



**TOMYPAK HOLDINGS BERHAD**

(Co. No: 337743-W)

ANNUAL REPORT 2006



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## **Notice Of Annual General Meeting**

**NOTICE IS HEREBY GIVEN** that the Twelfth Annual General Meeting of the Company will be held at Nilam (Level 2), The Puteri Pacific Hotel Johor Bahru, “The Kotaraya”, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor on Monday, 25th June 2007 at 2.30 p.m. for the following purposes:-

### **AGENDA**

#### **ORDINARY BUSINESS**

1. To receive and adopt the Audited Financial Statements for the year ended 31st December 2006 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees for the year ended 31st December 2006. **(Resolution 2)**
3. To re-elect Mr Chin Ah Kow @ Chin Loi Fuh who retires by rotation in accordance with the Company's Articles of Association. **(Resolution 3)**
4. To re-elect Tan Sri Datuk Arshad bin Ayub who retires pursuant to Section 129(2) of the Companies Act, 1965. **(Resolution 4)**
5. To re-elect Mr Chow Wen Chye who retires pursuant to Section 129(2) of the Companies Act, 1965. **(Resolution 5)**
6. To re-elect Tan Sri Dato' Mohd Zuki Bin Kamaluddin who retires pursuant to Section 129(2) of the Companies Act, 1965. **(Resolution 6)**
7. To re-appoint the retiring Auditors, Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**
8. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

#### **SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:



## Notice Of Annual General Meeting (continued)

### 9. ORDINARY RESOLUTION

#### ■ Proposed Authority to Issue Shares

“THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company.”

**(Resolution 8)**

### 10. SPECIAL RESOLUTION

#### **Proposed Amendments to the Articles of Association of the Company as set-out in Appendix I annexed to the 2006 Annual Report.**

“THAT the amendments to the Articles of Association of the Company as detailed in Appendix I annexed to the 2006 Annual Report” be and are hereby approved and adopted.

**(Resolution 9)**

### BY ORDER OF THE BOARD

ANG MUI KIW (LS0001886)  
TAI YIT CHAN (MAICSA 7009143)  
Company Secretaries

Johor Bahru  
1 June 2007

### Notes

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The duly completed Form of Proxy must be deposited at the registered office of the Company situated at Suite 7E, Level 7, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.



## **Notice Of Annual General Meeting (continued)**

4. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, the Form of Proxy must be executed under its Seal or under the hand of its attorney.

### **Explanatory Notes on Special Business:**

#### **6. (Ordinary Resolution 8 - Proposed Authority to Issue Shares)**

The Proposed Authority to Issue Shares, Ordinary Resolution No. 8, if passed, will give the directors of the Company, from the date of the above Annual General Meeting, authority to issue not more than 10% of the issued share capital of the Company. Such issuance of shares will still be subject to the approvals of the Securities Commission and Bursa Malaysia Securities Berhad. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

#### **(Ordinary Resolution 9 - Proposed Amendments to the Articles of Association of the Company)**

The Proposed Amendments to the Article of Association of the Company, if passed, will give effect to the adoption of the Proposed Amendments to the Articles of Association of the Company as contained in Appendix I which was circulated together with the 2006 Annual Report.



**TOMYPAK HOLDINGS BERHAD**  
(Co. No: 337743-W)

## Corporate Information

### BOARD OF DIRECTORS

Tan Sri Datuk Arshad Bin Ayub  
*(Chairman, Independent Non-Executive Director)*  
Mr. Chow Yuen Liong  
*(Non-Independent Executive Director)*  
Tan Sri Dato' Mohd Zuki Bin Kamaluddin  
*(Non-Independent Non-Executive Director)*  
Mr. Chin Ah Kow @ Chin Loi Fuh  
*(Non-Independent Executive Director)*  
Mr. Chow Wen Chye  
*(Non-Independent Non-Executive Director)*  
Mr. Teoh Kok Swee @ Michael Teoh  
*(Independent Non-Executive Director)*  
Mr. Teo Kong Wan  
*(Independent Non-Executive Alternate Director)*

### REGISTERED OFFICE

Suite 7E, Level 7, Menara Ansar  
65, Jalan Trus  
80000 Johor Bahru  
Johor Darul Ta'zim  
Tel: 07-2241035 Fax: 07-2210891

### PRINCIPAL PLACE OF BUSINESS

11, Jalan Tahana  
Kawasan Perindustrian Tampoi  
80350 Johor Bahru  
Johor Darul Ta'zim  
Tel: 07-2378585 Fax: 07-2378575

### COMPANY SECRETARIES

Madam Ang Mui Kiow  
(LS 0001886)  
Madam Tai Yit Chan  
(MAICSA 7009143)

### SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd  
(378993-D)  
Level 26, Menara Multi Purpose  
Capital Square, No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Tel: 03-27212222 Fax: 03-27212530

### AUDITORS

KPMG  
Chartered Accountants  
Level 14, Menara Ansar  
65, Jalan Trus  
80000 Johor Bahru  
Johor Darul Ta'zim



## Corporate Information (continued)

### AUDIT COMMITTEE

Tan Sri Datuk Arshad Bin Ayub  
*(Chairman, Independent Non-Executive Director)*  
Mr. Teoh Kok Swee @ Michael Teoh  
*(Independent Non-Executive Director)*  
Mr. Chin Ah Kow @ Chin Loi Fuh  
*(Non-Independent Executive Director)*

### REMUNERATION COMMITTEE

Tan Sri Datuk Arshad Bin Ayub  
*(Chairman, Independent Non-Executive Director)*  
Mr. Chow Yuen Liong  
*(Non-Independent Executive Director)*  
Tan Sri Dato' Mohd Zuki Bin Kamaluddin  
*(Non-Independent Non-Executive Director)*

### NOMINATION COMMITTEE

Tan Sri Datuk Arshad Bin Ayub  
*(Chairman, Independent Non-Executive Director)*  
Tan Sri Dato' Mohd Zuki Bin Kamaluddin  
*(Non-Independent Non-Executive Director)*  
Mr. Teoh Kok Swee @ Michael Teoh  
*(Independent Non-Executive Director)*

### PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd  
HSBC Bank Malaysia Berhad  
RHB Bank Berhad  
Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad  
CIMB Bank Berhad  
Citibank Berhad  
AmBank (M) Berhad

### STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
Second Board  
Sector : Industrial Products  
Stock Name : Tomypak  
Stock Code : 7285

### WEBSITE ADDRESS

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



## Profile Of The Board Of Directors

<b>Tan Sri Datuk Arshad bin Ayub</b>	Independent Non-Executive Director	
	Chairman of the Board, Audit, Remuneration and Nomination Committees	
	Malaysian	Age: 78

Tan Sri Datuk Arshad bin Ayub is the Chairman and Independent Non-Executive Director of the Company since 10 March 1996. The following is the list of directorships:

- Malayan Flour Mills Berhad - Chairman
- Audrey International Berhad - Chairman
- LBI Capital Berhad - Chairman
- Kulim (M) Berhad - Director
- KPJ Healthcare Berhad - Director
- Sindora Berhad - Director
- Top Glove Corporation Berhad - Director
- Greefield Berhad - Director

Tan Sri also sits as the Chairman on several private limited companies namely CSR Building Materials (M) Sdn Bhd, PFM Capital Holdings Sdn Bhd and MOCCIS. He was recently appointed Chairman of the Board of University of Malaya, Kuala Lumpur. He is a director of Bata (M) Sdn Bhd. Tan Sri graduated with a Diploma in Agriculture in 1954 from College of Agriculture, Serdang and pursued his Bachelor of Science degree in Economics with Statistics at the University College of Wales, Aberystwyth in the United Kingdom in 1958 and obtained Diploma in Business Administration from IMEDE Lausanne (now IMD), Switzerland in 1964. He has a distinguished career in the Malaysian Civil Service. Among the top posts he held were First Director, Mara Institute of Technology (1965 - 1975), Deputy Governor of Bank Negara Malaysia (1975 - 1977), Deputy Director-General in the Economic Planning Unit of the Prime Minister's Department (1977 -1978) and Secretary-General in the Ministry of Primary Industries (1978), Ministry of Agriculture (1979 - 1981) and Ministry of Land and Regional Development (1981 - 1983).

Tan Sri is also appointed as Chairman of the Audit, Remuneration and Nomination Committees of the Group. He has no family relationship with any Director and/or substantial shareholder of the Group. He has no conflict of interest with the group nor convictions of any offences within the past 10 years.

<b>Tan Sri Dato' Mohd Zuki bin Kamaluddi</b>	Non-Independent Non-Executive Director	
	Member of the Remuneration and Nomination Committees	
	Malaysian	Age: 71

Tan Sri Dato' Mohd Zuki was appointed as an Non-Independent Non-Executive Director of the Company since 10 March 1996. He is the Chairman of Tomypak Berhad (a wholly-owned subsidiary of Tomypak Holdings Berhad), Island and Peninsular Berhad, Cosmovision Production Sdn. Bhd., Digiphonic System Sendirian Berhad, and also a director of Heitech Padu Berhad and Amanah Saham Pahang Berhad. Tan Sri Dato' Mohd Zuki was called to the Malaysian Bar in 1973, having qualified as a Barrister-at-Law from Lincoln's Inn in 1972.



## Profile Of The Board Of Directors (continued)

Prior to furthering his studies in London, he was in the teaching profession from 1961 to 1967. He was a State Executive Counsellor and the Speaker of the State Assembly of Pahang Darul Makmur. He was the director of Pahang State Economic Development Corporation and Bank Pertanian Malaysia Berhad. He was an Alternate Member of Malaysian Timber Industry Board from 1991 to 1995. He was the Chairman of Pascorp Holdings Sdn. Bhd. He was a court member of the University of Malaya and was the State Assemblyman for Benta, Pahang Darul Makmur from 1978 to April 1995. On 25 August 1995, he was appointed a Senator.

In 1 April 2005, Tan Sri Dato' Mohd Zuki was appointed as a Chairman of Kuantan Port Authority by Seri Paduka Baginda Yang Di Pertuan Agong XII Tuanku Syed Sirajuddin Ibni Al-Marhum Tuanku Syed Putra Jamalullail.

Tan Sri Dato' Mohd Zuki is a member of the Remuneration and Nomination Committees of the Group. He has no family relationship with any Director and/or substantial shareholder of the Group. He has no conflict of interest with the Group nor convictions of any offences within the past 10 years.

<b>Mr. Chow Yuen Liong</b>	Non-Independent Executive Director	
	Managing Director, Remuneration and Risk Management Committees Member	
	Singaporean	Age: 50

Mr. Chow Yuen Liong was appointed to the Board of the Company since 10 March 1996 as a Managing Director. He has been holding the position of Managing Director of its wholly-owned subsidiary, Tomypak Berhad, since 1 July 1994. He is one of the founders and a substantial shareholder of the Group. Over the past 26 years, he built the Group into one of the largest flexible packaging manufacturers in the country.

He joined Tomypak Sdn. Bhd. as Factory Manager in 1980 and was appointed as its Director on 20 July 1987. He was subsequently promoted as General Manager in May 1991 until he assumed his present position of Managing Director. He is in-charge of the overall management of Tomypak and providing overall direction in the day-to-day operations which include his roles in new product development, upgrading, modernisation and expansion of the company's machinery and facilities.

Mr. Chow Yuen Liong and his father, Mr. Chow Wen Chye, are directors and substantial shareholders of the Group. Mr. Chow Yuen Liong is a member of the Remuneration and Risk Management Committees of the Group since 2 August 2001 and 27 February 2003 respectively. Mr. Chow Yuen Liong is deemed interested in the transactions entered by the Group with NM Packaging (M) Sdn. Bhd. as disclosed in this Annual Report. Saved for these aforesaid transactions, he has no other conflict of interest with the Group nor convictions of any offences within the past 10 years.

<b>Mr. Chin Ah Kow @ Chin Loi Fuh</b>	Non-Independent Executive Director	
	Executive Director, Audit and Risk Management Committees Member	
	Malaysian	Age: 59



## Profile Of The Board Of Directors (continued)

Mr. Chin Ah Kow @ Chin Loi Fuh joined Tomypak Berhad, a wholly-owned subsidiary of the Group on 10 July 1989. He was appointed to the Board as an Executive Director of Tomypak Berhad since 14 November 1991 and its holding company, Tomypak Holdings Berhad, since 10 March 1996. He is primarily responsible for the executive management and overall finance and accounts and corporate affairs of the Group.

He graduated with a Bachelor of Commerce degree majoring in Accountancy from Nanyang University, Singapore in 1969. He qualified as a Fellow member of the Association of Chartered Certified Accountants, United Kingdom, a Fellow member of the Institute of Certified Public Accountants of Singapore, a Fellow member of CPA Australia, and also a Chartered Accountant of the Malaysian Institute of Accountants. He has over 38 years of extensive experience in financial and management accounting, auditing, taxation, corporate finance, corporate planning and executive management of business operations in various manufacturing industries. Prior to joining Tomypak, he has held senior positions in several public listed companies including MBF Finance Berhad, Hong Leong Industries Berhad, SPK - Sentosa Corporation Berhad and DNP Holdings Berhad. He also served in a Chartered Accountants firm, Messrs Kassim Chan & Co. in Kuala Lumpur in the field of audit.

Mr. Chin is a member of the Audit and Risk Management Committees of the Group since 31 July 2001 and 27 February 2003 respectively. He has no family relationship with any Director and/or substantial shareholder of the Group. He has no conflict of interest with the Group nor convictions of any offences within the past 10 years.

<b>Mr. Teoh Kok Swee @ Michael Teoh</b>	Independent Non-Executive Director	
	Member of the Audit, Nomination and Risk Management Committees	
	Malaysian	Age: 60

Mr. Teoh Kok Swee @ Michael Teoh was appointed an Independent and Non-Executive Director of the Company since 10 March 1996 and a member of the Audit Committee of the Group since 16 March 1996. He is an Advocate and Solicitor by profession and is currently in legal practice as a managing partner in Messrs Michael Teoh, Balan & Ida Zura based in Johor Bahru.

He was trained as an Agricultural Science teacher in Maktab Perguruan Temenggong Ibrahim, Johor Bahru from 1965 to 1966. He taught Agricultural Science in various secondary schools from 1967 to 1979 before leaving for the University of Buckingham in 1980 to read law. He graduated with Honours in law from the University of Buckingham, United Kingdom in 1981 and qualified as a Barrister-at-Law (Lincoln's Inn) in 1983.

Mr. Michael Teoh has been a member of the Nomination and Risk Management Committees of the Group since 2 August 2001 and 27 February 2003 respectively. 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 10 years.



## Profile Of The Board Of Directors (continued)

<b>Mr. Chow Wen Chye</b>	Non-Independent Non-Executive Director	
	Singaporean	Age: 82

Mr. Chow Wen Chye was appointed as an Non-Independent Non-Executive Director of the Company on 15 May 2001. He is an entrepreneur with more than 47 years vast exposure and extensive experience and knowledge in the flexible packaging industry.

He is the founder of Ngai Mee Press, Singapore in 1955 which was subsequently converted into Ngai Mee Packaging Industries (S) Pte. Ltd. In 1968. He was the Executive Chairman of Ngai Mee group of companies, one of the leading manufacturers of high-quality flexible laminated packaging materials in Singapore, since its inception in 1968 until he retired in 1995.

Mr. Chow Wen Chye and his son, Mr. Chow Yuen Liong, are directors and substantial shareholders of the Group. Mr. Chow Wen Chye is deemed interested in the transactions entered by the Group with NM Packaging (M) Sdn. Bhd. as disclosed in this Annual Report. Saved for these aforesaid transactions, he has no other conflict of interest with the Group nor convictions of any offences within the past 10 years.

<b>Mr. Teo Kong Wan</b>	Independent Non-Executive Alternate Director	
	Risk Management Committee Member	
	Malaysian	Age: 47

Mr. Teo Kong Wan was appointed as an Independent Non-Executive Alternate Director to the Chairman of the Company, Tan Sri Datuk Arshad bin Ayub since 10 March 1996.

He graduated from the University of Malaya in 1983 with a degree in Bachelor of Engineering (Mechanical). In 1997, he passed his Malaysian Futures and Options Registered Representative (MFORR) examination and recently secured his Fund Management Representative License. His extensive 21 years of working experience is focused in the finance, banking and investment industry. He was a Project/Loan Supervision Officer with Malaysian Industrial Development Finance Berhad (MIDF) from 1984 to 1991. He left MIDF and joined PFM Capital Sdn. Bhd. (a member of PNB Group of Companies) in 1991 as a Corporate Planning Officer. In PFM Capital Sdn Bhd, he was involved in the economic and stock market research; company analysis and evaluation; and portfolio and private equities management. He was the Quality Management Representative responsible for the company's ISO9001:2000 certification. Currently, he heads the Investment Division in PFM Capital Sdn Bhd.

Mr. Teo has no family relationship with any Director and/or major shareholder of the Group. He has no conflict of interest with the group nor convictions of any offences within the past 10 years.



## **Audit Committee Report**

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2006.

### **Composition**

The Audit Committee was established by the Board on 15 March 1996. The Audit Committee comprises three (3) members, two (2) of whom are independent non-executive directors.

#### **Chairman**

Yg. Bhg. Tan Sri Datuk Arshad Bin Ayub (Chairman, Independent Non-Executive Director)

#### **Members**

Mr. Teoh Kok Swee @ Michael Teoh (Independent Non-Executive Director)

Mr. Chin Ah Kow @ Chin Loi Fuh (Non-Independent Executive Director)

### **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 company.

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. Size and Composition**

The Audit Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) which fulfils the following requirements:-

- a) the Audit Committee must be composed of no fewer than 3 members;
- b) a majority of the Audit Committee must be independent directors; and
- c) at least one member of the Audit Committee:-



## **Audit Committee Report (continued)**

- i) must be a member of the Malaysian Institute of Accountants; or
- ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
  - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
  - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

The members of the Audit Committee shall elect a Chairman from among their number who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of item 2 (a) to (c) above, the vacancy must be filled within 3 months of that event.

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once in every 3 years to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference.

### **3. Functions**

The functions of the Audit Committee are as follows:-

- a) to review the following and report the same to the Board of Directors:-
  - i) the audit plan with the external auditors;
  - ii) with the external auditors, his evaluation of the system of internal controls;
  - iii) the audit report with the external auditors;
  - 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 Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) to consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal;
- c) to discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) to review the quarterly results and year-end financial statements, prior to the approval by the Board of Director, focusing particularly on:-
  - \* Changes in or implementation of major accounting policies and practices;
  - \* Significant adjustments and unusual events;
  - \* The going concern assumption; and
  - \* Compliance with accounting standards and other legal requirements;



## **Audit Committee Report (continued)**

- e) to discuss problems 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) to review the external auditor's management letter and management's response;
- g) to do the following where an internal audit function exists:-
  - \* Review the adequacy of the scope, functions and resources of the internal audit functions, and that it has the necessary authority to carry out its work;
  - \* Review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken 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 Group's internal auditors as well as their independence and objectivity in fulfilling the internal audit function;
  - \* Consider the nomination and to review any letter of resignation of the Group's internal auditors;
  - \* 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) to consider the major findings of internal investigations and management's response; and
- i) to consider other topics as defined by the Board of Directors.

### **4. Rights of the Audit Committee**

The Audit Committee shall, wherever necessary and reasonable for the Company to perform its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Group;
- d) have direct communication channels with the internal and external auditors and person(s) carrying out the internal audit function or activity;
- e) be able to obtain independent professional or other advice it considers necessary; and
- f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.



## Audit Committee Report (continued)

### 5. Meetings

The Audit Committee shall meet at least each quarter of a financial year and such additional meetings as the Chairman shall decide in order to fulfill its duties.

The Chairman shall convene a meeting of the Audit Committee if a request is made by any Committee member, the Company's Chief Executive, or the internal or external auditors.

The Company Secretary or any person appointed by the Audit Committee shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and other supporting explanatory documentation for circulation to the 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 members present who must be independent directors.

The Company must ensure that other directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

The Audit Committee held a total of four (4) meetings during the financial year ended 31 December 2006 with the external auditors in one of the meetings. The details attendance of the Audit Committee members are as follows:

Meetings Attended (out of 4)		
Tan Sri Datuk Arshad bin Ayub (Chairman)	Independent Non-Executive Director	4/4
Mr. Chin Ah Kow @ Chin Loi Fuh (Group Finance Director)	Non-Independent Executive Director	4/4
Mr. Teoh Kok Swee @ Michael Teoh	Independent Non-Executive Director	4/4

### Activities of the Audit Committee

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

- (i) reviewed the quarterly unaudited financial results and announcements for the financial quarters ended 31 December 2005, 31 March 2006, 30 June 2006 and 30 September 2006 prior to presentation to the Board of Directors for approval;
- (ii) reviewed the annual report and the draft audited financial statements of the Group for the year ended 31 December 2006 prior to submission to the Board for their consideration and approval;



## **Audit Committee Report (continued)**

- (iii) reviewed the external Auditors' reports for financial year ended 31 December 2006 in relation to audit and accounting issues arising from the audit and updates of new development on accounting standards issued by the Malaysian Accounting Standard Board;
- (iv) consideration and recommendation to the Board for approval of the audit fees payable to the external auditors;
- (v) reviewed related party transaction and conflict of interest situation that arose within the Company or the Group;
- (vi) reviewed the internal audit reports, which highlighted the audit issues, recommendations and management's response. Discussed with management actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports;
- (vii) recommended to the Board improvement opportunities in risk management, internal control and governance processes; and
- (viii) in respect of the quarterly and year end financial statements, reviewed the Group's compliance with the Listing Requirements of the Bursa Malaysia, MASB and other relevant legal and regulatory requirements.

### **Internal Audit Function**

The Group does not have any internal audit department. In March 2002, the Group has engaged an external professional firm as its internal auditors to develop a sound system of internal control and an ongoing process for identifying, evaluating and managing significant risks that may be faced by the Group. This professional firm has performed the functions of the internal audit of the Group on a periodic basis for the financial year ended 31 December 2006 to provide independent and objective reports on the organisation's management, records, accounting policies and controls 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.



## **Chairman's Statement**

### **Dear Shareholders**

The year 2006 was a commendable year for the Group. The Group not only weathered the repercussions of the oil crisis without being scarred but also came through it on a very positive footing. Despite the various challenges such as the tight supply and high raw materials costs encountered in the supply side from the high oil prices, the Group formulated effective and sound corporate and operational strategies to boost revenue as well as undertook various costs cutting measures to control production costs. Notwithstanding the costs cutting measures, the Group has always maintained a consistently high level of quality standard and services rendered to the customers. The continued economic growth, both local (GDP of 5.8%) and global (GDP of 5%) help sustained consumer demand.

As usual, it gives me great pleasure to present to you the Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 December 2006. Besides providing financial details, the Annual Report and Financial Statements would act as guidance to the future direction and operational efficiency of the Group.

### **Financial Review**

Since listing in June 1996, the Group has enjoyed uninterrupted yearly sales increase despite external unfavorable constraints like the regional financial crisis in 1997/1998, local economic slowdown in 2001 and the oil crisis in 2006. For the financial year ended 31 December 2006, the Group achieved another record sales of RM152.82 million against RM134.54 million previously, an increase of 13.6 % assisted by the improved local consumer spending in line with higher local economic growth as well as increased overseas orders. The increased sales coupled with increased productivity and lower cost of sales had enabled the Group to record profit after tax of RM5.74 million for the financial year under review against RM0.32 million in the previous year. The spectacular performance has resulted in a significant jump in net earnings per share from 0.81 sen per share in the financial year ended 31 December 2005 to 14.36 sen per share in the financial year ended 31 December 2006, an increase of 1,673%. In addition, the net tangible assets backing per share in financial year ended 31 December 2006 improved significantly by 12% to RM1.29 against RM1.15 in the previous year.

### **Dividend**

The Board had declared an interim dividend of 2 sen tax exempt for financial year ended 31 December 2006 due to the favorable financial performance and to reward the long-term shareholders. The aforesaid dividend was paid on 8 February 2007.



## Chairman's Statement (continued)

### Prospects

The local economy appears poised to extend the streak of decent economic growth it has shown in recent years. We expect the GDP growth to be sustained at 6%. Consumer spending continued to grow at 5.9% in 2007 supported by steady employment growth, a rise in discretionary incomes and firm commodity prices. With sustained demand and our proven and successful corporate strategies, the Group would be able to sustain its profitable performance in financial year 2007.

### Appreciation

I would like to offer my utmost appreciation to the Management and Staff for their tremendous and tireless effort last year. Their dedication, commitment and patience for the betterment of the Group are strong and unwavering. The financial results achieved last year spoke volume of their effort. To my fellow Directors, I also thanked them for their support and contributions to bring the Group to greater heights.

Last but not least, the Board wishes to record our special thanks to our customers, suppliers, financial institutions, business associates, various government authorities and shareholders for their continuous confidence and support. We look to the future with greater determination to pursue higher growth in financial and maintain good corporate governance.

TAN SRI DATUK ARSHAD AYUB  
CHAIRMAN

1 MARCH 2007



## **Corporate Governance Statement**

### **INTRODUCTION**

The Board of Directors of Tomypak Holdings Berhad fully subscribes to the principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework set out in the Malaysian Code on Corporate Governance (the Code). It believes that good corporate governance would result in sustainable long term growth, safeguard the interests of all stakeholders, enhance shareholders' value and the Company's financial performance. The Board is pleased to report on the application by the Group of the principles of the Code and the extent of compliance with the best practices of the Code during the year under review:

### **BOARD OF DIRECTORS**

#### ***Board Responsibility***

The Board is fully responsible for the overall performance of the Group. It focuses mainly on strategies, financial performance, critical and material business issues and specific areas such as risk management, internal control, investor relations and shareholders' communication.

The executive directors are directly involved in managing the Group's business and resources. With their vast knowledge and extensive experience in the industry, they give added strength to the leadership, and have contributed immensely to the Group's growth.

The 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. They provide a broader view and a check and balance for the executive directors.

The Board has delegated certain responsibilities to the Board Committees with clearly defined terms of reference. This Board Committees include Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee.

#### ***Board Composition and Balance***

The Board comprises six (6) members (and one (1) alternate) of whom four (4) are non-executive directors and two (2) are executive directors. Two (2) of the six (6) 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.

The directors bring together a wide and diversified range of business, corporate, legal, financial and technical skills and experience. This balanced mix enables effective discharge of the Board's responsibility in spearheading the Group's growth and future direction. The profile of each director is presented on page 7 to page 10 of this Annual Report.



## Corporate Governance Statement (continued)

### *Appointment and Re-election of Directors*

In accordance with the Company's Memorandum and Articles of Association, which is in compliance with Chapter 7 of the Listing Requirements, one-third (1/3) of the Directors (including the Managing Director) for the time being or the number nearest to one-third (1/3) shall retire from office at each Annual General Meeting so that all Directors shall retire from office once at least in each three years but shall be eligible for re-election.

Directors who are over seventy (70) years of age are required to offer themselves for re-election annually in accordance with Section 129(6) of the Companies Act, 1965.

### *Board Meetings and Supply of Information*

The Board convenes at least four quarterly scheduled meetings annually with additional meetings convened for urgent and important matters as and when necessary.

For the financial year ended 31 December 2006, the Board met on four occasions at quarterly intervals. The attendance of each Director in office are set out below:-

Meetings Attended (out of 4)		
Tan Sri Datuk Arshad bin Ayub (Chairman)	Independent Non-Executive Director	4/4
Mr. Chow Yuen Liong (Group Managing Director)	Non-Independent Executive Director	4/4
Mr. Chin Ah Kow @ Chin Loi Fuh (Group Finance Director)	Non-Independent Executive Director	4/4
Tan Sri Dato' Mohd. Zuki bin Kamaluddin	Non-Independent Non-Executive Director	4/4
Mr. Chow Wen Chye	Non-Independent Non-Executive Director	4/4
Mr. Teoh Kok Swee @ Michael Teoh	Independent Non-Executive Director	4/4
Mr. Teo Kong Wan (Alternate Director to Tan Sri Datuk Arshad Bin Ayub)	Independent Non-Executive Alternate Director	4/4

All the Directors have complied with the minimum 50% attendance requirement at Board meetings as stipulated by the Listing Requirements. Minutes of meetings of the various Committees within the Group are tabled to the Board for notation. Key matters such as the Group's business strategies, Group's interim and annual results, material contracts, major capital expenditure, budgets, major investments, corporate policies and procedures are reserved for the Board's deliberation and decision. Agenda and a full set of Board papers are circulated to all the Directors prior to the Board meetings so as to give directors time to consider and deliberate on the issues to be raised at Board meetings.

The Board has the services of Company Secretaries who are responsible to the Board for ensuring that all Board procedures are followed and that applicable laws and regulations are complied with. These include obligations on directors relating to disclosure of interests and disclosure of any conflict of interests in transactions with the Group.



## **Corporate Governance Statement** (continued)

Besides Company Secretaries, directors have access to the financial and operation officers as well as the internal auditors of the Group. Where necessary, Board members are also entitled to seek independent professional advices on specialized issues at the Group's expense to enable them to discharge their duties with full knowledge of the cause and effect.

### ***Directors' Training***

All the Directors have attended the Mandatory Accreditation Programme ('MAP') conducted by the Bursa Malaysia Training Sdn Bhd and have accumulated at least 72 Continuing Education Programme ("CEP") points as required under the provisions of Practice Note No 15/2003 of Bursa Malaysia.

The Board acknowledges the amendments to Bursa Malaysia Listing Requirements to assume the onus of determining or overseeing the training needs of their Directors from year 2005 onwards. 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. For the financial year 2006, all the Directors have attended at least one day of corporate or relevant training programme accredited by Bursa Malaysia as decided by the Board.

### **BOARD COMMITTEES**

The following committees were established to assist the Board in the discharge of its duties. Each committee operates under approved terms of reference.

#### **AUDIT COMMITTEE**

The Audit Committee has been in place since 15 March 1996 and takes the overall responsibility to review issues of accounting policy, financial statements and audit findings. The composition, terms of reference and activities of the Committee are set on page 11 to 15 of this Annual Report.

#### **NOMINATION COMMITTEE**

The Nomination Committee was established on 2 August 2001 and takes the overall responsibility of identifying and selecting suitable candidates for the Board as well as reviewing the structure, size and composition of the Board.

The Nomination Committee comprised the following members during the year:

#### **Chairman**

YBhg Tan Sri Datuk Arshad bin Ayub (Chairman, Independent Non-Executive Director)

#### **Members**

Tan Sri Dato' Mohd Zuki Bin Kamaluddin (Non-Independent Non-Executive Director)

Mr. Teoh Kok Swee @ Michael Teoh (Independent Non-Executive Director)

The Committee consists entirely of non-executive directors and majority independent directors.



## Corporate Governance Statement (continued)

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

### *Terms of Reference*

The functions of the Committee shall be as follows:

- (i) to review the structure, size and composition of the Board, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- (ii) to identify and nominate candidates for the approval of the Board to fill Board vacancies;
- (iii) to ensure a mix of skills and experience and other qualities and competencies which non-executive directors should bring to the Board and to assess the effectiveness of the Board, Committees of the Board and contributions of Directors of the Board;
- (iv) to recommend to the Board for the continuation or termination of service of the Managing Director and other Directors;
- (v) to recommend to the Board for the continuation or termination of service of any Director who has reached the age of 70;
- (vi) to recommend Directors who are retiring by rotation to be put forward for re-election; and
- (vii) to recommend to the Board the employment of adviser or consultant to enable the Board to fulfill its responsibilities.

During the year under review, the main activities of the Nomination Committee were its recommendation to the Board for the continuation of service of the directors who are retiring by rotation as well as the directors who have reached the age of 70.

### *Appointments to the Board*

The Nomination Committee recommends the appointment of new Directors to the Board. For the year under review, there was no new appointment. A familiarisation programme including visits to the Group's business and meetings with senior management will be arranged for new directors to facilitate their understanding of the Group.

### REMUNERATION COMMITTEE

The Remuneration Committee was established on 2 August 2001 and takes the overall responsibility of reviewing the remuneration packages of the Managing Director, directors and senior executives of the Group.

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



## Corporate Governance Statement (continued)

### Chairman

YBhg Tan Sri Datuk Arshad bin Ayub (Chairman, Independent Non-Executive Director)

### Members

Mr. Chow Yuen Liong (Non-Independent Executive Director)

YBhg Tan Sri Dato' Mohd Zuki Bin Kamaluddin (Non-Independent Non-Executive Director)

The Committee consists majority of non-executive directors.

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

### *Terms of Reference*

The functions of the Committee shall be as follows:

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

During the year under review, the main activities of the Remuneration Committee included:

- (i) review and determine the broad policy for the remuneration of Group's Managing Director, executive and non-executive directors and other senior executives of the Group;
- (ii) review and determine the policy and scope of service agreements and major changes in employee remuneration; and
- (iii) review and determine the allocations of options to eligible employees and executive directors of the Group under the proposed Employee Share Option Scheme (ESOS).

### **Directors' Remuneration**

The remuneration of the Directors is determined at levels so as to enable the Group to attract and retain the Directors with relevant experience and expertise to assist in managing the Group effectively. The Executive Directors receive remuneration which is determined on their level of responsibilities, skills, experience and performance. The non-executive Directors receive fees for their services rendered which are approved at the Annual General Meeting (AGM) before payment is made.

Details of Directors' remuneration for the financial year ended 31 December 2006, distinguishing between Executive and Non-Executive Directors in aggregate, are as follows:-



## Corporate Governance Statement (continued)

	Salaries RM'000	Fees RM'000	Bonuses RM'000	Benefits in Kind RM'000	Total RM'000
Executive Directors	832	90	210	301	1,433
Non-Executive Directors (including Alternate)	NIL	258	NIL	NIL	258

The number of Directors whose remuneration falls into each successive band of RM50,000.00 for the financial year ended 31 December 2006 are set out below:

Range of Remuneration	Executive Directors	Non-Executive Directors (Including alternate)
RM50,000 and below	NIL	1
RM50,001 to RM100,000	NIL	4
RM300,001 to RM350,000	1	NIL
RM1,000,001 to RM1,050,000	1	NIL
	2	5

The Executive Directors of the Group are eligible to participate in the “Tomypak Employee Share Option Scheme” and their maximum entitlement are as follows:

Category of Directors	No. of Directors	Maximum Entitlement (no. of options)
Managing Director	1	1,000,000
Executive Directors	2	412,000

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established on 27 February 2003 and takes the overall responsibility of 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 comprised the following members during the year:

#### Chairman

Mr. Teoh Kok Swee @ Michael Teoh (Independent Non-Executive Director)

#### Members

Mr. Chow Yuen Liong (Non-Independent Executive Director)

Mr. Chin Ah Kow @ Chin Loi Fuh (Non-Independent Executive Director)

Mr. Chow Yoon Kok (Executive Director of Tomypak Berhad)

Mr. Teo Kong Wan (Independent Non-Executive Alternate Director)



## Corporate Governance Statement (continued)

The Committee consists majority of non-independent executive directors.

### *Terms of Reference*

The functions of the Committee shall be as follows:

- (i) to investigate and assess prevailing state of internal and external risk control already in place in the Company;
- (ii) extract, encourage or assist members of staff to highlight and propose ways to overcome identified risks;
- (iii) where necessary, provide assistance and advice to the Company on reasonable ways to overcome, lessen or limit unavoidable risks;
- (iv) to bring to the notice of the Board of Directors any situation, transaction, procedure or conduct that raises questions of negligence;
- (v) to ensure coordination where participation of more than one department of the Company is required to avoid or lessen a prevailing risk;
- (vi) to review reports from the 4 major departments of the Company namely Administration, Finance, Operation and Marketing 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;
  - (d) monitoring the risks and control continuously
- (vii) to communicate the process and the results to all employees with the Company;
- (viii) to provide training in risk management to all employees to enhance greater understanding and facilitate informed decision making.

During the year under review, two (2) half-yearly meetings were held by the Risk Management Committee to review and update the Risk Assessment Report, Detailed Risk Register and Risk Management Policy and Procedure Document presented by an outsourced firm of qualified professionals to the Board of Directors. The Group has taken steps to ensure that the risks are identified and managed properly.



## **Corporate Governance Statement (continued)**

### **INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

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 on a quarterly basis. It adheres strictly to the mandatory reporting and public announcements of the Group's quarterly results to the Bursa Malaysia Securities Berhad. The 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 presents the performance of the Group's business and encourages shareholders to participate in the question and answer session. The Chairman and other directors as well as the auditors are present to answer questions raised by shareholders at the AGM. Status of all resolutions proposed at the AGM are announced to Bursa Malaysia Securities Berhad at the end of the meeting day.

### **ACCOUNTABILITY AND AUDIT**

#### ***Financial Reporting***

The Directors take responsibility to present a balanced and understandable assessment of the Group's performance and prospects when presenting the annual audited financial statements and quarterly announcement of results to its shareholders as well as the Chairman's statement and review of operations in the Annual Report. The Audit Committee assists the Board in ensuring accuracy and adequacy of the financial reporting. A Statement of Directors' responsibilities in preparing the financial statements is set out on page 34 of this Annual Report.

#### ***Internal Control***

The Statement on Internal Control set out on page 27 to page 28 of this Annual Report provides an overview of the state of internal control within the Group.

#### ***Relationship With The Auditors***

The Company has always maintained a close and transparent relationship with its auditors through the Audit Committee in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The role of the Audit Committee in relation with the internal and external auditors is described in the Audit Committee Report.

#### ***Material Contracts***

Other than recurrent related party transactions of a revenue or trading nature disclosed in this Annual Report, there were no material contracts entered into by the Company or its subsidiary during the year which involve the Directors' and substantial shareholders' interests.



## **Corporate Governance Statement (continued)**

### ***Compliance Statement***

The Board of Directors has to the best of its ability and knowledge complied with the Best Practices of Corporate Governance set out in Part 2 of the Code during the financial year under review, save and except for the following:-

(a) Directors' Remuneration

The Board has considered disclosure of details of the remuneration of each individual Director and is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' Remuneration are appropriately served by the “band disclosure” as required by the Listing Requirements of the Bursa Malaysia.

(b) Senior Independent Non-Executive Director

Currently, the Board does not consider it necessary to nominate a Senior Independent Non-Executive Director to whom concerns may be conveyed as the Group has created a special website at [linda@tomypak.com.my](mailto:linda@tomypak.com.my) where the shareholders or other parties may raise any queries or concerns pertaining to the Group. Such queries will be reviewed and addressed by the Board accordingly.

### ***Non-Audit Fees***

The amount of non-audit fees paid to external auditors by the Group for the financial year ended 31 December 2006 amounted to RM 26,500.00



## **Statement on Internal Control**

### **INTRODUCTION**

The Board of Directors (“Board”) is committed to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. In accordance with Paragraph 15.27 (b) of the Listing Requirements of Bursa Malaysia and the Malaysian Code on Corporate Governance (“the Code”), the Board of Directors (“Board”) is pleased to provide the following statement, which outlines the nature and scope of the Group's system of internal control for the financial year ended 31 December 2006.

The Board's responsibility in maintaining a sound internal control procedure includes the establishment of an appropriate control environment and framework as well as periodical review of effectiveness, adequacy and integrity of the Group's Internal Control System so as to safeguard shareholders' interest and the Group's investments and assets.

The Board also recognises that a sound system of internal control is an important part of managing significant risks faced by the Group. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve its business objectives. In pursuing these objectives, the system of internal control can only provide reasonable and not absolute assurance against material misstatement or loss.

### **THE GROUP'S INTERNAL CONTROL SYSTEM**

The Group has incorporated the following key elements into its system of internal control: -

- The Board regularly reviews and monitors the performance and profitability of the Group's business, and senior management staff brief the Board on significant matters on a regular basis;
- The Managing Director plays a major role as the link between the Board and senior management in implementing the Board's expectation of effective system of internal control in managing the Group's various operations;
- The senior management takes appropriate actions to create awareness on the importance of staff's and line management's involvement in operational controls by providing various training courses, seminars and workshops conducted by external consultants;
- The senior management team monitors the operations closely and is always kept abreast with relevant information on the performance of the Group, whereby information relating to various financial and operational matters of the Group is at all time made readily available to improve decision-making process;
- The senior management team holds regular meetings in order to deliberate on findings and recommendations for improvement in the system of internal control contained in the Internal Audit Reports in order to continuously enhance the Group's system of internal control;
- The Board always ensures that stringent internal controls are implemented so as to maintain the prestigious Hazard Analysis Critical Control Point (HACCP) accreditation awarded to the Group, namely an accreditation that will only be awarded to a company which maintain a high standard of food safety;



## **Statement on Internal Control (continued)**

### **The Group's Internal Control System (continued)**

- The Board emphasises proper strategic planning as the Group has grown over times. This is accomplished through the Management's detailed study of market trend for the demand of packaging services so as to be able to identify new opportunities in capturing new customers; and
- The Board always encourages new ideas from senior management staff in order to improve various operational activities through open discussion sessions during the departmental meetings and informal meetings in order to enhance innovativeness in the day-to-day operations of the Group.

### **Internal Audit Functions And Effectiveness Of Internal Control**

Currently, Grant Thornton Consulting Sdn Bhd performs internal audit function and submits relevant Internal Audit Reports for Audit Committee's deliberation on a quarterly basis.

A number of internal control weaknesses were identified during the financial year ended 31 December 2006. The control weaknesses identified have been, or are being, addressed to ensure the integrity of internal controls. None of the weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. Generally, the management has always looked into appropriate ways of implementing more efficient and effective controls on a timely manner so as to protect the Group's assets and enhance shareholders' value.

As part of the risk management framework, a Risk Management Committee has also been established to identify, assess and monitor the on-going risk faced by the Group. The Risk Management Committee reports to the Board on all major risks faced by the Group and various risk management strategies deployed in managing these risks on a regular basis. During the year, the Group has taken steps to ensure that the risks are identified and managed accordingly so as to sustain its competitive advantages.

Furthermore, the Board recognises that the development of the system of internal control is an ongoing process for identifying, evaluating and managing the risk faced by the Group. The Board maintains an ongoing commitment to mitigate the risks and weaknesses detected in the course of internal audit on a regular basis and also to strengthen the Group's internal control function and processes. The Group updates the operating manuals appropriately based on the internal auditor's recommendations from time to time. The internal auditor has also performed the necessary follow-up on the implementation of these recommendations so as to ensure that the Group's system of internal control continues to improve.

Among others, the Group has maintained various operational manuals as follows:-

- Standard Operating Procedure Manual for Management Review;
- Fixed Assets & Capital Expenditure Procedures;
- Quality Manual for Control of Inspection, Measuring and Test Equipment;
- Personnel and Recruitment Procedures;
- Purchasing Procedures;
- Cash Disbursement and Receipts Procedures; and
- Risk Management Policies and Procedures.

The Board is committed to ensure that the Group adopts the best practices in corporate governance and good system of internal control in accordance with the guidelines stipulated in the "Statement of Internal Control: Guidance for Directors of Public Listed Companies issued by the Bursa Malaysia".



## Directors' Report For the year ended 31 December 2006

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2006.

### Principal activities

The Company is an investment holding company. The principal activities of its subsidiary are disclosed in Note 4 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

### Results

	<b>Group RM</b>	<b>Company RM</b>
Profit for the year	<u>5,742,184</u>	<u>811,805</u>

### Reserves and provisions

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

### Dividends

Since the end of the previous financial year, the Company declared an interim dividend of 2 sen tax exempt per ordinary share of RM1.00 each totalling RM800,000 in respect of the year ended 31 December 2006, based on the issued and paid-up capital as at 16 January 2007 and paid on 8 February 2007.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

### Directors of the Company

Directors who served since the date of the last report are:

Directors

Alternate

Tan Sri Datuk Arshad bin Ayub

Mr. Teo Kong Wan

Mr. Chow Yuen Liong

Tan Sri Dato' Mohd. Zuki bin Kamaluddin

Mr. Chin Ah Kow @ Chin Loi Fuh

Mr. Teoh Kok Swee @ Michael Teoh

Mr. Chow Wen Chye



## Directors' Report

### For the year ended 31 December 2006 (continued)

#### Directors' interests

The holdings and deemed holdings in the ordinary shares of the Company of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

Name of Directors	Interest	Number of ordinary shares of RM1.00 each			At 31 December 2006
		At 1 January 2006	Bought	Sold	
<i>Company</i>					
Tan Sri Datuk Arshad bin Ayub	Direct	454,500	--	--	454,500
	Deemed	231,200	599,100	--	830,300
Tan Sri Dato' Mohd. Zuki bin Kamaluddin	Direct	40,000	12,000	--	52,000
Mr. Teo Kong Wan	Direct	10,000	--	--	10,000
	Deemed	50,000	--	--	50,000
Mr. Chow Yuen Liong	Direct	5,922,500	310,000	--	6,232,500
	Deemed	580,000	183,000	--	763,000
Mr. Chin Ah Kow @ Chin Loi Fuh	Direct	80,000	--	--	80,000
	Deemed	8,000	--	--	8,000
Mr. Chow Wen Chye	Direct	3,313,040	--	(513,000)	2,800,040
Mr. Teoh Kok Swee @ Michael Teoh	Direct	30,000	26,100	--	56,100

Name of Directors	Interest	Number of options over ordinary shares of RM1.00 each			At 31 December 2006
		At 1 January 2006	Granted	Exercised	
Mr. Chow Yuen Liong	Direct	275,000	--	--	275,000
Mr. Chin Ah Kow @ Chin Loi Fuh	Direct	200,000	--	--	200,000

#### 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 a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) 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 except for purchase of printing cylinder blocks from a company in which a close family member of certain Directors has substantial financial interest.

There were no arrangements during and at the end of the financial year 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 issue of the Employees' Share Option Scheme ("ESOS").



## Directors' Report For the year ended 31 December 2006 (continued)

### Issue of shares

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

### Options granted over unissued shares

No other options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to the ESOS.

At an extraordinary general meeting held on 16 January 2003, the Company's shareholders approved the establishment of an ESOS of not more than 10% of the issue share capital of the Company to eligible Directors and employees of the Group.

The option offered to take up unissued ordinary shares of RM1.00 each and the exercise prices are as follows:

Date of offer	Exercise price RM	Number of options over ordinary shares of RM1.00 each			
		At 1 January 2006	Exercised	Lapsed	At 31 December 2006
1.11.2003	1.00	3,294,000	--	(131,000)	3,163,000

The salient features of the ESOS are as follows:

- a) The ESOS is administered by a committee appointed by the Board of Directors.
- b) The aggregate number of Options exercised and Options offered and to be offered under the ESOS shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS and further, the following shall be complied with:
  - i) Not more than fifty per centum (50%) of the ordinary shares available under the ESOS shall be allocated, in aggregate, to Directors and senior management; and
  - ii) Not more than ten per centum (10%) of the ordinary shares available under the ESOS shall be allocated to any eligible employee who, either singly or collectively through his or her associates, holds twenty per centum (20%) or more of the issued and paid-up capital of the Company.
- c) The eligible employee must be at least eighteen (18) years of age and must have served for a continuous period of at least one (1) year in the Group and have been confirmed in writing as an Executive Directors or Employees on the date of offer.
- d) The subscription price for each ordinary share shall be the weighted average market price of the shares of the Company as shown in the Daily Official List issued by Bursa Malaysia Securities Berhad ("Bursa Securities") for the five (5) market days immediately preceding the date of the offer with a discount of not more than ten per centum (10%) or the par value of the ordinary shares, whichever is higher.



## Directors' Report For the year ended 31 December 2006 (continued)

- 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.
- g) The options shall be exercised in multiple of and not less than one hundred (100) options.
- h) The option would be exercisable within the following limits in a particular year (the first year commencing on the date the Scheme comes into force):-

Number of Options Granted	Maximum percentage of Options exercisable within each particular year of the scheme		
	Year 1	Year 2	Year 3
Less than or equal to 12,000	100%	--	--
20,001 to 60,000	50%	50%	--
More than 60,000	40%	30%	30%

- i) Options exercisable in a particular year but not exercised can be carried forward to the subsequent years subject to the time limit of the Scheme.

### Other statutory information

Before the balance sheets and income 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) all current assets have been stated at the lower of cost and net realisable value.

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 year 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 year.



## **Directors' Report**

### **For the year ended 31 December 2006 (continued)**

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 year 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, the results of the operations of the Group and of the Company for the year ended 31 December 2006 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 year and the date of this report.

### **Auditors**

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

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

.....  
**Tan Sri Datuk Arshad bin Ayub**

.....  
**Chow Yuen Liong**

Johor Bahru,

Date: 26 February 2007



**TOMYPAK HOLDINGS BERHAD**  
(Co. No: 337743-W)

## **Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965**

In the opinion of the Directors, the financial statements set out on pages 38 to 68, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2006 and of the results of their operations and cash flows for the financial year ended on that date.

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

.....  
**Tan Sri Datuk Arshad bin Ayub**

.....  
**Chow Yuen Liong**

**Johor Bahru,**

**Date: 26 February 2007**



**TOMYPAK HOLDINGS BERHAD**  
(Co. No: 337743-W)

## **Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965**

I, **Chin Ah Kow @ Chin Loi Fuh**, the Director primarily responsible for the financial management of TOMYPAK HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on page 38 to 68 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Johor Bahru in the State of Johor on 26 February 2007

.....  
**Chin Ah Kow @ Chin Loi Fuh**



**R. RAMASAMY P.I.S.**  
PESURUHJAYA SUMPAH (J-058)  
COMMISSIONER FOR OATHS  
No: 71A, Jalan Ibrahim,  
1st. Floor, Bangunan Lian Sheng,  
80000 Johor Bahru, Johor.  
Tel: 07-2212484



## **Report of the Auditors to members of Tomypak Holdings Berhad**

We have audited the financial statements set out on pages 38 to 68. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:
  - i) the state of affairs of the Group and of the Company at 31 December 2006 and of the results of their operations and cash flows for the financial year ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiary that has been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.



**TOMYPAK HOLDINGS BERHAD**  
(Co. No: 337743-W)

## **Report of the Auditors to members of Tomypak Holdings Berhad (continued)**

The audit report on the financial statements of the subsidiary was not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

Johor Bahru,

**Lee Soon Teck**  
Partner  
Approval Number: 1587/06/08 (J)

Date: 26 February 2007



## Balance sheets

### As at 31 December 2006

	Note	Group		Company	
		2006 RM	2005 RM	2006 RM	2005 RM
<b>Assets</b>					
Property, plant and equipment	3	45,831,215	49,818,115	--	--
Investment in a subsidiary	4	--	--	16,948,998	16,948,998
Due from a subsidiary	5	--	--	5,401,981	5,430,913
Other investments	6	70,800	70,800	--	--
Intangible assets	7	172,056	169,333	--	--
<b>Total non-current assets</b>		<u>46,074,071</u>	<u>50,058,248</u>	<u>22,350,979</u>	<u>22,379,911</u>
Inventories	8	26,291,847	23,867,903	--	--
Trade and other receivables	9	33,254,142	32,436,430	901,175	1,175
Tax recoverable		500	9,942	500	9,942
Cash and cash equivalents	10	5,772,371	6,208,065	27,833	45,852
<b>Total current assets</b>		<u>65,318,860</u>	<u>62,522,340</u>	<u>929,508</u>	<u>56,969</u>
<b>Total assets</b>		<u>111,392,931</u>	<u>112,580,588</u>	<u>23,280,487</u>	<u>22,436,880</u>
<b>Equity</b>					
Share capital		40,000,000	40,000,000	40,000,000	40,000,000
Reserves		11,930,405	6,188,221	(16,886,453)	(17,698,258)
<b>Total equity attributable to shareholders of the Company/ Total equity</b>	11	<u>51,930,405</u>	<u>46,188,221</u>	<u>23,113,547</u>	<u>22,301,742</u>
<b>Liabilities</b>					
Loans and borrowings	12	2,409,976	2,973,792	--	--
Deferred tax liabilities	13	5,816,000	6,003,000	--	--
Employee benefits	14	442,547	393,712	--	--
<b>Total non-current liabilities</b>		<u>8,668,523</u>	<u>9,370,504</u>	<u>--</u>	<u>--</u>
Trade and other payables	15	18,305,757	14,261,287	166,940	135,138
Loans and borrowings	12	31,976,523	42,760,576	--	--
Taxation		511,723	--	--	--
<b>Total current liabilities</b>		<u>50,794,003</u>	<u>57,021,863</u>	<u>166,940</u>	<u>135,138</u>
<b>Total liabilities</b>		<u>59,462,526</u>	<u>66,392,367</u>	<u>166,940</u>	<u>135,138</u>
<b>Total equity and liabilities</b>		<u>111,392,931</u>	<u>112,580,588</u>	<u>23,280,487</u>	<u>22,436,880</u>

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



## Income statements For the year ended 31 December 2006

		Group		Company	
	Note	2006 RM	2005 RM	2006 RM	2005 RM
<b>Revenue</b>					
Goods sold		152,820,145	134,538,860	--	--
Dividend income		--	--	900,000	--
Cost of sales		(133,358,587)	(122,545,842)	--	--
<b>Gross profit</b>		19,461,558	11,993,018	900,000	--
Other income		28,234	23,635	240,000	240,000
Distribution expenses		(5,197,199)	(5,208,907)	--	--
Administrative expenses		(4,346,801)	(3,738,240)	(311,050)	(303,878)
Other expenses		(1,788,611)	(78,123)	--	--
<b>Results from operating activities</b>		8,157,181	2,991,383	828,950	(63,878)
Finance costs		(2,063,852)	(2,273,204)	--	--
<b>Profit/(Loss) before tax</b>	16	6,093,329	718,179	828,950	(63,878)
Tax expense	17	(351,145)	(395,383)	(17,145)	(13,437)
<b>Profit/(Loss) for the year</b>		5,742,184	322,796	811,805	(77,315)
<b>Attributable to:</b>					
Shareholders of the Company/ <b>Profit/(Loss) for the year</b>		5,742,184	322,796	811,805	(77,315)
Basic earning per ordinary share (sen)	18	14.36	0.81		



## Consolidated statement of changes in equity For the year ended 31 December 2006

	← Attributable to shareholders of the Company →				Accumulated losses/ Distributable Retained earnings RM	Total equity RM
	← Non-distributable →					
	Share capital RM	Share premium RM	Revaluation reserves RM	Merger reserves RM		
<i>Group</i>						
<i>At 1 January 2005</i>	40,000,000	435,839	3,260,592	2,991,000	(822,006)	45,865,425
Profit for the year	--	--	--	--	322,796	322,796
<i>At 31 December 2005</i>	40,000,000	435,839	3,260,592	2,991,000	(499,210)	46,188,221
Profit for the year	--	--	--	--	5,742,184	5,742,184
<i>At 31 December 2006</i>	<u>40,000,000</u>	<u>435,839</u>	<u>3,260,592</u>	<u>2,991,000</u>	<u>5,242,974</u>	<u>51,930,405</u>

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



## Statement of changes in equity For the year ended 31 December 2006 (continued)

	Note	Non-distributable			Accumulated losses RM	Total equity RM
		Share capital RM	Share premium RM	Revaluation reserves RM		
<i>Company</i>						
<i>At 1 January 2005</i>						
- As previously reported		40,000,000	435,839	5,274,319	(116,782)	45,593,376
- Effect of adopting FRS 127	26	--	--	(5,274,319)	(17,940,000)	(23,214,319)
<i>At 1 January 2005, restated</i>						
		40,000,000	435,839	--	(18,056,782)	22,379,057
Loss for the year		--	--	--	(77,315)	(77,315)
<i>At 31 December 2005</i>						
		40,000,000	435,839	--	(18,134,097)	22,301,742
Profit for the year		--	--	--	811,805	811,805
<i>At 31 December 2006</i>						
		<u>40,000,000</u>	<u>435,839</u>	<u>--</u>	<u>(17,322,292)</u>	<u>23,113,547</u>



## Cash flow statements

### For the year ended 31 December 2006

	Note	Group		Company	
		2006 RM	2005 RM	2006 RM	2005 RM
<b>Cash flows from operating activities</b>					
Profit/(Loss) before tax		6,093,329	718,179	828,950	(63,878)
Adjustments for:-					
Amortisation of intangible assets		250,382	227,447	--	--
Depreciation		9,466,571	9,197,812	--	--
Finance costs		2,063,852	2,273,204	--	--
Property, plant and equipment written off		290,460	--	--	--
Unrealised loss on foreign exchange		407,506	--	--	--
(Gain)/Loss on disposal of property, plant and equipment		(25,834)	18,989	--	--
Retirement/(Reversal of) benefits charged		48,835	(85,367)	--	--
Dividend income on quoted shares		(2,400)	--	--	--
Gain on disposal of quoted investment		--	(3,446)	--	--
<b>Operating profit/(loss) before changes in working capital</b>		<u>18,592,701</u>	<u>12,346,818</u>	<u>828,950</u>	<u>(63,878)</u>
Change in inventories		(2,423,944)	6,282,855	--	--
Change in trade and other receivables		(1,234,495)	(1,969,634)	--	--
Change in trade and other payables		<u>4,044,470</u>	<u>(3,997,143)</u>	<u>31,802</u>	<u>3,682</u>
<b>Cash generated from/(used in) operations</b>		<u>18,978,732</u>	<u>12,662,896</u>	<u>860,752</u>	<u>(60,196)</u>
Interest paid		(2,063,852)	(2,273,204)	--	--
Tax paid		(7,703)	(24,607)	(7,703)	(24,395)
<b>Net cash from/(used in) operating activities</b>		<u>16,907,177</u>	<u>10,365,085</u>	<u>853,049</u>	<u>(84,591)</u>

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



## Cash flow statements

### For the year ended 31 December 2006 (continued)

	Note	Group		Company	
		2006 RM	2005 RM	2006 RM	2005 RM
<b>Cash flows from investing activities</b>					
Acquisition of disposal of quoted shares		--	(67,354)	--	--
Acquisition of property, plant and equipment	19	(5,447,111)	(5,913,569)	--	--
Acquisition of intangible assets		(142,317)	(124,628)	--	--
Increase in pledged deposits placed with licensed banks		(190,000)	--	--	--
Proceeds from disposal of property, plant and equipment		628,306	51,443	--	--
Due from a subsidiary		--	--	(871,068)	102,885
Dividend income on quoted shares		2,400	--	--	--
<b>Net cash (used in)/from investing activities</b>		<u>(5,148,722)</u>	<u>(6,054,108)</u>	<u>(871,068)</u>	<u>102,885</u>
<b>Cash flows from financing activities</b>					
Proceeds from term loans		1,647,305	2,100,000	--	--
Repayment of term loans		(1,888,303)	(1,365,867)	--	--
Net short term borrowings		(10,657,223)	269,688	--	--
Payments of finance lease liabilities		(1,539,666)	(1,898,821)	--	--
<b>Net cash used in financing activities</b>		<u>(12,437,887)</u>	<u>(895,000)</u>	<u>--</u>	<u>--</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(679,432)</u>	<u>3,415,977</u>	<u>(18,019)</u>	<u>18,294</u>
<b>Cash and cash equivalents at 1 January</b>		<u>6,208,065</u>	<u>2,792,088</u>	<u>45,852</u>	<u>27,558</u>
<b>Cash and cash equivalents at 31 December</b>		<u><u>5,528,633</u></u>	<u><u>6,208,065</u></u>	<u><u>27,833</u></u>	<u><u>45,852</u></u>
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:					
Cash and bank balances		5,582,371	6,208,065	27,833	45,852
Bank overdrafts		(53,738)	--	--	--
		<u><u>5,528,633</u></u>	<u><u>6,208,065</u></u>	<u><u>27,833</u></u>	<u><u>45,852</u></u>

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 Second Board of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

### **Registered office**

Suite 7E, Level 7  
Menara Ansar  
65, Jalan Trus  
80000 Johor Bahru  
Malaysia

### **Principal place of business**

11, Jalan Tahana  
Kawasan Perindustrian Tampoi  
80350 Johor Bahru  
Johor  
Malaysia

The consolidated financial statements as at and for the year ended 31 December 2006 comprise the Company and its subsidiary (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 December 2006 do not include other entities.

The Company is an investment holding company. The principal activities of its subsidiary are disclosed in Note 4.

## **1. Basis of preparation**

### **(a) Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965.

The MASB has issued the following Financial Reporting Standards (FRSs) and Interpretations that are effective for annual periods beginning after 1 January 2006, and that have not been applied in preparing these financial statements:

<b>Standard/Interpretation</b>	<b>Effective date</b>
FRS 117, <i>Leases</i>	1 October 2006
FRS 124, <i>Related Party Disclosures</i>	1 October 2006
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	To be announced
Amendment to FRS 119 <sub>2004</sub> , <i>Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures</i>	1 January 2007
FRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2007



## Notes to the financial statements (continued)

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

Standard/Interpretation	Effective date
Amendment to FRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation</i>	1 July 2007
IC Interpretation 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	1 July 2007
IC Interpretation 2, <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	1 July 2007
IC Interpretation 5, <i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	1 July 2007
IC Interpretation 6, <i>Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment</i>	1 July 2007
IC Interpretation 7, <i>Applying the Restatement Approach under FRS 129<sub>2004</sub> Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
IC Interpretation 8, <i>Scope of FRS 2</i>	1 July 2007

The Group and the Company plan to apply FRS 117, FRS 124 and the Amendment to FRS 119<sub>2004</sub> initially for the annual period beginning 1 January 2007 and to apply the rest of the applicable FRSs except for FRS 139 which its effective date has yet to be announced for the annual period beginning 1 January 2008.

The impact of applying FRS 117, FRS 124, FRS 139, Amendment to FRS 119<sub>2004</sub> and IC Interpretation 8 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective standards.

FRS 6, IC Interpretation 1, 2, 5, 6 and 7 are not applicable to the Group and the Company. Hence, no further disclosure is warranted.

The initial application of the other standards and interpretations are not expected to have any material impact on the financial statements of the Group and of the Company.

The effects of adopting the new/revised FRSs in 2006 are set out in Note 26.

The financial statements were approved by the Board of Directors on 26 February 2007.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the notes to the financial statements.

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information are presented in RM, unless otherwise stated.



## Notes to the financial statements (continued)

### (d) Use of estimates and judgements

The preparation of financial statements 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 estimate is revised and in any future periods affected.

## 2. Significant accounting policies

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

Certain comparative amounts have been reclassified or re-presented to conform to the current year's presentation and have been restated to take into account the effect of adopting FRS 127, Consolidated and Separate Financial Statements (see Note 27).

### (a) Basis of consolidation

#### (i) *Subsidiaries*

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Where there is a continuity of the amalgamating business and the ownership of the separate companies have been pooled into one common ownership, the consolidation of Tomypak Holdings Berhad and its subsidiary has been carried out on the basis of merger accounting.

Under the merger method of accounting, the results of the subsidiaries are presented as if the companies had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves of the merged subsidiaries is taken to merger reserve.

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 Company previously accounted for investment in subsidiary under revaluation policy. During the year, the Company adopted new accounting policy to account for the investment in subsidiary at cost.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

#### (ii) *Changes in Group composition*

Where a subsidiary issues new equity shares to minority interest for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.



## Notes to the financial statements (continued)

### (a) Basis of consolidation

#### (ii) *Changes in Group composition (continued)*

When the Group purchases a subsidiary's equity shares from minority interest for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. 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.

#### (ii) *Transactions eliminated on consolidation*

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

### (b) 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 transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value 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 the income statement.

### (c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposures.

Forward foreign exchange contracts used are accounted for on an equivalent basis as the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or net position.

### (d) Property, plant and equipment

#### (i) *Recognition and measurement*

Items of property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

It is the Group's policy to state its property, plant and equipment at cost. Revaluation of land and building in 1994 was carried out primarily for the purpose of initial public offering and was not intended to effect a change in the accounting policy to that of revaluation of properties. The Directors, therefore, have not adopted a policy of regular revaluations of land and building as required.

As permitted by the Malaysian Accounting Standards Board, these assets are stated at their previous valuation less accumulated depreciation and accumulated impairment losses.



## Notes to the financial statements (continued)

### (d) Property, plant and equipment

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

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to the income statement.

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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.

#### (ii) *Subsequent costs*

The cost of replacing part 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 part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

#### (iii) *Depreciation*



## Notes to the financial statements (continued)

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

#### (iv) *Change in estimates*

Estimates in respect of certain items of plant and equipment were revised in 2006 (see Note 3).

### (e) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

### (f) Intangible assets

#### i) *Licence fee*

The licence fee is in respect of patent and know-how relating to the manufacturing process and will be amortised over its useful life of 5 years.

#### ii) *Research and development*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Company has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation. Capitalised development expenditure is amortised and recognised as an expense on a systematic basis so as to reflect the pattern in which the related economic benefits are recognised over 2 years.

### (g) Investments

Quoted investments are stated at the lower of cost and market value on an individual investment basis.

### (h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle 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 selling expenses.



## Notes to the financial statements

### (i) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

### (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 value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

### (k) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

### (l) Impairment of assets

The carrying amounts of assets except for financial assets and inventories are reviewed at each reporting date 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, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date 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. 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 the income statement in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the income statement.



## Notes to the financial statements (continued)

### (m) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax 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 balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

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

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

### (n) Revenue

#### *Goods sold*

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

### (o) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

### (p) Borrowing costs

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred.



## Notes to the financial statements (continued)

### (q) 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 provision 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.

The Group's contribution to the Employee's Provident Fund are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

#### (ii) *Defined benefit plans*

The Group's net 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 undiscounted and is calculated based on 25% of the last drawn salary for each completed year of service up to balance sheet date. No qualified actuary has been appointed by the Group in the measurement of the defined benefit obligations.

#### (iii) *Share-based payment transactions*

The share option programme allows Group employees to acquire shares of the Company. In the previous year, share options granted to employees is not recognised as an employee cost.

The share option arrangements were granted before 1 January 2005. As allowed by the transitional provisions in FRS 2, the recognition and measurement principles in FRS 2 have not been applied to this grant.

### (r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

### (s) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.



## Notes to the financial statements (continued)

### 3. Property, plant and equipment

Group	Land and building RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
<i>Cost/Valuation</i>					
At 1 January 2005	13,113,767	117,895,292	5,446,605	2,155,343	138,611,007
Additions	--	5,196,704	716,865	--	5,913,569
Disposals	(47,042)	(243,820)	(42,140)	(154,921)	(487,923)
At 31 December 2005/ 1 January 2006	13,066,725	122,848,176	6,121,330	2,000,422	144,036,653
Additions	--	6,052,464	161,414	269,513	6,483,391
Disposals	--	(9,463,229)	(104,339)	(240,560)	(9,808,128)
Written off	--	(2,886,118)	--	--	(2,886,118)
Transfers to intangible assets	--	--	(237,193)	--	(237,193)
At 31 December 2006	13,066,725	116,551,293	5,941,212	2,029,375	137,588,605
<i>Representing items at:</i>					
Cost	827,930	116,551,293	5,941,212	2,029,375	125,349,810
Directors' valuation	12,238,795	--	--	--	12,238,795
	13,066,725	116,551,293	5,941,212	2,029,375	137,588,605
<i>Depreciation and impairment losses</i>					
At 1 January 2005					
Accumulated depreciation	3,197,690	75,326,800	3,396,211	1,097,425	83,018,126
Accumulated impairment losses	--	2,420,091	--	--	2,420,091
	3,197,690	77,746,891	3,396,211	1,097,425	85,438,217
Depreciation charge	324,236	8,127,493	436,333	309,750	9,197,812
Disposals	--	(226,628)	(35,942)	(154,921)	(417,491)
At 31 December 2005/ 1 January 2006					
Accumulated depreciation	3,521,926	83,227,665	3,796,602	1,252,254	91,798,447
Accumulated impairment losses	--	2,420,091	--	--	2,420,091
	3,521,926	85,647,756	3,796,602	1,252,254	94,218,538
Depreciation charge	335,153	8,393,289	428,306	309,823	9,466,571
Disposals	--	(8,871,594)	(93,502)	(240,560)	(9,205,656)
Written off	--	(2,595,658)	--	--	(2,595,658)
Transfers to intangible assets	--	--	(126,405)	--	(126,405)
At 31 December 2006					
Accumulated depreciation	3,857,079	80,153,702	4,005,001	1,321,517	89,337,299
Accumulated impairment losses	--	2,420,091	--	--	2,420,091
	3,857,079	82,573,793	4,005,001	1,321,517	91,757,390
<i>Carrying amounts</i>					
At 31 December 2006	9,209,646	33,977,500	1,936,211	707,858	45,831,215
At 31 December 2005	9,544,799	37,200,420	2,324,728	748,168	49,818,115



## Notes to the financial statements (continued)

### 3. Property, plant and equipment (continued)

	Group	
	2006 RM	2005 RM
<i>Carrying amounts of land and building</i>		
<i>At valuation</i>		
Short term leasehold land	3,140,757	3,253,257
Building	5,418,411	5,611,881
<i>At cost</i>		
Building	<u>650,478</u>	<u>679,661</u>
	<u>9,209,646</u>	<u>9,544,799</u>

#### *Revaluation*

The short term leasehold land and building were revalued by the Directors in 1994 based on a valuation carried out by independent valuers on the open market value basis, as revised and approved by the Government valuers.

Had the land and building been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year would be as follows:

	2006 RM	2005 RM
Short term leasehold land	603,985	624,812
Building	<u>4,617,790</u>	<u>4,775,576</u>
	<u>5,221,775</u>	<u>5,400,388</u>

#### *Assets under hire purchase*

Included in property, plant and equipment of the Group are plant and machinery, motor vehicles and other equipment acquired under hire purchase agreements with a net book value of RM4,879,629 (2005: RM5,895,554).

#### *Security*

Certain plant and machinery of the Group with net book value of RM7,828,623 (2005: RM6,523,531) have been charged to banks for banking facilities granted to the Group as disclosed in Note 12.

#### *Impairment losses*

The impairment losses arise from the Group's assessment of the recoverable amount on the residual value of cylinder blocks. The estimated recoverable amount was based on market value for the cylinder blocks.

#### *Changes in depreciation of assets (FRS 116, Property, Plant and Equipment)*

During the year ended 31 December 2006, the useful lives of the plant and machineries had been reviewed and assessed by the management to better reflect the economic benefits of these assets. The expected useful lives of certain plant and machineries namely cylinder blocks have been revised from four years to three years. The effect of these changes on depreciation expense, recognised in cost of sales, in current and future periods are as follows:

	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Increase/(Decrease) in depreciation expense	<u>893</u>	<u>12</u>	<u>(256)</u>	<u>(397)</u>	<u>(280)</u>



## Notes to the financial statements (continued)

### 4. Investment in a subsidiary

	Company	
	2006 RM	2005 RM
Unquoted shares, at cost	16,948,998	16,948,998

The Company previously accounted for investment in subsidiary under revaluation policy. During the year, the Company adopted new accounting policy to account for their investment in subsidiary at cost.

The wholly owned subsidiary is Tomypak Berhad, a company incorporated in Malaysia. Its principal activities relate to the manufacture and sale of packaging materials, polyethylene, polypropylene films and sheets and thermoforming sheets.

### 5. Due from a subsidiary

The amount due from a subsidiary is unsecured, interest free and not receivable within the next twelve months.

### 6. Other investments

	Group	
	2006 RM	2005 RM
Quoted shares in Malaysia	70,800	70,800
At market value	56,000	57,200

### 7. Intangible assets

	Licence fee RM	Development expenditure RM	Computer software RM	Total RM
<b>Group</b>				
<b>Cost</b>				
At 1 January 2005	494,202	436,869	--	931,071
Addition during the year	--	124,628	--	124,628
At 31 December 2005/ 1 January 2006	494,202	561,497	--	1,055,699
Reclassification from property, plant and equipment	--	--	237,193	237,193
Addition during the year	--	122,752	19,565	142,317
At 31 December 2006	494,202	684,249	256,758	1,435,209
<b>Amortisation</b>				
At 1 January 2005	288,396	370,523	--	658,919
Amortisation charge	98,787	128,660	--	227,447
At 31 December 2005/ 1 January 2006	387,183	499,183	--	886,366
Reclassification from property, plant and equipment	--	--	126,405	126,405
Amortisation charge	98,787	123,690	27,905	250,382
At 31 December 2006	485,970	622,873	154,310	1,263,153
<b>Carrying amounts</b>				
At 31 December 2006	8,232	61,376	102,448	172,056
At 31 December 2005	107,019	62,314	--	169,333



## Notes to the financial statements (continued)

### 8. Inventories

	Group	
	2006 RM	2005 RM
<i>At cost</i>		
Raw materials	13,162,413	12,010,186
Work-in-progress	2,880,272	2,502,865
Finished goods	7,722,375	7,129,557
Consumables	2,526,787	2,225,295
	<u>26,291,847</u>	<u>23,867,903</u>

### 9. Trade and other receivables

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Trade receivables	31,718,692	30,585,512	--	--
Due from a subsidiary	--	--	900,000	--
Other receivables, deposits and prepayments	1,535,450	1,850,918	1,175	1,175
	<u>33,254,142</u>	<u>32,436,430</u>	<u>901,175</u>	<u>1,175</u>

Included in the trade receivables of the Group are allowance for doubtful debts of RM1,906,762 (2005: RM1,104,777). Allowance for doubtful debts is made for debtors that the management considers the recoverability to be doubtful.

Trade receivables denominated in currencies other than the functional currency comprise RM12,741,000 (2005: RM11,787,007) of trade receivables denominated in U.S. Dollar.

### 10. Cash and cash equivalents

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Cash and bank balances	5,582,371	6,208,065	27,833	45,852
Fixed deposits placed with licensed banks	190,000	--	--	--
	<u>5,772,371</u>	<u>6,208,065</u>	<u>27,833</u>	<u>45,852</u>

The fixed deposits are pledged to bank to secure banking facilities granted to a subsidiary.

### 11. Capital and reserves

#### Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2006 RM	2005 RM	2006	2005
Ordinary shares of RM1.00 each:				
Authorised	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Issued and fully paid	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>



## Notes to the financial statements (continued)

### 11. Capital and reserves (continued)

#### Reserves

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
<i>Non-distributable</i>				
Share premium	435,839	435,839	435,839	435,839
Revaluation reserves	3,260,592	3,260,592	--	--
Merger reserves	2,991,000	2,991,000	--	--
	<u>6,687,431</u>	<u>6,687,431</u>	<u>435,839</u>	<u>435,839</u>
Retained earnings/(Accumulated losses)	5,242,974	(499,210)	(17,322,292)	(18,134,097)
	<u>11,930,405</u>	<u>6,188,221</u>	<u>(16,886,453)</u>	<u>(17,698,258)</u>

### 12. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 25.

	2006 RM	2005 RM
<b>Non-current</b>		
<i>Secured</i>		
Term loans	1,095,229	1,162,584
Finance lease liabilities	1,314,747	1,811,208
	<u>2,409,976</u>	<u>2,973,792</u>
<b>Current</b>		
<i>Secured</i>		
Term loans	1,453,370	1,627,013
Finance lease liabilities	1,230,432	1,237,357
	<u>2,683,802</u>	<u>2,864,370</u>
<i>Unsecured</i>		
Bank overdrafts	53,738	--
Bankers' acceptances	29,238,983	37,688,370
Revolving credits	--	2,207,836
	<u>29,292,721</u>	<u>39,896,206</u>
	<u>31,976,523</u>	<u>42,760,576</u>
	<u>34,386,499</u>	<u>45,734,368</u>

The term loans are secured by debentures creating legal charges over certain plant and machinery of the subsidiary.



## Notes to the financial statements (continued)

### 12. Loans and borrowings (continued)

#### Terms and debt repayment schedule

Company 2006	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000
Unsecured bank overdrafts	2007	53	53	--	--	--
Secured term loans	2007 - 2009	2,549	1,454	667	428	--
Secured finance lease liabilities	2007 - 2009	2,545	1,230	1,038	277	--
Unsecured bankers' acceptances	2007	29,239	29,239	--	--	--
		<u>34,386</u>	<u>31,976</u>	<u>1,705</u>	<u>705</u>	<u>--</u>
<b>2005</b>						
Secured term loans	2006 - 2008	2,790	1,627	937	226	--
Secured finance lease liabilities	2006 - 2008	3,049	1,238	805	780	226
Unsecured bankers' acceptances	2006	37,688	37,688	--	--	--
Unsecured revolving credit	2006	2,208	2,208	--	--	--
		<u>45,735</u>	<u>42,761</u>	<u>1,742</u>	<u>1,006</u>	<u>226</u>

#### Finance lease liabilities

Finance lease liabilities are payable as follows:

	← 2006 →			← 2005 →		
	Minimum lease payments RM	Interest RM	Principal RM	Minimum lease payments RM	Interest RM	Principal RM
Less than one year	1,359,967	129,535	1,230,432	1,395,274	157,917	1,237,357
Between one and five years	<u>1,545,449</u>	<u>230,702</u>	<u>1,314,747</u>	<u>2,119,842</u>	<u>308,634</u>	<u>1,811,208</u>
	<u>2,905,416</u>	<u>360,237</u>	<u>2,545,179</u>	<u>3,515,116</u>	<u>466,551</u>	<u>3,048,565</u>

The finance lease liabilities is subject to interest rates at 2.50% - 4.00% (2005: 2.50% - 4.75%) per annum.



## Notes to the financial statements (continued)

### 13. Deferred tax liabilities

#### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group	
	2006 RM	2005 RM
Property, plant and equipment		
- capital allowances	5,464,000	5,668,000
- revaluation	887,000	887,000
Trade receivables allowance	(283,000)	(266,000)
Employee benefits obligations	(119,000)	(110,000)
Unabsorbed capital allowances	--	(184,000)
Others	(133,000)	8,000
	<u>5,816,000</u>	<u>6,003,000</u>

### 14. Employee benefits

	Group	
	2006 RM	2005 RM
Recognised liability for defined benefit obligations	<u>442,547</u>	<u>393,712</u>

The Group makes contribution to a defined benefit plan that provide for 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 55.

#### Movement in the net liability recognised in the balance sheet

	Group	
	2006 RM	2005 RM
Net liability at 1 January	393,712	479,079
Expense/(Reversal) recognised in the income statement	48,835	(85,367)
Net liability at 31 December	<u>442,547</u>	<u>393,712</u>

#### Expense recognised in the income statement

	Group	
	2006 RM	2005 RM
Current service cost	<u>48,835</u>	<u>(85,367)</u>

The expense is recognised in the following line items in the income statement:

	Group	
	2006 RM	2005 RM
Cost of sales	58,440	(69,417)
Distribution costs	1,543	(14,483)
Administration expenses	(11,148)	(1,467)
	<u>48,835</u>	<u>(85,367)</u>



## Notes to the financial statements (continued)

### 14. Employee benefits (continued)

#### *Equity compensation benefits*

##### Share based payment

The Group offers vested share options over ordinary shares to directors and other employees with more than one year's service. The share option arrangements were granted before 1 January 2005. As allowed by the transitional provisions in FRS 2, Share-based Payment, the recognition and measurement principles in FRS 2 have not been applied to this grant.

The terms and conditions of the grant is as follows; all options are to be settled by physical delivery of shares:

- a) The options granted may be exercised at any time within the period of five (5) years.
- b) The option would be exercisable within the following limits in a particular year (the first year commencing on the date the Scheme comes into force):-

Number of Options Granted	Maximum percentage of Options exercisable within each particular year of the scheme		
	Year 1	Year 2	Year 3
Less than or equal to 12,000	100%	--	--
20,001 to 60,000	50%	50%	--
More than 60,000	40%	30%	30%

- c) Options exercisable in a particular year but not exercised can be carried forward to the subsequent years subject to the time limit of the Scheme.

The number and exercise price of share options are as follows:

	Exercise price 2006 RM	Number of options 2006 '000	Number of price 2005 RM	Number of options 2005 '000
<i>Outstanding at 1 January</i>	1	3,294	1	3,464
Issued		--		--
Lapsed	1	(131)	1	(170)
<i>Outstanding at 31 December</i>	1	<u>3,163</u>	1	<u>3,294</u>

The options outstanding as at 31 December 2006 have an exercise price of RM1.00 and remaining contractual life of 2 years.

### 15. Trade and other payables

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Trade payables	14,935,186	11,555,656	--	--
Other payables and accrued expenses	3,370,571	2,705,631	166,940	135,138
	<u>18,305,757</u>	<u>14,261,287</u>	<u>166,940</u>	<u>135,138</u>

Payables denominated in currencies other than the functional currency comprise RM2,162,000 (2005: RM772,000) of trade payables denominated in U.S. Dollar.



## Notes to the financial statements (continued)

### 16. Profit/(Loss) before tax

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
<b>Profit/(Loss) before tax is arrived at after charging/ (crediting)</b>				
Audit fees	57,000	50,000	15,000	12,000
Amortisation of intangible assets	250,382	227,447	--	--
Allowance for doubtful debts	811,701	65,245	--	--
Depreciation	9,466,571	9,197,812	--	--
Directors' remuneration				
- Fees	348,000	258,000	168,000	118,000
- Other emoluments	967,005	869,735	21,600	--
- Contributions to Employees' Provident Fund	96,947	93,871	--	--
Property, plant and equipment written off	290,460	--	--	--
Rental of:				
- premises	111,300	90,600	--	--
- equipment	--	4,100	--	--
Realised loss on foreign exchange	258,620	12,878	--	--
Unrealised loss on foreign exchange	407,506	--	--	--
(Gain)/Loss on disposal of property, plant and equipment	(25,834)	18,989	--	--
Personnel expenses (excluding Executive Directors):				
- Contributions to Employee Provident Fund	667,601	642,865	--	--
- Expenses/(Reversal) related to defined benefits plans	48,835	(85,367)	--	--
- Wages, salaries and others	8,129,981	7,596,655	--	--
Gain on disposal of quoted investment	--	(3,446)	--	--
Dividend income on quoted shares	(2,400)	--	--	--

The estimated monetary value of Directors' benefits-in-kind receivable of the Group and of the Company are RM300,714 (2005: RM96,394) and RM46,369 (RM96,394) respectively.



## Notes to the financial statements (continued)

### 17. Tax expense

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Tax expense				
- Current year	537,000	15,000	16,000	15,000
- Under/(Over)provision in prior years	1,145	11,383	1,145	(1,563)
	538,145	26,383	17,145	13,437
Deferred tax (income)/expense				
- Origination and reversal of temporary differences	(93,000)	267,000	--	--
- (Over)/Underprovision in prior years	(94,000)	102,000	--	--
	(187,000)	369,000	--	--
	351,145	395,383	17,145	13,437
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Reconciliation of effective tax expense</b>				
Profit/(Loss) before tax	6,093	718	829	(64)
Tax calculated using Malaysian tax rate of 28% (2005: 28%)	1,707	201	232	(18)
Non deductible expenses	167	81	35	33
Non taxable income	--	--	(252)	--
Tax incentive	(1,215)	--	--	--
Effect of change in tax rate*	(215)	--	--	--
Others	--	--	1	--
	444	282	16	15
(Over)/Underprovision in prior years	(93)	113	1	(2)
Tax expense	351	395	17	13

\* With effect from year of assessment 2007, corporate tax rate is at 27%. The Malaysian Budget 2007 also announced the reduction of corporate tax rate to 26% in 2008. Consequently deferred tax assets and liabilities are measured using these tax rates.

Subject to agreement by the Inland Revenue Board, the Group has unabsorbed reinvestment allowance of RM24,931,000 (2005: RM26,607,000) to set off against future taxable profit

### 18. Earnings per ordinary share

#### Group

#### Basic earnings per ordinary share

The calculation of basic earnings/(loss) per ordinary share is based on the profit for the year of RM5,742,184 (2005: profit for the year of RM322,796) and the weighted average number of ordinary shares outstanding during the year of 40,000,000 (2005: 40,000,000).

#### Diluted earnings per ordinary share

No disclosure is made for diluted earning per ordinary share for the year as it is anti-dilutive.



## Notes to the financial statements (continued)

### 19. Acquisition of property, plant and equipment

	Group	
	2006 RM	2005 RM
Current year's addition of property, plant and equipment	6,483,391	5,913,569
Less: Amount financed by hire purchase	<u>(1,036,280)</u>	<u>--</u>
	<u>5,447,111</u>	<u>5,913,569</u>

### 20. Dividends

After the balance sheet date, the Directors' declared an interim dividend of 2 sen tax exempt per ordinary share of RM1.00 each totalling RM800,000 in respect of the year ended 31 December 2006 based on the issued and paid-up capital as at 16 January 2007 and paid on 8 February 2007.

These dividends will be recognised in subsequent financial report.

### 21. Segment reporting

The Group operates principally in Malaysia and in the manufacture and sale of packaging materials, polyethylene, polypropylene films and sheets and thermoforming sheets. The Group's assets and liabilities are basically in Malaysia.

The Group's internal organisational groupings do not provide a basis for determining a reportable primary and secondary segment. However, sales revenues by geographical market are as follows.

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.

	Local		Export		Total	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Revenue	<u>90,072</u>	<u>81,723</u>	<u>62,748</u>	<u>52,816</u>	<u>152,820</u>	<u>134,539</u>

### 22. Contingent liabilities (unsecured)

	Company	
	2006 RM	2005 RM
Corporate guarantees for banking facilities given to subsidiary	<u>100,031,000</u>	<u>92,885,000</u>

### 23. Capital commitments

	Group	
	2006 RM	2005 RM
<i>Plant and equipment</i>		
Contracted but not provided for	3,226,809	2,523,923
Authorised but not contracted for	<u>11,649,742</u>	<u>--</u>
	<u>14,876,551</u>	<u>2,523,923</u>



## Notes to the financial statements (continued)

### 24. Related parties

Controlling related party relationships is its subsidiary as disclosed in Note 4.

#### *Transactions with Directors and key management personnel*

Significant transactions with Directors and key management personnel other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
<i>Company in which a close family member of certain Directors, Mr. Chow Yuen Liong and Mr. Chow Wen Chye, has substantial financial interest</i>				
Purchase of printing cylinder blocks from NM Packaging (M) Sdn. Bhd.	39	47	--	--
<i>Key management personnel</i>				
Remuneration paid to a senior management staff who is a close family member of certain Directors, Mr. Chow Yuen Liong and Mr. Chow Wen Chye	365	317	--	--
<i>Transactions with subsidiary</i>				
<i>Subsidiary</i>				
Management fee receivable	--	--	240	240

These transactions have been entered into in the normal course of business and have been established under negotiated basis.

### 25. Financial instruments

#### *Financial risk management objectives and policies*

Exposure to credit, interest rate and currency risk arises in the normal course of the Group's and of the Company's business.

#### *Credit risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group and the Company do not require collateral in respect of financial assets.

At balance sheet date, the Group and the Company have significant concentrations of credit risk arising from amounts due from four (2005: three) major customers, representing 37% (2005: 38%) of the Group's and of the Company's trade receivables. The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial assets.



## Notes to the financial statements (continued)

### 25. Financial instruments (continued)

#### *Interest rate risk*

The Group's exposure to change in interest rates relate primarily to the short term borrowings and term loans.

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.

#### *Effective interest rates and repricing analysis*

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

2006	Average effective interest rate %	Total	Within 1 year	1-2 years	2-3 years	3-4 years
		RM'000	RM'000	RM'000	RM'000	RM'000
<b>Fixed rate instruments</b>						
<i>Fixed deposits with licensed banks</i>						
	3.00	190	190	--	--	--
<i>Secured</i>						
Term loans - RM fixed rate loan	5.30 - 8.00	(2,549)	(1,454)	(667)	(428)	--
Finance lease liabilities	3.10 - 3.35	(2,545)	(1,230)	(1,038)	(277)	--
		(4,904)	(2,494)	(1,705)	(705)	--
<b>Floating rate instruments</b>						
<i>Unsecured</i>						
Bankers' acceptance	4.24 - 5.48	(29,239)	(29,239)	--	--	--
Bank overdrafts	7.50 - 8.00	(53)	(53)	--	--	--
		(29,292)	(29,292)	--	--	--
<b>2005</b>						
<b>Fixed rate instruments</b>						
<i>Secured</i>						
Term loans - RM fixed rate loan	5.30 - 8.00	(2,790)	(1,627)	(937)	(226)	--
Finance lease liabilities		(3,049)	(1,238)	(805)	(780)	(226)
		(5,839)	(2,865)	(1,742)	(1,006)	(226)
<b>Floating rate instruments</b>						
<i>Unsecured</i>						
Bankers' acceptance	2.93 - 4.10	(37,688)	(37,688)	--	--	--
Revolving credits	4.40 - 5.10	(2,208)	(2,208)	--	--	--
		(39,896)	(39,896)	--	--	--

#### *Foreign currency risk*

The Group incurs foreign currency risk on sales and purchases that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily the US Dollar and Singapore Dollar. Exposure to foreign currency is monitored on an ongoing basis and, where appropriate, hedging by way of entering into forward exchange contracts to minimise the risk.



## Notes to the financial statements (continued)

### 25. Financial instruments (continued)

Derivative financial instruments in the form of forward exchange contracts are used to reduce exposure to fluctuations in foreign exchange rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

#### *Fair values*

##### *Recognised financial instruments*

The carrying amounts of current financial assets and liabilities approximate their fair values due to the relatively short term nature of these financial instruments.

The aggregate fair values of other financial assets and liabilities carried on the balance sheet as at 31 December are shown below:

	2006		2005	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Financial asset</b>				
Quoted shares	<u>71</u>	<u>56</u>	<u>71</u>	<u>57</u>
<b>Financial liability</b>				
Secured term loan				
- RM fixed rate loan	<u>2,549</u>	<u>2,501</u>	<u>2,790</u>	<u>2,753</u>

The fair value of quoted securities was their quoted bid price at the balance sheet date. For other financial instruments listed above, fair value has been determined by discounting the relevant cash flows using current interest rates for similar instruments at balance sheet date.

No disclosure of fair value made for non-current amount due from a subsidiary as it is not practicable to determine its fair value with sufficient reliability since the balance is interest free and has no fixed terms of repayment.

### 26. Changes in accounting policies

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2006.

The changes in accounting policies arising from the adoption of FRS 127, Consolidation and Separate Financial Statement, FRS 2, Share-based Payment, and FRS 138, Intangible Assets are summarised below:

#### *(a) Investment in subsidiary (FRS 127, Consolidated and Separate Financial Statement)*

The adoption of FRS 127 has resulted in a change in the accounting policy for investment in subsidiary.

Investment in subsidiary is stated at cost instead of at valuation. This has resulted in the reversal of revaluation surplus arising from revaluation of investment in subsidiary retrospectively and the comparative have been restated.



## Notes to the financial statements (continued)

### 26. Changes in accounting policies (continued)

#### Balance sheet at 31 December

	Company	
	2006	2005
	RM	RM
		Restated
Cumulative increase in accumulated losses	17,940,000	17,940,000
Cumulative decrease in revaluation reserves	<u>5,777,319</u>	<u>5,777,319</u>

This change in accounting policy has no impact on earnings per share.

#### (b) *Employee share option scheme (FRS 2, Share-based Payment)*

In prior year, no amounts were recognised when employees were granted options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1 January 2006, in order to comply with FRS 2, the Company will recognise the fair value of such share options as an expense in the income statement, or as an asset, if the cost qualifies for recognition as an asset under the Company's accounting policies. A corresponding increase is recognised in a capital reserve within equity.

Where the employees are required to meet vesting conditions before they become entitled to the options, the Company recognised the fair value of the options granted over the vesting period. Otherwise, the Company recognises the fair value in the period in which the options are granted.

If an employee chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised, the related capital reserve is transferred directly to retained earnings.

The Company has taken advantage of the transitional provisions set out in paragraph 53 of FRS 2 under which the new recognition and measurement policies have not been applied to the following grants of options:

- (a) all options granted to employees on or before 31 December 2004; and
- (b) all options granted to employees after 31 December 2004 but which had vested before 1 January 2006.

No adjustments to the opening balances as at 1 January 2005 are required as no options existed at that time which are granted after 31 December 2004.

#### (c) *Computer software cost (FRS 138, Intangibles)*

In prior years, the computer software cost classified as property, plant and equipment, were stated at cost less accumulated depreciation and accumulated impairment losses.

With the Group's adoption of FRS 138 from 1 January 2006, the computer software costs is accounted for as intangibles and is stated at cost less accumulated amortisation and accumulated impairment losses.



## Notes to the financial statements (continued)

### 27. Comparative figures

Certain comparative figures have been restated as a result of changes in accounting policies as stated in Note 26.

	Company	
	As restated RM	As previously stated RM
<i>Balance sheets</i>		
Investment in a subsidiary	16,948,998	40,666,317
Reserves	435,839	6,213,158
Accumulated losses	<u>(18,134,097)</u>	<u>(194,077)</u>
<i>Statement of changes in equity</i>		
Revaluation reserves at 1 January 2005	--	5,274,319
Revaluation reserves at 31 December 2005	--	5,777,319
Accumulated losses at 1 January 2005	(18,056,782)	(116,782)
Accumulated losses at 31 December 2005	<u>(18,134,097)</u>	<u>(194,097)</u>



## Particulars Of Properties

The details of the landed property of Tomypak Holdings Berhad as at 31 December 2006 are as follows :

<b>Registered Owner / Location</b>	<b>Description/ Existing Use</b>	<b>Land/Built-up Area ('000 sq.ft)</b>	<b>Tenure Age of building</b>	<b>Net Book Value RM'000</b>	<b>Date of Last Revaluation</b>
Tomypak/ 11, Jalan Tahana, Kawasan Perindustrian Tampoi, 80350 Johor Bahru, Johor Darul Ta'zim	Industrial Land/ Industrial land and factory building	174.24/ 150.89	Leasehold land expiring on 30.09.2034/19 yrs	9,210	15.11.1994



## Analysis Of Shareholdings As at 15 May 2007

Authorised Share Capital	: RM50,000,000.00
Issued and Fully Paid-Up Capital	: RM40,000,000.00
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Rights	: One vote per Ordinary Share
No. of Shareholders	: 2,311

### Distribution of Shareholdings

Range of Shares	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Less than 100	4	0.18	54	0.00
100 - 1,000	123	5.32	107,954	0.27
1,001 - 10,000	1,890	81.78	7,085,052	17.71
10,001 - 100,000	257	11.12	6,869,700	17.17
100,001 - 1,999,999	34	1.47	13,401,700	33.51
2,000,000 and above	3	0.13	12,535,540	31.34
Total	2,311	100.00	40,000,000	100.00

### List of Top 30 Shareholders as at 15 May 2007

No.	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	Chow Yuen Liong	6,353,500	15.88
2.	Chow Wen Chye	3,232,040	8.08
3.	Lim Hun Swee	2,950,000	7.38
4.	Chow Yuen Kou	1,187,000	2.97
5.	Lim Hun Swee	1,140,000	2.85
6.	Perbadanan Kemajuan Negeri Pahang	1,091,024	2.73
7.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. (Pascorp Holdings Sdn. Bhd. (MBB-Kuantan 21E))	1,000,000	2.50
8.	Zalaraz Sdn. Bhd.	1,000,000	2.50
9.	Teng Chew Guat	810,000	2.03
10.	Shin Lai Har Theresa	700,000	1.75
11.	Tohtonku Sdn. Berhad	673,000	1.68
12.	Pascorp Holdings Sdn. Bhd.	484,576	1.21
13.	Arshad Bin Ayub	454,500	1.14
14.	Ke-zan Nominees (Asing) Sdn Bhd. (Horizon Growth Fund N.V.)	408,000	1.02
15.	Follow Me Industries Sdn. Bhd.	368,000	0.92
16.	TCL Nominees (Tempatan) Sdn.Bhd. (Yap Choong)	336,700	0.84
17.	Goh Chew Geyok	322,200	0.81
18.	Son Mei Chin	256,800	0.64
19.	Lim Hui Huat @ Lim Hooi Chang	251,000	0.63
20.	Affin Nominees (Asing) Sdn. Bhd. (Chow Yuen Loong)	238,000	0.60
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. (Yap Choong)	230,000	0.58
22.	Lim Lee Keow	228,000	0.57
23.	Low Wai Foon	210,400	0.53



## Analysis Of Shareholdings As at 15 May 2007 (continued)

24. Tan Lay Hooi	186,000	0.47
25. Khoo Kay Leong	180,000	0.45
26. HLB Nominees (Tempatan) Sdn. Bhd. (Ong Ghee Thuan)	174,000	0.44
27. Follow Me Sdn. Bhd.	171,300	0.43
28. Ong Kah An	160,000	0.40
29. Chuah Cheng Soon	154,300	0.39
30. Chow Yuen Kou	144,000	0.36
Total	25,094,340	62.78

### List of Substantial Shareholders as at 15 May 2007 (as shown in the Register of Substantial Shareholders)

No.	Name of Substantial Shareholders	Interests in Shares		Note	Percentage (%)
		Direct	Deemed		
1.	Chow Yuen Liong	6,358,500	810,000	a	17.92
2.	Teng Chew Guat	810,000	6,358,500	b	17.92
3.	Chow Wen Chye	3,232,040	-		8.08
4.	Lim Hun Swee	4,090,000	-		10.22
5.	Chow Yuen Kou	1,335,000	700,000	c	5.09
6.	Shin Lai Har Theresa	700,000	1,335,000	d	5.09

### Directors' Interests in Shares as at 15 May 2007 (as shown in the Register of Directors' Shareholdings)

No.	Name of Directors in the Company	Interests in Shares		Note	Percentage (%)
		Direct	Deemed		
1.	Tan Sri Datuk Arshad Bin Ayub	454,500	1,000,000	e	3.64
2.	Chow Yuen Liong	6,358,500	810,000	a	17.92
3.	Tan Sri Dato' Mohd Zuki Bin Kamaluddin	40,000	-		0.10
4.	Chow Wen Chye	3,232,040	-		8.08
5.	Chin Ah Kow @ Chin Loi Fuh	80,000	8,000	f	0.22
6.	Teoh Kok Swee @ Michael Teoh	56,100	-		0.14
7.	Teo Kong Wan #	10,000	50,000	g	0.15

# Alternate Director to Tan Sri Datuk Arshad Bin Ayub

#### Note:

- (a) By virtue of his spouse, Madam Teng Chew Guat's shareholdings in the Company
- (b) By virtue of her spouse, Mr Chow Yuen Liong's shareholdings in the Company
- (c) By virtue of his spouse, Madam Shin Lai Har Theresa's shareholdings in the Company
- (d) By virtue of her spouse, Mr Chow Yuen Kou's shareholdings in the Company
- (e) By virtue of his substantial shareholdings in Zalaraz Sdn. Bhd.
- (f) By virtue of his spouse, Madam Dorothea Ng's shareholdings in the Company
- (g) By virtue of his spouse, Madam Yip Siew Fune's shareholdings in the Company



## Details Of The Proposed Amendments To The Articles Of Association

### General Amendments

That all references to “Central Depository” throughout the Articles of Association be changed to “Depository”.

Existing Article No	Existing Provision in the Articles of Association	New Article No.	Proposed Amended Provision of the Articles of Association	Rationale of the Proposed Amendments
2.	<p><del>“Central Depository”</del></p> <p>Means <del>Malaysian Central Depository Sdn Bhd</del></p>		<p><b>“Depository”</b></p> <p>Means <b>Bursa Malaysia Depository Sdn Bhd</b></p>	<p>In line with Listing Requirements</p> <p>In line with Listing Requirements</p>
	<p>“Depositor”</p> <p>Means a holder of a securities account.</p>		<p>“Depositor”</p> <p>means a holder of a securities account <b>established by the Depository.</b></p>	<p>In line with Listing Requirements</p>
	<p>“Exchange”</p> <p>Means <del>Kuala Lumpur Stock Exchange.</del></p> <p>“Listing Requirements”</p> <p>Means the Listing requirements of <del>KLSE</del>, including any amendment thereto that may be made from time to time.</p>		<p>“Exchange”</p> <p>means <b>Bursa Malaysia Securities Berhad.</b></p> <p>“Listing Requirements”</p> <p>Means the Listing requirements of <b>Bursa Malaysia Securities Berhad</b>, including any amendment thereto that may be made from time to time.</p>	<p>In line with Listing Requirements</p>
6.(a)	<p><del>the total nominal value of the issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares.</del></p>		<p>Deleted in entirety.</p>	<p>In line with Listing Requirements</p>
6.(b)		6.(a)	<p>To renumber the existing Article 6. (b) to Article 6. (a) and all references to the existing Article be amended accordingly.</p>	<p>Renumbering of Article</p>
6.(c)	<p><del>the holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up;</del></p>		<p>Deleted in entirety.</p>	<p>In line with Listing Requirements</p>
6.(d) and (e)		6.(b) and (c)	<p>To renumber the existing Articles 6. (d) and (e) to Article 6. (b) and (c) respectively and all references to the existing Articles be amended accordingly.</p>	<p>Renumbering of Article</p>



## Details Of The Proposed Amendments To The Articles Of Association (continued)

Existing Article No	Existing Provision in the Articles of Association	New Article No.	Proposed Amended Provision of the Articles of Association	Rationale of the Proposed Amendments
28.	<p>(1) Where:</p> <p>(a) the securities of the Company are listed on <del>an Approved Market Place [i.e. a stock market which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998]</del>; and</p> <p>(b) such company is exempted from compliance with Section 14 of the <del>Central Depositories Act</del> or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No. 2) Act 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,</p> <p>the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the <del>Approved Market Place (“the Foreign Register”)</del>; to the register of holders maintained by the registrar of the company in Malaysia (“the Malaysian Register”) provided that there shall be no change in the ownership of such securities.</p> <p><del>For the avoidance of doubt, no company which fulfils the requirements of subparagraph (a) and (b) above shall allow any transmission of securities from the Malaysian Register into the Foreign Register.</del></p>		<p>(1) Where:</p> <p>(a) the securities of the Company are listed on <b>another stock exchange</b>; and</p> <p>(b) the Company is exempted from compliance with section 14 of the <b>Securities Industry (Central Depositories) Act 1991</b> or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No. 2) Act 1998, as the case may be, under the Rules in respect of such securities;</p> <p>the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the <b>other stock exchange</b>, to the register of holders maintained by the registrar of the Company in Malaysia <b>and vice versa</b> provided that there shall be no change in the ownership of such securities.</p> <p>Deleted in entirety.</p>	In line with Listing Requirements



## Details Of The Proposed Amendments To The Articles Of Association (continued)

Existing Article No	Existing Provision in the Articles of Association	New Article No.	Proposed Amended Provision of the Articles of Association	Rationale of the Proposed Amendments
31.	<p>The registration of transfer may be suspended at such times and for such periods as the directors may from time to time determine not exceeding in the whole thirty (30) days in any year. <del>Eighteen (18) Market Days' notice of intention to suspend the said register of members shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. The said notice shall state the purpose or purposes for which the register of members is being closed. At least three (3) market days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors. Provided that where the Record of Depositors is required in respect of corporate actions, at least seven (7) Market Days prior notice shall be given to the Central Depository.</del></p>		<p>The registration of transfer may be suspended at such times and for such periods as the directors may from time to time determine not exceeding in the whole thirty (30) days in any year. <b>Any notice of intention to fix the books closing date and the reason therefor shall be given to the Bursa and such notice shall state the books closing date, which shall be at least ten (10) Market Days after the date of announcement to the Bursa or such other period as may be prescribed by the Bursa, and the address of share registry at which documents will be accepted for registration. The said notice shall also state the purpose or purposes for which the register is being closed. The Company shall give written notice to the Depository in accordance with the notice to the Depository in accordance with the Rules to enable the Depository to prepare the appropriate Record of Depositors.</b></p>	In line with Listing Requirements
57. (c)	<p>The Company shall also request the <del>Central</del> Depository, in accordance with the Rules of the <del>Central</del> Depository, to issue a Record of Depositors, as at a date not less than three (3) Market Days before the general meeting (“the General Meeting Record of Depositors”).</p>		<p>The Company shall also request the Depository, in accordance with the Rules of the Depository, to issue a Record of Depositors, as at <b>the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days</b> before the general meeting (“the General Meeting Record of Depositors”).</p>	In line with Listing Requirements



## Details Of The Proposed Amendments To The Articles Of Association (continued)

Existing Article No	Existing Provision in the Articles of Association	New Article No.	Proposed Amended Provision of the Articles of Association	Rationale of the Proposed Amendments
68.	Subject to Article 57.(b), (c) and (d) and to any rights or restrictions for the time being attached to any classes of shares, at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands, <del>every person who is a member or representative or proxy of a member</del> shall have one (1) vote and on a poll, every member present in person or proxy or by attorney or other duly authorised representative shall have one (1) vote for each shares he holds. A proxy or attorney shall be entitled to vote both on a show of hands or on a poll on any question at any general meeting.		Subject to Article 57.(b), (c) and (d) and to any rights or restrictions for the time being attached to any classes of shares, at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands, <b>a holder of ordinary shares or preference shares who is personally present or by proxy or by attorney or other duly authorised representative</b> shall have one (1) vote and on a poll, every member present in person or proxy or by attorney or other duly authorised representative shall have one (1) vote for each shares he holds. A proxy or attorney shall be entitled to vote both on a show of hands or on a poll on any question at any general meeting.	In line with Listing Requirements
75.	A member shall be entitled to appoint <del>more than</del> one proxy (subject always to a maximum, of two (2) proxies at each meeting) to attend and vote at the same meeting.		A member shall be entitled to appoint <b>at least</b> one proxy (subject always to a maximum, of two (2) proxies at each meeting) to attend and vote at the same meeting.	In line with Listing Requirements
79.	<del>All the Directors of the Company shall be natural persons.</del> Until otherwise determined by the Company in general meeting, the number of directors shall not be less than three (3) nor more than fifteen (15).		Until otherwise determined by the Company in general meeting, the number of directors shall not be less than three (3) nor more than fifteen (15).	In line with Listing Requirements
82.	No person, not being a retiring director, shall be eligible for election to the office of director at any general meeting unless a member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the Office a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the directors for election, nine (9) clear days' notice only shall be necessary, and notice of		No person, not being a retiring director, shall be eligible for election to the office of director at any general meeting unless a member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the Office a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the directors for election, nine (9) clear days' notice only shall be	To ensure that the Company is not unnecessarily burdened with frivolous nominations.



## Details Of The Proposed Amendments To The Articles Of Association (continued)

Existing Article No	Existing Provision in the Articles of Association	New Article No.	Proposed Amended Provision of the Articles of Association	Rationale of the Proposed Amendments
82. (cont'd)	each and every candidature for election to the Board shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.		necessary, and notice of each and every candidature for election to the Board shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place. <b>The cost of serving the notice as required to propose the election of a Director, where the nomination is made by a member, shall be borne by the member making the nomination.</b>	
91.			<b>(I) The Company must ensure that no person is appointed or allowed to act as director of the Company or be involved whether directly or indirectly in the management of the Company, including acting in an advisory capacity in relation to the Company, if he:-</b>  <b>(a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a company;</b>  <b>(b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or</b>  <b>(c) has been convicted by a court of law of an offence under the securities laws or the Companies Act 1965,</b>  <b>within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.</b>	New provision. In line with Listing Requirements



## Details Of The Proposed Amendments To The Articles Of Association (continued)

Existing Article No	Existing Provision in the Articles of Association	New Article No.	Proposed Amended Provision of the Articles of Association	Rationale of the Proposed Amendments
91. (cont'd)	<p>The office of director shall become vacant if the director:-</p> <p>(a) has a Receiving Order in Bankruptcy made against him or makes any arrangement of composition with his creditors generally</p> <p>(b) if he becomes prohibited from being a director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act.</p> <p>(c) if he ceases to be a director by virtue of the Act;</p> <p>(d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;</p> <p>(e) resigns his office by notice in writing to the Company and deposited at the registered address of the Company;</p> <p>(f) is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given;</p> <p>(g) becomes prohibited from being a director by reason of Section 129(1) of the Act unless otherwise reappointed pursuant to the provision of the Act; <del>and</del></p> <p>(h) is absent from more than 50% of the total number of board of directors' meetings held during a financial year.</p>		<p><b>(II) For the purpose of paragraph 86. (I) above, "securities laws" means the Securities Industry Act, 1983, the Securities Industry (Central Depositories) Act 1991, the Securities Commission Act 1993 and the Futures Industry Act 1993.</b></p> <p><b>(III) The office of director shall become vacant if the director:-</b></p> <p>(a) has a Receiving Order in Bankruptcy made against him or makes any arrangement of composition with his creditors generally</p> <p>(b) if he becomes prohibited from being a director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act.</p> <p>(c) if he ceases to be a director by virtue of the Act;</p> <p>(d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;</p> <p>(e) resigns his office by notice in writing to the Company and deposited at the registered address of the Company;</p> <p>(f) is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given;</p> <p>(g) becomes prohibited from being a director by reason of Section 129(1) of the Act unless otherwise reappointed pursuant to the provision of the Act;</p>	<p>New provision. In line with Listing Requirements</p>



## Details Of The Proposed Amendments To The Articles Of Association (continued)

Existing Article No	Existing Provision in the Articles of Association	New Article No.	Proposed Amended Provision of the Articles of Association	Rationale of the Proposed Amendments
91. (cont'd)			<p>(h) is absent from more than 50% of the total number of board of directors' meetings held during a financial year; or both</p> <p>(i) <b>is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in paragraphs 91.(I)(a), (b) or (c) above.</b></p> <p><b>during his term of office</b></p> <p><b>For the purposes of paragraphs 91.(III)(h) above, if a director is appointed after the commencement of a financial year, then only the board of directors' meetings held after his appointment will be taken into account.</b></p>	<p>New provision. In line with Listing Requirements</p> <p>In line with Listing Requirements</p>
131.	<p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the Section. The interval between the close of a financial year of the Company and the issue of annual audited accounts and the directors' and auditors' reports shall not exceed four (4) months. A copy of each such document shall not less than <b>fourteen</b> <del>(14)</del> days before the date of the meeting be sent to every member of, and to every holder of debentures of the Company under the provisions of the Act or of these presents. The requisite number of copies of each such document as may be required by the Exchange and/or other stock exchange(s), if any, upon which the Company's shares may be listed shall at the same time be likewise sent to the Exchange and/or other stock exchange(s); Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one joint holders but any member to whom a copy of</p>		<p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the Section. The interval between the close of a financial year of the Company and the issue of annual audited accounts and the directors' and auditors' reports shall not exceed four (4) months. A copy of each such document shall not less than <b>twenty one (21)</b> days before the date of the meeting be sent to every member of, and to every holder of debentures of the Company under the provisions of the Act or of these presents. <b>Such documents may be in printed form or in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory format or in any other format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or howsoever.</b> The requisite number of copies of each such document as</p>	<p>New provision. In line with Listing Requirements</p>



## Details Of The Proposed Amendments To The Articles Of Association (continued)

Existing Article No	Existing Provision in the Articles of Association	New Article No.	Proposed Amended Provision of the Articles of Association	Rationale of the Proposed Amendments
131. (cont'd)	these documents has not been sent shall be entitled to receive a copy free of charge on application the Company's registered office.		may be required by the Exchange and/or other stock exchange(s), if any, upon which the Company's shares may be listed shall at the same time be likewise sent to the Exchange and/or other stock exchange(s); Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one joint holders but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application the Company's registered office.	
142.	<del>Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint-holders, to registered address of that one of the joint-holders who is first named on the register of members or to such person and to such address as the holder or joint-holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.</del>		Any dividend, instalment of dividend, bonus or interest in respect of any share may be paid by cheque or warrant payable to the Member registered in the Register and/or the Record of Depositors or by electronic or other methods of funds transfer or such other means to or through such person. In addition, any such dividend, instalment of dividend, bonus or interest may be paid by any bank through direct transfer or other funds transfer system or such other means to or through such person as the Member or person entitled thereto in consequence of the death or bankruptcy of the Member may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where the Company has acted on any such directions.	In line with Listing Requirements
156.	<del>The Company shall not delete, amend or add to any their existing Articles, which have previously been approved by the Exchange, unless prior written approval has been sought and obtained from the Exchange for such deletion, amendment or addition.</del>		In addition to the requirements set out in Section 31 of the Act, the Company may amend, delete, or add to any of the Articles contained herein in accordance with the provision of the relevant laws and regulations.	





**TOMYPAK HOLDINGS BERHAD**  
(Co. No: 337743-W)

**FORM OF PROXY**

I/We, \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a member/members of **TOMYPAK HOLDINGS BERHAD**,  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ as my/our proxy

to attend and vote for me/us on my/our behalf at the Twelfth Annual General Meeting of the Company to be held at Nilam (Level 2), The Puteri Pacific Hotel Johor Bahru, "The Kotaraya", Jalan Abdullah Ibrahim, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor on Monday, 25th June 2007 at 2.30 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

NUMBER	RESOLUTIONS	FOR	AGAINST
1	To receive and adopt the Audited Financial Statements and Reports for the year ended 31st December 2006.		
2	To approve the payment of Directors' fees.		
3 4 5 6	To re-elect the following retiring Directors:- i. Mr Chin Ah Kow @ Chin Loi Fuh ii. Tan Sri Datuk Arshad bin Ayub iii. Mr Chow Wen Chye iv. Tan Sri Dato' Mohd Zuki Bin Kamaluddin		
7	To re-appoint the retiring Auditors, Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration.		
8	Empower directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
9	Approval for the amendments to the Articles of Association of the Company.		

Please indicate with an "x" how you wish your votes to be cast. In the absence of specific directions, your Proxy will vote or abstain as he/she thinks fit.

Sign this \_\_\_\_\_ day of \_\_\_\_\_ 2007

Number of ordinary shares held

\_\_\_\_\_  
Signature of Member(s)

**Notes:**

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The duly completed Form of Proxy must be deposited at the registered office of the Company situated at Suite 7E, Level 7, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, the Form of Proxy must be executed under its Seal or under the hand of its attorney.

**6. Explanatory Notes on Special Business:**

**(Ordinary Resolution 8 - Proposed Authority to Issue Shares)**

The Proposed Authority to Issue Shares, Ordinary Resolution No. 8, if passed, will give the directors of the Company, from the date of the above Annual General Meeting, authority to issue not more than 10% of the issued share capital of the Company. Such issuance of shares will still be subject to the approvals of the Securities Commission and Bursa Malaysia Securities Berhad. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

**(Ordinary Resolution 9 - Proposed Amendments to the Articles of Association of the Company)**

The Proposed Amendments to the Article of Association of the Company, if passed, will give effect to the adoption of the Proposed Amendments to the Articles of Association of the Company as contained in Appendix I which was circulated together with the 2006 Annual Report.

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**TOMYPAK HOLDINGS BERHAD** (CO NO: 337743-W)

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80000 Johor Bahru  
Johor, Malaysia

*Postage*

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