 31 December	—	—	0.81	4,706

In prior year, the options outstanding have an exercise price in the range of RM0.42 to RM0.91 and a weighted average contractual life of 1 year. During the current financial period, the options that were unexercised have lapsed on 7 July 2021.

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured based on a binomial lattice model with the following inputs:

	30.6.2022	31.12.2020
	21 May 2021	9 March 2020
Fair value at grant date	RM0.044	RM0.117
<b>Fair value of share options and assumptions</b>		
Weighted average share price	RM0.530	RM0.420
Share price at grant date	RM0.500	RM0.455
Expected volatility (weighted average volatility)	30.79%	35.64%
Option life (expected weighted average life)	0.14 years	1.33 years
Expected dividends	0.39%	0.39%
Risk-free interest rate (based on Malaysian Government Securities)	1.82%	2.65%

##### Value of employee services received for issue of share options

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
Total expense recognised as equity settled share-based transaction	391	112

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 15. Trade and other payables

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
Trade payables	23,409	14,723	—	—
Other payables and accrued expenses	8,920	6,327	596	463
	32,329	21,050	596	463

Included in other payables and accrued expenses are as follows:

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
Plant and equipment payables	445	266	—	—
Sundry payables	730	2,362	6	8
Accruals and provisions	7,745	3,699	590	455
	8,920	6,327	596	463

Included in accruals and provisions is an advance of RM3,500,000 received from a salvage collector for disposal of metal remnants and debris which shall be offset against the insurance proceeds upon finalisation of insurance claim.

### 16. Revenue

	Group		Company	
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
<b>Revenue from contracts with customers</b>				
- Over time	136,401	151,457	—	—
- At a point in time	30,756	2,828	—	—
<b>Other revenue</b>				
- Dividend income	—	—	—	1,000
	167,157	154,285	—	1,000

	Group	
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
<b>Disaggregation of revenue from contracts with customers</b>		
- Local	75,813	53,758
- Export	91,344	100,527
	167,157	154,285

#### 16.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Made-to-order packaging products	Revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use criteria and the Group has rights to payment for work performed	Credit period of 60 to 120 days from invoice date
Trading and manufactured packaging products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises	Credit period of 14 to 120 days from invoice date

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 16. Revenue (continued)

#### 16.1 Nature of goods and services (continued)

The Group applies the practical expedient for exemption on disclosure of information on remaining performance obligation that have original expected durations of one year or less.

The revenue from contract with customers of the Group are not subject to variable elements in the consideration and obligation for return or refunds.

### 17. Finance costs

	Group	
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	1,910	1,767
Interest expense on lease liabilities	9	15
	1,919	1,782
Bank charges	156	167
	2,075	1,949

### 18. Tax expense

#### Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
<b>Current tax expense</b>				
- Current period/years	183	59	—	3
- Prior period/years	(2)	1	—	—
	181	60	—	3
<b>Deferred tax expense</b>				
- Origination of temporary differences	4,527	—	—	—
	4,708	60	—	3
<b>Reconciliation of tax expense</b>				
(Loss)/Profit before tax	(95,152)	(480)	(678)	199
Income tax calculated using Malaysian tax rate of 24%	(22,836)	(115)	(163)	48
Non-deductible expenses	838	747	163	195
Non-taxable income	(412)	(173)	—	(240)
Effect of unrecognised deferred tax assets	27,120	(400)	—	—
	4,710	59	—	3
(Over)/Under provision in prior period/years	(2)	1	—	—
Tax expense	4,708	60	—	3



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 19. (Loss)/Profit for the period/year

	Note	Group		Company	
		1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
(Loss)/Profit for the period/year is arrived at after charging/(crediting)					
Auditors' remuneration:					
- Audit fees:					
- KPMG PLT		278	160	78	45
- Other auditors		20	7	—	—
- Non-audit fees:					
- Local affiliates of KPMG PLT		14	14	3	3
- KPMG PLT		5	35	5	35
Depreciation of:					
- Property, plant and equipment		18,254	17,166	—	—
- Investment properties		6	3	—	—
- Right-of-use assets		354	285	—	—
Expenses relating to short-term leases	a	132	79	—	—
Expenses relating to leases of low-value assets	a	54	50	—	—
Net foreign exchange differences		2,972	(342)	—	—
Insurance claim		(115,000)	—	—	—
Personnel expenses (including key management personnel):					
- Contributions to state plans		1,988	1,223	—	—
- Defined benefit plan					
- Reversal of benefits		(39)	(48)	—	—
- Current service cost		71	42	—	—
- Wages, salaries and others		23,593	15,985	—	—
- Equity settled share-based transactions		391	112	—	—
Property, plant and equipment:					
- Written off due to fire		126,568	—	—	—
- Written off due to obsolescence		10	—	—	—
- Gain on disposal		(3)	(14)	—	—
Loss of inventories destroyed in fire		53,551	—	—	—
Reversal of inventories written off		(27)	—	—	—
Impairment loss on:					
- Trade receivables		561	482	—	—
- Investment properties		85	—	—	—
Wages subsidy from government		—	(720)	—	—

#### Note a

The Group leases hostels and office equipment with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 20. Loss per ordinary share

#### Basic loss per ordinary share

The calculation of basic loss per ordinary share at 30 June 2022 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Loss attributable to ordinary shareholders:

	Group	
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
Loss for the period/year attributable to owners	(100,033)	(616)
Weighted average number of ordinary shares	431,075	422,764

	Group	
	1.1.2021 to 30.6.2022	1.1.2020 to 31.12.2020
Basic loss per ordinary share (sen)	(23.21)	(0.15)

#### Diluted loss per ordinary share

There is no dilutive ordinary share outstanding as at 30 June 2022.

In prior year, the calculation of diluted loss per ordinary share as at financial year ended 2020 was based on loss attributable to ordinary shareholders and a weighted average number of ordinary share outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group 1.1.2020 to 31.12.2020 RM'000
Loss for the period attributable to owners (diluted)	(616)

Weighted average number of ordinary shares (diluted):

	Group 1.1.2020 to 31.12.2020 '000
Weighted average number of ordinary shares (basic)	422,764
Effect of share options in issue	259
Weighted average number of ordinary shares (diluted) at 31 December	423,023

	Group 1.1.2020 to 31.12.2020
Diluted loss per ordinary share (sen)	(0.15)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 21. Operating segments

The Group operates principally in Malaysia and manufacture and sale of packaging materials, polyethylene, polypropylene films and sheets. The Group's assets and liabilities are basically in Malaysia.

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.

	<b>1.1.2021 to 30.6.2022 RM'000</b>	<b>1.1.2020 to 31.12.2020 RM'000</b>
Revenue		
- Local	75,813	53,758
- Export	91,344	100,527
	<b>167,157</b>	<b>154,285</b>

#### Major customers

The following are two major customers (including companies under common control) with revenue equal or more than 10% of the Group's total revenue:

<b>Segment</b>	<b>Revenue</b>	
	<b>1.1.2021 to 30.6.2022 RM'000</b>	<b>1.1.2020 to 31.12.2020 RM'000</b>
All common control companies of:		
Customer A	35,766	48,133
Customer B	41,595	41,013
	<b>77,361</b>	<b>89,146</b>

### 22. Acquisition of a subsidiary

On 30 July 2020, the Company completed its acquisition of 51% equity interest of SP Plastic & Packaging Sdn. Bhd. ("SPP") via a transfer of 2,205,500 unit of treasury shares of the Company at an average market price of RM0.716. The acquisition of SPP was undertaken as part of the Company's business expansion.

From the date of acquisition and until 31 December 2020, SPP had contributed revenue of RM2,828,204 and net profit of RM156,105 to the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 22. Acquisition of a subsidiary (continued)

The fair value of the assets and liabilities arising from the acquisition were as follows:

	Note	Group 2020 RM'000
<b>Fair value of consideration transferred</b>		
Treasury shares		1,578
<b>Identifiable assets acquired and liabilities assumed</b>		
Property, plant and equipment	3	953
Right-of-use assets	4	59
Investment properties	5	378
Inventories		407
Trade and other receivables		771
Cash and cash equivalents		486
Trade and other payables		(1,455)
Loans and borrowings		(473)
Lease liabilities		(41)
Total identifiable net assets		1,085
<b>Net cash arising from acquisition:</b>		
Cash and cash equivalents acquired		486
<b>Goodwill</b>		
Goodwill was recognised as a result of the acquisition as follows:		
Total consideration transferred		1,578
Fair value of identifiable net assets		(553)
Goodwill	8	1,025

The goodwill is attributable mainly to the expected synergies to be achieved from integrating the company into the existing business of Tomypak Group. None of the goodwill is expected to be deductible for income tax purposes.

### 23. Contingent liabilities

	Company	
	30.6.2022 RM'000	31.12.2020 RM'000
<b>Unsecured</b>		
Corporate guarantees given to banks in respect of outstanding banking facilities of a subsidiary	61,949	52,920

### 24. Capital commitments

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
<b>Capital expenditure commitments</b>		
<b>Plant and equipment</b>		
Contracted but not provided for	46,608	840

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 25. Financial instruments

#### 25.1 Categories of financial instruments

All financial assets and liabilities are categorised as amortised cost in accordance with the Group's accounting policies as disclosed in Note 2 (c).

#### 25.2 Net gains and losses arising from financial instruments

	Group		Company	
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	584	(827)	136	30
Financial liabilities at amortised cost	(5,919)	(1,045)	—	—
	(5,335)	(1,872)	136	30

#### 25.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### 25.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivable from customers. The Company's exposure to credit risk arises principally from financial guarantees given to banks for credit facilities granted to a subsidiary. There are no significant changes as compared to prior period.

##### Trade receivables and contract assets

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior period.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 25. Financial instruments (continued)

#### 25.4 Credit risk (continued)

##### Trade receivables and contract assets (continued)

###### Concentration of credit risk

The Group has significant concentrations of credit risk arising from amounts due from three (31.12.2020: three) major customers, representing 56% (31.12.2020: 73%) of the Group's trade receivables and contract assets.

###### Recognition and measurement of impairment loss

Management has taken reasonable steps to ensure that trade receivables are neither past due nor impaired are stated at their realisable values. A significant portion of these trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any trade receivables having significant balances past due more than respective credit term, which are deemed to have higher credit risk, are monitored individually.

The Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk for trade receivables and contract assets as at the end of the reporting date which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>30.6.2022</b>			
Current (not past due)	7,736	10	7,726
1 - 30 days past due	3,665	7	3,658
31 - 60 days past due	1,558	26	1,532
61 - 90 days past due	526	1	525
	13,485	44	13,441
<b>Credit impaired</b>			
More than 90 days past due	337	1	336
Individually impaired	1,167	1,167	—
	14,989	1,212	13,777
Trade receivables	14,989	1,212	13,777
<b>31.12.2020</b>			
Current (not past due)	40,767	—	40,767
1 - 30 days past due	5,707	—	5,707
31 - 60 days past due	1,278	—	1,278
61 - 90 days past due	242	—	242
	47,994	—	47,994
<b>Credit impaired</b>			
More than 90 days past due	139	—	139
Individually impaired	651	651	—
	48,784	651	48,133
Trade receivables	39,955	651	39,304
Contract assets	8,829	—	8,829
	48,784	651	48,133



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 25. Financial instruments (continued)

#### 25.4 Credit risk (continued)

##### Trade receivables and contract assets (continued)

*Recognition and measurement of impairment loss (continued)*

The movements in the allowance for impairment in respect of trade receivables during the period are shown below.

Group	Credit impaired/Total	
	30.6.2022 RM'000	31.12.2020 RM'000
<b>Balance at 1 January</b>	651	95
Acquisition through business combination	—	74
Net remeasurement of loss allowance	561	482
<b>Balance at 30 June/31 December</b>	<b>1,212</b>	<b>651</b>

##### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

##### Other receivables

The Group and the Company monitor the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position and the Group and the Company do not recognise any allowance for impairment losses.

##### Financial guarantees

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loans on an individual basis.

*Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounts to RM61,949,484 (31.12.2020: RM52,919,640) representing the outstanding banking facilities of the subsidiary at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiary's loans and borrowings.

*Recognition and measurement of impairment loss*

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Company does not recognise any allowance for impairment losses.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 25. Financial instruments (continued)

#### 25.4 Credit risk (continued)

##### Inter-company balances

##### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to a subsidiary. The loans and advances have no fixed term of repayment and are repayable on demand. The Company regularly monitors the financial results and cash flow position of the subsidiary.

##### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans provided are not secured by any collateral nor supported by any other credit enhancements.

##### *Recognition and measurement of impairment loss*

Generally, the Company considers amounts due from a subsidiary as having low credit risk. The Company considers that there is a significant increase in credit risk when the subsidiary's business performance and financial position deteriorates significantly. The Company considers the amounts to be in default when the subsidiary is not able to pay when demanded. The Company considers the amount due from a subsidiary to be credit impaired when:

- The subsidiary is unable to repay the amount demanded; and/or
- The subsidiary is continuously loss making and will have insufficient future cash flows to repay the amount due.

The exposure to credit risk in respect of a subsidiary as at the end of the reporting period is as follows.

	Gross carrying amount/Net balance Company	
	30.6.2022 RM'000	31.12.2020 RM'000
Low credit risk	4,785	3,899

As at end of the reporting period, there was no indication that the amount due from a subsidiary is not recoverable.

#### 25.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 25. Financial instruments (continued)

#### 25.5 Liquidity risk (continued)

##### Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>30.6.2022</b>							
<b>Group</b>							
<i>Non-derivative financial liabilities</i>							
Secured term loans	7,762	2.74 - 3.17	8,580	369	1,554	6,397	260
Unsecured trust receipts	33,320	1.04 - 4.40	33,320	33,320	—	—	—
Unsecured bankers' acceptances	8,318	2.89 - 6.57	8,318	8,318	—	—	—
Unsecured revolving credit	13,213	3.05	13,213	13,213	—	—	—
Trade and other payables	32,329	—	32,329	32,329	—	—	—
	94,942		95,760	87,549	1,554	6,397	260
<b>Company</b>							
<i>Non-derivative financial liabilities</i>							
Other payables	596	—	596	596	—	—	—
Financial guarantee	—	—	61,949*	61,949	—	—	—
	596	—	62,545	62,545	—	—	—
<b>31.12.2020</b>							
<b>Group</b>							
<i>Non-derivative financial liabilities</i>							
Secured term loans	11,705	2.74 - 2.90	12,213	4,705	4,818	2,261	429
Unsecured trust receipts	20,031	0.94 - 1.81	20,031	20,031	—	—	—
Unsecured bankers' acceptances	6,430	2.96 - 3.27	6,430	6,430	—	—	—
Unsecured revolving credit	15,436	1.77 - 2.20	15,436	15,436	—	—	—
Lease liabilities	262	4.30	272	168	104	—	—
Trade and other payables	21,050	—	21,050	21,050	—	—	—
	74,914		75,432	67,820	4,922	2,261	429
<b>Company</b>							
<i>Non-derivative financial liabilities</i>							
Other payables	463	—	463	463	—	—	—
Financial guarantee	—	—	52,920*	52,920	—	—	—
	463		53,383	53,383	—	—	—

\* represents the amount outstanding as disclosed in Note 25.4.

#### 25.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

##### Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are primarily US Dollar ("USD") and Singapore Dollar ("SGD").

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 25. Financial instruments (continued)

#### 25.6 Market risk (continued)

##### Currency risk (continued)

*Risk management objectives, policies and processes for managing the risk*

There is no formal hedging policy with respect to foreign currency exposure. Exposure to foreign currency is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

*Exposure to foreign currency risk*

The Group's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in	
	USD RM'000	SGD RM'000
<b>30.6.2022</b>		
Trade receivables	7,067	25
Cash and cash equivalents	2,207	21
Secured term loans	(7,098)	—
Unsecured revolving credit	(13,213)	—
Unsecured trust receipts	(33,320)	—
Trade and other payables	(2,311)	(254)
	(46,668)	(208)
<b>31.12.2020</b>		
Trade receivables	22,912	3,255
Other receivables	92	36
Cash and cash equivalents	3,528	9
Secured term loans	(11,023)	—
Unsecured revolving credit	(15,436)	—
Unsecured trust receipts	(20,031)	—
Trade and other payables	(1,141)	(252)
	(21,099)	3,048

*Currency risk sensitivity analysis*

A 10% (31.12.2020: 10%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity/Profit or loss	
	30.6.2022 RM'000	31.12.2020 RM'000
USD	3,547	1,604
SGD	16	(232)

A 10% (31.12.2020: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 25. Financial instruments (continued)

#### 25.6 Market risk (continued)

##### Interest rate risk

The Group's borrowings and lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates.

*Risk management objectives, policies and processes for managing the risk*

There is no formal hedging policy with respect to interest rate exposure. Exposure to interest rate risk is monitored on an ongoing basis and the Group endeavours to keep the exposure at an acceptable level.

*Exposure to interest rate risk*

The interest rate profile of the Group's significant interest-bearing financial instruments and lease liabilities, based on carrying amounts as at end of the reporting period:

	Group		Company	
	30.6.2022 RM'000	31.12.2020 RM'000	30.6.2022 RM'000	31.12.2020 RM'000
<b>Fixed rate instruments</b>				
Financial liabilities	(54,851)	(42,159)	—	—
Financial assets	—	—	3,000	3,000
<b>Floating rate instruments</b>				
Financial liabilities	(7,762)	(11,705)	—	—

*Interest rate risk sensitivity analysis*

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased (decreased) post-tax profit or loss of the Group by RM59,000 (31.12.2020: RM89,000). This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

#### 25.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of the floating rate term loans approximates their fair values as the interest rate is expected to correspond to the movements in the market interest rate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 26. Capital management

The Group's capital is represented by its total equity in the statement of financial position. The Directors monitor the adequacy of capital on an ongoing basis.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group's strategy is to maintain the debt-to-equity ratio at below 1.0 time (2020: 1.40) times. The debt-to-equity ratio at 30 June 2022 and at 31 December 2020 were as follows:

	Group	
	30.6.2022 RM'000	31.12.2020 RM'000
Total borrowings (Note 13)	62,613	53,602
Lease liabilities	—	262
Less: Cash and cash equivalents	(40,539)	(10,244)
	22,074	43,620
Total equity	88,556	187,745
Debt-to-equity-ratio	0.25	0.23

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

One of the subsidiaries is required to comply with certain loan covenants, failing of which the bank may call an Event of Default ("EOD"). The subsidiary has not complied with a financial covenant as disclosed in Note 13.

### 27. Related parties

#### Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries and key management personnel.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 27. Related parties (continued)

#### Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 11.

	Group		Company	
	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 30.6.2022 RM'000	1.1.2020 to 31.12.2020 RM'000
<b>A. Subsidiary</b>				
Dividend receivable	—	—	—	1,000
Interest income	—	—	135	30
<b>B. Key management personnel compensation</b>				
<i>Directors:</i>				
- Fees	480	405	480	405
- Over provision of fees in prior year	(85)	—	(85)	—
- Remuneration/Allowances	717	972	36	27
- Contributions to state plans	87	114	—	—
Total short-term employee benefits	1,199	1,491	431	432
<i>Other key management personnel:</i>				
- Remuneration	1,114	—	—	—
- Contributions to state plans	156	—	—	—
	1,270	—	—	—

### 28. Significant events

A fire occurred on 19 December 2021 that resulted in destruction of the property, plant and equipment and inventories at the Group's manufacturing plant in Senai, Johor. Consequently, a total carrying value of property, plant and equipment amounting to RM127 million and inventories amounting to RM54 million were written off during the period.

The Group has taken up insurance policies to cover for the property, plant and equipment and inventories losses and business interruption losses. During the period, the Group has recognised insurance compensation of RM115 million which has been approved by the insurer. The remaining compensation has yet to be finalised and approved as of the date of financial statements.

### 29. Subsequent event

On 11 August 2022, the subsidiary, Tomypak Flexible Packaging Sdn. Bhd. ("TFPSB") entered into memorandums of understanding ("MOUs") with the shareholders of EB Packaging Sdn. Bhd. ("EBPSB") to acquire the entire equity interest of EBPSB for a total purchase consideration of RM120 million. TFPSB has paid earnest deposits of RM3.6 million upon execution of the MOUs.

### 30. Change of financial year end

The Company changed its financial year end from 31 December to 30 June. Accordingly, the current financial statements are prepared for eighteen months from 1 January 2021 to 30 June 2022.



# STATEMENT BY DIRECTORS

## Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 55 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Yong Kwet On**  
Director

**Tan See Yin**  
Director

Date: 31 October 2022

# STATUTORY DECLARATION

## Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Tan See Yin**, the Director primarily responsible for the financial management of TOMYPAK HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 55 to 108 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Tan See Yin, NRIC: 560709-06-5043, MIA CA 4126, at Johor Bahru in the State of Johor on 31 October 2022

**Tan See Yin**

Before me:

Lau Lay Sung  
Commissioner for Oaths  
J-246

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF TOMYPAK HOLDINGS BERHAD

**Registration Number: 199501008545 (337743-W)**  
**(Incorporated in Malaysia)**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Tomypak Holdings Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 55 to 108.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

# INDEPENDENT AUDITORS' REPORT

## (CONT'D)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Use of going concern basis in the preparation of financial statements - Group</b>	
Refer to Note 1(b) - Basis of measurement and Note 28 - Significant events.	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group's operation and financial performance were severely impacted by the fire incident on 19 December 2021 at its main manufacturing plant at Senai, Johor. This resulted in the loss of the Group's major production capacity and the Group incurred a net loss of RM99.9 million for the period ended 30 June 2022. Note 1(b) to the consolidated financial statements explains how the Directors of the Company have formed a judgement that the going concern basis is appropriate in preparing the consolidated financial statements of the Group.</p> <p>The Directors made their assessment of the Group's ability to continue as a going concern on the basis that the insurance claim will be released progressively and the banks will continue to provide financial support to the Group to allow the Group to discharge its liabilities. Based on the assessment, the Directors believe there is no material uncertainties related to going concern, which may cast significant doubt on the ability of the Group to continue as a going concern.</p> <p>We identified going concern as a key audit matter because the assessment is dependent on the probability of receiving the insurance claim and continuous financial support from the banks.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> <li>Assessed the Group's recovery plans and evaluated whether the assumptions (including expected insurance claim to be received and expected cash outflow within the next 12 months) used by the Directors were realistic and achievable;</li> <li>Read the insurance policy and correspondence with the insurance adjustors;</li> <li>Discussed with the insurance claim consultant on the insurance claiming process; and</li> <li>Assessed the appropriateness of going concern basis of accounting and the adequacy of the financial statements disclosures.</li> </ul>
<b>Valuation of investment in a subsidiary and amount due from a subsidiary - Company</b>	
Refer to Note 2(k) - Significant accounting policies: Impairment, Note 7 - Investment in subsidiaries and Note 11 - Trade and other receivables	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>As at 30 June 2022, the Company has an investment in Tomypak Flexible Packaging Sdn. Bhd. ("the subsidiary") with a carrying amount of RM137.7 million and amount due from the subsidiary of RM4.8 million. There is an indication that the investment may be impaired consequent to the fire incident on 19 December 2021 at the subsidiary's main manufacturing plant at Senai, Johor.</p> <p>We have identified the impairment of investment in the said subsidiary as a key audit matter as the determination of recoverable amount of the investment in subsidiary involves judgement and estimation by the Directors.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> <li>Evaluated the methodology and approach applied by the Directors;</li> <li>Assessed the Group's recovery plans and evaluated whether the assumption used by the Directors were realistic and achievable; and</li> <li>Assessed the related disclosures in the financial statements with reference to the requirements of the prevailing accounting standards.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

## (CONT'D)

### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

## **INDEPENDENT AUDITORS' REPORT (CONT'D)**

### **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 7 to the financial statements.

### **Other Matter**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

**Chan Yen Ing**  
Approval Number: 03174/04/2023 J  
Chartered Accountant

Johor Bahru

Date: 31 October 2022

# ANALYSIS OF SHAREHOLDINGS

## AS AT 30 SEPTEMBER 2022

Total number of issued shares : 431,116,670  
 Class of Shares : Ordinary Shares  
 Voting Rights : One vote per ordinary share  
 No. of Shareholders : 3,983

### DISTRIBUTION OF SHAREHOLDINGS

Range of Shares	No. of shareholders	Percentage (%)	No. of Shares	Percentage (%)
1 to 99	149	3.74	5,817	0.00
100 to 1,000	315	7.91	184,465	0.04
1,001 to 10,000	1,589	39.89	9,250,299	2.15
10,001 to 100,000	1,655	41.55	51,914,667	12.04
100,001 to 21,555,834 (*)	270	6.78	162,336,358	37.66
21,555,834 and above (**)	5	0.13	207,425,064	48.11
Total	3,983	100.00	431,116,670	100.00

#### Remarks:

- \* Less than 5% of issued shares  
 \*\* 5% and above of issued shares

### LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2022

No.	Name of Substantial Shareholders	Direct	Interest in Shares	
			Deemed	*Percentage (%) Total
1	New Orient Resources Sdn. Bhd.	99,634,752	-	23.11
2	Yong Kwet On	1,117,087	99,634,752 <sup>(a)</sup>	23.37
3	Lim Hun Swee	90,001,012	-	20.88
4	Tun Arshad Bin Ayub (Demised on 14.06.2022)	11,016,537	21,831,300 <sup>(b)</sup>	7.62
5	Zalaraz Sdn. Bhd.	21,831,300	-	5.07

### DIRECTORS' INTEREST IN SHARES AS AT 30 SEPTEMBER 2022

No.	Name of Directors	Direct	Interest in Shares	
			Deemed	*Percentage (%) Total
1.	Yong Kwet On	1,117,087	99,634,752 <sup>(a)</sup>	23.37
2.	Tan See Yin	441,007	-	0.10
3.	Azmi Bin Arshad	100,000	-	0.02
4.	To' Puan Rozana Binti Tan Sri Redzuan	340,000	-	0.08
5.	Datuk Kamal Bin Khalid	-	-	-

#### Note:

- (a) By virtue of his substantial shareholdings in New Orient Resources Sdn. Bhd.  
 (b) By virtue of his substantial shareholdings in Zalaraz Sdn. Bhd.

\* The percentage of shareholding is computed based on the total number of issued shares of 431,116,670 as at 30 September 2022



## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### LIST OF TOP 30 SHAREHOLDERS AS AT 30 SEPTEMBER 2022

No.	Name of shareholders	Number of shares	%
1.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEW ORIENT RESOURCES SDN BHD	71,690,000	16.63
2.	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SWEE	56,422,500	13.09
3.	LIM HUN SWEE	33,578,512	7.79
4.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEW ORIENT RESOURCES SDN BHD	23,902,752	5.55
5.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZALARAZ SDN. BHD. (MY3113)	21,831,300	5.06
6.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHEW HON CHOY (SMART)	15,017,200	3.48
7.	CGS-CIMB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABDUL AZIZ BIN MOHAMED HUSSAIN (MY0324)	10,900,000	2.53
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ARSHAD BIN AYUB	6,856,700	1.59
9.	TAN BEE LAY	6,100,000	1.42
10.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (021)	4,973,700	1.15
11.	LIM CHIN SENG	4,872,000	1.13
12.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP	4,500,000	1.04
13.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ARSHAD BIN AYUB (MY1393)	4,159,837	0.97
14.	NEW ORIENT RESOURCES SDN BHD	4,042,000	0.94
15.	HEE JIA LOONG	3,335,100	0.77
16.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR TEH SHIOU CHERNG	2,870,000	0.67

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### LIST OF TOP 30 SHAREHOLDERS AS AT 30 SEPTEMBER 2022 (CONT'D)

No.	Name of shareholders	Number of shares	%
17.	TAN AH PING	2,660,000	0.62
18.	EE CHONG PANG	2,480,000	0.58
19.	HSBC NOMINEES (ASING) SDN BHD QUINTET LUXEMBOURG FOR SAMARANG UCITS – SAMARANG ASIAN PROSPERITY	2,302,800	0.53
20.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG (MY1989)	2,000,000	0.46
21.	EE CHONG PANG	2,000,000	0.46
22.	KAN MUN HOOW	2,000,000	0.46
23.	YIM YOKE YEE	1,710,000	0.40
24.	EXPO HOLDINGS SDN BHD	1,500,000	0.35
25.	CHONG LEE FONG	1,460,000	0.34
26.	YAP SUET HENG	1,448,800	0.34
27.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW SIEW LAN (MX2700)	1,400,000	0.33
28.	OEI YANG YANG @ NG YEN YEN	1,150,000	0.27
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG KWET ON	1,117,087	0.26
30.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH CHEN FOONG (MY1718)	1,100,000	0.26
	TOTAL	299,380,288	69.47

# PARTICULARS OF PROPERTIES

The details of the landed property of the Tomypak Group as at 30 June 2022 are as follows:

Registered Owner / Location	Description/ Existing Use	Land/Built-up Area ('000 sq.ft)	Tenure Age of building	Net Book Value RM'000	Date of Last Revaluation
Tomypak Flexible Packaging Sdn Bhd/ PTD 109476 Jalan Cyber 4, Kawasan Perindustrian Senai Fasa 3, 81400 Senai, Johor Darul Ta'zim	Industrial Land/ Factory Building	456.84/ 12.24	Freehold land	18,358	-
Tomypak Flexible Packaging Sdn Bhd/ 11, Jalan Tahana, Kawasan Perindustrian Tampoi, 80350 Johor Bahru, Johor Darul Ta'zim	Industrial Land/ Factory Building	174.24/ 150.89	Leasehold land expiring on 30.09.2034	4,634	15.11.1994
Tomypak Flexible Packaging Sdn Bhd/ Unit 736, Block A, Kelana Centre Point, No.3, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan	Leasehold Building/ Sales & Marketing Office	1.195	Leasehold building expiring on 23.01.2094	307	-
Tomypak Flexible Packaging Sdn Bhd/ Unit 508 & 510, Block A, Kelana Centre Point, No.3, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan	Leasehold Building/ Sales & Marketing Office	3.229	Leasehold building expiring on 23.01.2094	1,077	-
SP Plastic & Packaging Sdn Bhd/ Lot 1293 & 1294, Jalan Industri Rembia 9, Kawasan Perindustrian Rembia, 78000 Alor Gajah, Malacca	Industrial Land/ Factory Building	6.00/4.80	Freehold land	972	-

# NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty Seventh Annual General Meeting (“27<sup>th</sup> AGM”) of the Company will be conducted virtually through live streaming from the Broadcast Venue and online remote voting via Remote Participation and Electronic Voting for the purpose of considering and, if thought fit, passing with or without modifications the resolutions setting out in this notice.

Day and Date : Thursday, 15 December 2022  
 Time : 11.00 a.m  
 Broadcast Venue : Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia  
 Online Meeting Platform : <https://tiih.online>  
 Mode of Communication : 1) Typed text in the Meeting Platform  
 2) Submit questions via <https://tiih.online/> prior to the Meeting

## AGENDA

### ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 30 June 2022 together with the Reports of the Directors’ and Auditors’ thereon. **(Please refer to Note No. 1)**
2. To approve the payment of Directors’ fees of RM480,000 for the financial period ended 30 June 2022. **(Resolution 1)**
3. To approve the payment of Directors’ benefits to the Directors of the Company and its subsidiaries up to an amount of RM120,000 for the period from 16 December 2022 until the conclusion of the next Annual General Meeting of the Company to be held in 2023. **(Resolution 2)**
4. To re-elect Mr Yong Kwet On who retires in accordance with the Company’s Constitution. **(Resolution 3)**
5. To re-elect Encik Azmi Bin Arshad who retires in accordance with the Company’s Constitution. **(Resolution 4)**
6. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Board of Directors to determine their remuneration. **(Resolution 5)**

### SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification(s), the following resolutions as Ordinary Resolutions:

7. ORDINARY RESOLUTION
  - PROPOSED AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject to approval of the relevant regulatory bodies, the Directors be and are hereby authorised to issue and allot shares in the Company at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares so issued does not exceed 10% of the issued capital of the Company for the time being and the Directors be and are also empowered to obtain the approval of the Bursa Malaysia for listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

## NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING (CONT'D)

AND THAT pursuant to Section 85 of the Act, read together with Clause 65 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued Company shares arising from issuance of new shares pursuant to this Mandate.”

**(Resolution 6)**

8. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

### BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No.: 202008001023)

SANTHI A/P SAMINATHAN (MAICSA 7069709) (SSM PC No.: 201908002933)

Company Secretaries

Johor Bahru

31 October 2022

### Notes:

1. As part of Tomypak Holdings Berhad (“the Company”) ongoing efforts to contain the spread of the Coronavirus (COVID-19) and in line with the revised “Guidance and FAQs on the Conduct of General Meetings for Listed Issuers” issued by the Securities Commission Malaysia on 7 April 2022, the Company would like to leverage on technology to facilitate communication and engagement with shareholders by conducting its 27<sup>th</sup> AGM virtually through live streaming from the Broadcast Venue and online remote voting using remote participation and electronic voting facilities provided by the Poll Administrator, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online> (“RPV Facilities”). Please follow the procedures as set out in the Administrative Guide for the 27<sup>th</sup> AGM in order to register, participate and vote remotely via RPV Facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act which requires the Chairman of the Meeting to be present at the main venue. No members/proxies from the public shall be physically present at nor admitted to the Broadcast Venue.
3. A proxy must be of full age. A proxy may but need not be a member of the Company.
4. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
6. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this Annual General Meeting must follow the procedures as set out in the Administrative Guide for the 27<sup>th</sup> AGM to request for Remote Participation.
7. If the appointor is a corporation, the Form of Proxy must be executed under its Seal or under the hand of its attorney.

## NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING (CONT'D)

8. The instrument appointing a proxy must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by sending it through the post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Alternatively, the Proxy Form can be submitted electronically via TIIH Online website at <https://tiih.online> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote on a poll.
11. Last date and time for lodging the proxy form is Tuesday, 13 December 2022 at 11.00 a.m.
12. In respect of deposited securities, only members whose names appear on the Record of Depositors on 6 December 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf via RPV.
13. **EXPLANATORY NOTES:**

### **Agenda 1**

#### **To receive Audited Financial Statements**

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution and do not require a formal approval of the shareholders' and hence, is not put forward for voting.

### **Agenda 2 and 3**

#### **Ordinary Resolution 1 and Ordinary Resolution 2 on the Payment of Directors' fees and other benefits payable respectively**

Section 230(1) of the Companies Act 2016 provides amongst other, that the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for payment of Directors' fees amounting to RM480,000 for the period ended 30 June 2022 covering an eighteenth month period (i.e. from 1 January 2021 to 30 June 2022) and other benefits payable up to RM120,000 for the period from 16 December 2022 until the conclusion of the next AGM to be held in year 2023.

In determining the total amount of Directors' Fees and the estimated Benefits payable for the Directors of the Company, the Board has considered various factors including the number of scheduled meetings for the Board and Board Committees of the Company as well as the number of Directors involved in these meetings based on the current number of Directors and has included additional provisional sum for any increase in number of Board and Committee meetings if required.

### **Agenda 4 and 5**

#### **Ordinary Resolution 3 and Ordinary Resolution 4 on the Re-election of the Directors, Mr Yong Kwet On and Encik Azmi Bin Arshad respectively**

Clause 103 of the Company's Constitution expressly states that at the Annual General Meeting ("AGM") in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office and be eligible for re-election.

Pursuant to Clause 103 of the Company's Constitution, Mr Yong Kwet On and Encik Azmi Bin Arshad are standing for re-election at this AGM. The profile of Mr Yong Kwet On and Encik Azmi Bin Arshad are provided on page 12 and 13 of the Board of Directors' Profile in the Annual Report 2022.

## NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING (CONT'D)

The Nominating Committee ("NC") of the Company has assessed **the evaluation, criteria, contribution** of the directors and assess the fit and proper criteria of the respective directors standing for re-election in recommending their re-election. The Board also have endorsed the NC's recommendation that the retiring Directors be re-elected as Directors of the Company.

### **Agenda 6**

#### **Ordinary Resolution 5 on the Re-appointment of Auditors**

Ordinary Resolution 5, pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs KPMG PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office.

Messrs KPMG PLT, have indicated their willingness to continue their service. The re-appointment of Messrs KPMG PLT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This proposed Ordinary Resolution 5, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

### **Agenda 7**

#### **Ordinary Resolution 6 on the Authority to Allot and Issue Shares by Directors pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company from the date of the above meeting until the next AGM, unless earlier revoked or varied at a general meeting, to issue shares in the Company up to an aggregate number not exceeding ten per centum (10.0%) of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company.

The mandate sought under Ordinary Resolution 6 above is a renewal of an existing mandate and there was no proceed raised since the last renewal was sought.

The renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

## **PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# STATEMENT ACCOMPANYING NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27 (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

## 1. RE-ELECTION OF DIRECTORS

There is no person seeking for election as Director of the Company at this Annual General Meeting except for the following Directors standing for re-election at the 27<sup>th</sup> Annual General Meeting of the Company as follows:-

- (a) Mr Yong Kwet On - ORDINARY RESOLUTION 3
- (b) Encik Azmi Bin Arshad - ORDINARY RESOLUTION 4

The details of the Directors who are standing for re-election are set out in the Profile of the Board of Directors on page 12 and 13 in this Annual Report.

Information on securities holdings in the Company by the directors standing for re-election are set out on page 50 and 115 of the Annual Report.

## 2. GENERAL MANDATE FOR ISSUE OF SECURITIES PURSUANT TO PARAGRAPH 6.03(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The general mandate for issuance of shares by the Company under Section 75 and 76 of the Companies Act 2016 is for the purpose of granting renewal of the mandate obtained from its shareholders at the 26<sup>th</sup> Annual General Meeting held on 22 June 2021. The Company did not issue any shares pursuant to this mandate obtained.

The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

# ADMINISTRATIVE GUIDE FOR TWENTY SEVENTH ANNUAL GENERAL MEETING (“27<sup>th</sup> AGM”)

## 27<sup>th</sup> Annual General Meeting (“27<sup>th</sup> AGM”)

Day, Date and Time	: Thursday, 15 December 2022 at 11.00 a.m.
Meeting Platform	: <a href="https://tiih.online">https://tiih.online</a>
Broadcast Venue	: Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

## MODE OF MEETING

In line with the Securities Commission Malaysia issuance of a revised Guidance Note on the Conduct of General Meetings for Listed Issuers on 7 April 2022 stating various modes of conducting general meetings as to be aligned with the “Transition to Endemic” phase subject to the requirements under the prevailing and applicable Standard Operating Procedure (SOPs) by Majlis Keselamatan Negara (MKN) and the Ministry of Health (MOH) (Revised Guidance Note), the 27<sup>th</sup> Annual General Meeting (27<sup>th</sup> AGM) will be conducted on a virtual basis through live streaming and online meeting platform from the Broadcast Venue and online remote voting.

For the purpose of complying with Section 327 of the Companies Act, 2016, the Chair of the meeting shall be present at the Broadcast Venue for the 27<sup>th</sup> AGM to chair the 27<sup>th</sup> AGM. Member(s) or proxy(ies) or attorney(s) or authorised representative(s) WILL ONLY BE ALLOWED to attend the 27<sup>th</sup> AGM via the online platform.

Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 27<sup>th</sup> AGM at short notice. Kindly check the Company’s website or announcements for the latest updates on the status of the 27<sup>th</sup> AGM. The Company will continue to observe the applicable guidelines issued by the MOH and will take all relevant precautionary measures as advised.

## REMOTE PARTICIPATION AND VOTING FACILITIES (RPV)

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the 27<sup>th</sup> AGM using RPV provided by Tricor via its TIIH Online website at <https://tiih.online>.

A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to participate at this 27<sup>th</sup> AGM via RPV must request his/her proxy(ies) or attorney or authorised representative to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

As the 27<sup>th</sup> AGM are conducted virtually, shareholders who are unable to participate in this 27<sup>th</sup> AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

## PROCEDURES OF RPV

Item	Procedure	Action
<b>Before the day of the 27<sup>th</sup> AGM</b>		
1.	Register as a user with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services” by selecting the “Sign up” button and followed by “<b>Create Account by Individual Holder</b>”. Refer to the tutorial guide posted on the homepage for assistance.</li> <li>Registration as a user will be approved within one working day and you will be notified via email.</li> <li>If you are already a user of TIIH Online, you are not required to register again. You will receive an email from Tricor to notify you that remote participation for the 27<sup>th</sup> AGM is available for registration on TIIH Online.</li> </ul>

## ADMINISTRATIVE GUIDE FOR TWENTY SEVENTH ANNUAL GENERAL MEETING (“27<sup>th</sup> AGM”) (CONT'D)

Item	Procedure	Action
2.	Submit your request	<ul style="list-style-type: none"> <li>Registration is open from 31 October 2022 until the day of the 27<sup>th</sup> AGM on Thursday, 15 December 2022. Member(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 27<sup>th</sup> AGM to ascertain their eligibility to participate in the 27<sup>th</sup> AGM using the RPV.</li> <li>Login with your user ID and password and select the corporate event: “<b>(REGISTRATION) TOMYPAK HOLDINGS BERHAD 27<sup>th</sup> AGM</b>”.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select “Register for Remote Participation and Voting”.</li> <li>Review your registration and proceed to register.</li> <li>System will send an e-mail to notify that your registration for remote participation is received and will be verified.</li> <li>After verification of your registration against the Record of Depositors as at 6 December 2022, the system will send you an e-mail to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email.</li> </ul> <p>(Note: Please ensure to allow sufficient time for the process for approval as a new user of TIIH Online and for the registration for RPV in order to login to TIIH Online and participate at the 27<sup>th</sup> AGM remotely).</p>
<b>On the day of the 27<sup>th</sup> AGM (15 DECEMBER 2022)</b>		
3.	Login to TIIH Online	<ul style="list-style-type: none"> <li>Login with your user ID and password for remote participation at the 27<sup>th</sup> AGM at any time from 10.00 a.m. i.e. 1 hour before the commencement of the 27<sup>th</sup> AGM on Thursday, 15 December 2022 at 11.00 a.m.</li> </ul>
4.	Participate through Live Streaming	<ul style="list-style-type: none"> <li>Select the Corporate event: “<b>(LIVE STREAM MEETING) TOMYPAK HOLDINGS BERHAD 27<sup>th</sup> AGM</b>” to engage in the proceedings of the 27<sup>th</sup> AGM remotely.</li> <li>If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavor to respond to questions submitted by you during the 27<sup>th</sup> AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.</li> </ul>
5.	Online Remote Voting	<ul style="list-style-type: none"> <li>Voting session commences from <b>11.00 a.m.</b> for the 27<sup>th</sup> AGM on <b>Thursday, 15 December 2022</b> until a time when the Chairman announces the completion of the voting session of the 27<sup>th</sup> AGM.</li> <li>Select the corporate event: “<b>(REMOTE VOTING) TOMYPAK HOLDINGS BERHAD 27<sup>th</sup> AGM</b>” or if you are on the live stream meeting page, you can select “<b>GO TO REMOTE VOTING PAGE</b>” button below the Query Box.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select the CDS account that represents your shareholdings.</li> <li>Indicate your votes for the resolutions that are tabled for voting.</li> <li>Confirm and submit your votes.</li> </ul>
6.	End of Remote Participation	Upon the declaration of the poll results and announcement by the Chairman on closure of the 27 <sup>th</sup> AGM, the live streaming will end.

*Note to users of the RPV:*

Should your application to join the 27<sup>th</sup> AGM be approved, we will allow you to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of 27<sup>th</sup> AGM will indicate your presence at the virtual 27<sup>th</sup> AGM.

The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-4080 5616/011-4080 3168/011-4080 3169/ 011-4080 3170 for assistance or e-mail to [tiih.online@my.tricorglobal.com](mailto:tiih.online@my.tricorglobal.com) for assistance.

# ADMINISTRATIVE GUIDE FOR TWENTY SEVENTH ANNUAL GENERAL MEETING (“27<sup>th</sup> AGM”) (CONT'D)

## APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate via RPV at the 27<sup>th</sup> AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor no later than forty-eight (48) hours before the holdings of the 27<sup>th</sup> AGM (i.e. not later than Tuesday, 13 December 2022 at 11.00 a.m.) or any adjournment thereof.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

i. In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than forty-eight (48) hours before the holdings of the 27<sup>th</sup> AGM (i.e. not later than Tuesday, 13 December 2022 at 11.00 a.m.) or any adjournment thereof.

ii. By electronic form

The proxy form can be electronically lodged with the Poll Administrator of the Company via TIH Online at <https://tiah.online>. Kindly refer to the Procedures for Electronic Submission of Proxy Form.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than forty-eight (48) hours before the holdings of the 27<sup>th</sup> AGM (i.e. not later than Tuesday, 13 December 2022 at 11.00 a.m.) to participate via RPV in the 27<sup>th</sup> AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than forty-eight (48) hours before the holdings of the 27<sup>th</sup> AGM (i.e. not later than Tuesday, 13 December 2022 at 11.00 a.m.) or any adjournment thereof to participate via RPV in the 27<sup>th</sup> AGM. The certificate of appointment should be executed in the following manner:

- i. If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- ii. If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
  - a. at least two (2) authorised officers, of whom one shall be a director; or
  - b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

## ADMINISTRATIVE GUIDE FOR TWENTY SEVENTH ANNUAL GENERAL MEETING (“27<sup>th</sup> AGM”) (CONT'D)

### PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your proxy form electronically via Tricor’s **TIIH Online** website are summarised below:

Item	Procedure	Action
<b>i. Steps for Individual Shareholders</b>		
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services” by selecting “Create Account by Individual Holder”. Please do refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>After the release of the Notice of the 27<sup>th</sup> AGM by the Company, login with your username (i.e. email address) and password.</li> <li>Select the corporate event: <b>“TOMYPAK HOLDINGS BERHAD 27<sup>th</sup> AGM – SUBMISSION OF PROXY FORM”</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your vote.</li> <li>Review and confirm your proxy(ies) appointment.</li> <li>Print proxy form for your record.</li> </ul>
<b>ii. Steps for Corporation or Institutional Shareholders</b>		
(a)	Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects <b>“Create Account by Representative of Corporate Holder”</b>.</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact the persons stated under “ENQUIRY” section below if you need clarifications on the user registration.</i></p>
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Select the corporate event: <b>“TOMYPAK HOLDINGS BERHAD 27<sup>th</sup> AGM – SUBMISSION OF PROXY FORM”</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Proceed to download the file format for <b>“Submission of Proxy Form”</b> in accordance with the Guidance Note set therein.</li> <li>Prepare the file for the appointment of proxy(ies) by inserting the required data.</li> <li>Submit the proxy appointment file.</li> <li>Login to TIIH Online, select corporate event: <b>“TOMYPAK HOLDINGS BERHAD 27<sup>th</sup> AGM – SUBMISSION OF PROXY FORM”</b>.</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select <b>“Submit”</b> to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>

## **ADMINISTRATIVE GUIDE FOR TWENTY SEVENTH ANNUAL GENERAL MEETING (“27<sup>th</sup> AGM”) (CONT'D)**

### **POLL VOTING**

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 27<sup>th</sup> AGM will be conducted by poll. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Members/proxies/corporate representatives can proceed to vote on the resolutions at any time from the commencement of the 27<sup>th</sup> AGM until the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item 5 of the above Procedures for RPV for guidance on how to vote remotely from TIIH Online website.

Upon completion of the voting session for the 27<sup>th</sup> AGM, the scrutineers will verify the poll results followed by the Chairman of the meeting's declaration of the results.

### **PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS**

In order to enhance the efficiency of the proceedings of the 27<sup>th</sup> AGM, members or proxies may submit questions in advance via Tricor's TIIH Online website at <https://tiih.online> or <https://tiih.com.my> by selecting “e-Services” to login, pose the questions and submit electronically not later than forty-eight (48) hours before of the 27<sup>th</sup> AGM (i.e. not later than Tuesday, 13 December 2022 at 11.00 a.m.) or use the query box to transmit questions via RPV facilities during live streaming of the 27<sup>th</sup> AGM. The Board of Directors will endeavour to address the relevant questions at the 27<sup>th</sup> AGM.

### **NO RECORDING OR PHOTOGRAPHY**

No recording or broadcasting of the 27<sup>th</sup> AGM proceedings is allowed without the prior written permission of the Company.

### **ENQUIRY**

If you need any assistance, kindly contact our Poll Administrator, Tricor Investor & Issuing House Services Sdn Bhd during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd  
General Line : +603 2783 9299  
Fax Number : +603 2783 9222  
Email : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

# FORM OF PROXY



**TOMYPAK HOLDINGS BERHAD**  
Registration Number: 199501008545 (337743-W)

CDS Account No.:

\*I/We \_\_\_\_\_  
I.C. No. / Passport No. / Registration No. / Company No. \_\_\_\_\_  
of \_\_\_\_\_  
being a member of **TOMYPAK HOLDINGS BERHAD** (“**TOMYPAK**” or “**Company**”)  
hereby appoint \_\_\_\_\_  
I.C. No. / Passport No. \_\_\_\_\_  
of \_\_\_\_\_  
and/or failing him/her \_\_\_\_\_, I.C. No. / Passport No. \_\_\_\_\_  
of \_\_\_\_\_

or failing him/her, the CHAIR OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the Twenty Seventh Annual General Meeting (“27<sup>th</sup> AGM”) of the Company, to be conducted virtually through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia and online Remote Participation and Electronic Voting via <https://tiih.online> on Thursday, 15 December 2022 at 11.00 a.m. and at any adjournment thereof.

Please indicate clearly with an “X” where appropriate against each resolution how you wish your proxy to vote. If no specific direction to voting is given, the proxy will vote or abstain at his/her discretion.

NO.	RESOLUTION	FOR	AGAINST	ABSTAIN
Ordinary Resolution 1	Approval of Directors’ fees			
Ordinary Resolution 2	Approval of Directors’ benefits			
Ordinary Resolution 3	Re-election of retiring Director, Mr Yong Kwet On			
Ordinary Resolution 4	Re-election of retiring Director, Encik Azmi Bin Arshad			
Ordinary Resolution 5	Re-appointment of KPMG PLT as Auditors and authorise the Directors to fix their remuneration			
Ordinary Resolution 6	Empower directors to issue shares pursuant to Section 75 & 76 of the Companies Act 2016			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature / Common Seal	
No. of Shares held	

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies			
	No. of Shares	Percentage	
Proxy 1			%
Proxy 2			%
Total		100	%

**Notes:**

- As part of Tomypak Holdings Berhad (“**the Company**”) ongoing efforts to contain the spread of the Coronavirus (COVID-19) and in line with the revised “Guidance and FAQs on the Conduct of General Meetings for Listed Issuers” issued by the Securities Commission Malaysia on 7 April 2022, the Company would like to leverage on technology to facilitate communication and engagement with shareholders by conducting its 27<sup>th</sup> AGM virtually through live streaming from the Broadcast Venue and online remote voting using remote participation and electronic voting facilities provided by the Poll Administrator, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIH Online website at <https://tiih.online> (“RPV Facilities”). Please follow the procedures as set out in the Administrative Guide for the 27<sup>th</sup> AGM in order to register, participate and vote remotely via RPV Facilities.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act which requires the Chairman of the Meeting to be present at the main venue. No members / proxies from the public shall be physically present at nor admitted to the Broadcast Venue.
- A proxy must be of full age. A proxy may but need not be a member of the Company.
- A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this Annual General Meeting must follow the procedures as set out in the Administrative Guide for the 27<sup>th</sup> AGM to request for Remote Participation.
- If the appointor is a corporation, the Form of Proxy must be executed under its Seal or under the hand of its attorney.
- The instrument appointing a proxy must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by sending it through the post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Alternatively, the Proxy Form can be submitted electronically via TIH Online website at <https://tiih.online> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
- Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote on a poll.
- Last date and time for lodging the proxy form is Tuesday, 13 December 2022 at 11.00 a.m.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 6 December 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf via RPV.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 27<sup>th</sup> AGM dated 31 October 2022.

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**TOMYPAK HOLDINGS BERHAD**

(Registration No. 199501008545 (337743-W))

c/o Poll Administrator

Tricor Investor & Issuing House Services Sdn. Bhd.,  
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3,  
Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur, Malaysia

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**TOMYPAK HOLDINGS BERHAD**

Registration No. 199501008545 (337743-W)

**Head Office & Main Plant :**

No.11, Jalan Tahana, Kawasan Perindustrian Tampoi,  
80350 Johor Bahru, Johor Darul Takzim, Malaysia.

Tel: (6)07-535 2222 Fax: (6)07-535 2228

Email: sales@tomypak.com.my / investor@tomypak.com.my

**Melaka Plant :**

Lot 1293 & 1294, Jalan Industries Rembia 9

Kawasan Perindustrian Rembia

78000 Alor Gajah, Malacca, Malaysia

Email: info@spplas.com

**KL Office:**

Unit 508 & 510, Block A, Kelana Centre Point

No.3, Jalan SS7/19, Kelana Jaya

47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel: (6)03-7880 4233 Fax: (6)03-7880 7233

Email: tpsales@tomypak.com.my

**[www.tomypak.com.my](http://www.tomypak.com.my)**