



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

Annual Report

20
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manufacture and sale of packaging materials, polyethylene, polypropylene films and sheets, and thermoforming sheets.



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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of the Company will be held at Nilam (Level 2), The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, "The Kotaraya", 80730 Johor Bahru, Johor on Friday, 26th June 2009 at 12.00 noon for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31st December 2008 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees for the year ended 31st December 2008. **(Resolution 2)**
3. To re-elect Mr. Teoh Kok Swee @ Michael Teoh who retires in accordance with the Company's Articles of Association. **(Resolution 3)**
4. To re-elect Mr. Chin Cheong Kee @ Chin Song Kee who retires in accordance with the Company's Articles of Association. **(Resolution 4)**
5. To re-elect Tan Sri Datuk Arshad bin Ayub who retires pursuant to Section 129(2) of the Companies Act, 1965. **(Resolution 5)**
6. To re-elect Mr. Chow Wen Chye who retires pursuant to Section 129(2) of the Companies Act, 1965. **(Resolution 6)**
7. To re-elect Tan Sri Dato' Mohd Zuki Bin Kamaluddin who retires pursuant to Section 129(2) of the Companies Act, 1965. **(Resolution 7)**
8. To re-appoint the retiring Auditors, Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**
9. 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:

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 9)



Notice Of Annual General Meeting *(continued)*

BY ORDER OF THE BOARD

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

Johor Bahru
3 June 2009

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 9 - Proposed Authority to Issue Shares)

The Proposed Authority to Issue Shares, Ordinary Resolution No. 9, 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.



Statement Accompanying Notice of Fourteenth Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Bursa Malaysia Securities Berhad Listing Requirements

The Directors standing for re-election are:

- | | |
|--|----------------|
| (a) Mr. Teoh Kok Swee @ Michael Teoh | (RESOLUTION 3) |
| (b) Mr. Chin Cheong Kee @ Chin Song Kee | (RESOLUTION 4) |
| (c) Tan Sri Datuk Arshad bin Ayub | (RESOLUTION 5) |
| (d) Mr. Chow Wen Chye | (RESOLUTION 6) |
| (e) Tan Sri Dato' Mohd Zuki Bin Kamaluddin | (RESOLUTION 7) |

Further details of the above named Directors and their interest in the securities of the Company are set out in the profile of Directors on page 7 to page 10 and page 72 of the annual report respectively.



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
(Independent Non-Executive Director)
Mr. Chin Ah Kow @ Chin Loi Fuh
(Non-Independent Executive Director)
(Resigned on 13 February 2009)
Mr. Chin Cheong Kee @ Chin Song Kee
(Independent Non-Executive Director)
(Appointed on 13 February 2009)
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)
Encik Azlan Bin Arshad
(Independent Non-Executive Alternate Director)
(Appointed on 16 April 2009)

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
Tel: 07-2242870 Fax: 07-2248055



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)
(Resigned on 13 February 2009)
Mr. Chin Cheong Kee @ Chin Song Kee
(Independent Non-Executive Director)
(Appointed on 13 February 2009)

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
RHB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
CIMB Bank Berhad
Citibank Berhad
HSBC Bank Malaysia 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

Tan Sri Datuk Arshad Bin Ayub	Independent Non-Executive Director	
	Chairman of the Board, Audit, Remuneration and Nomination Committees	
	Malaysian	Age: 80

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
- LBI Capital Berhad - Chairman
- Kulim (M) Berhad - Director
- KPJ Healthcare Berhad - Director
- Sindora Berhad - Director
- Top Glove Corporation Berhad - Director
- Perlaburan Johor Berhad - Director
- Bistari Johor Berhad - Director

Tan Sri also sits on the Board of Directors of several private limited companies amongst others, CSR Building Materials (M) Sdn Bhd, PFM Capital Holdings Sdn Bhd, Land Rover (M) Sdn Bhd and Zalaraz 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). Currently, he serves as President of the Malaysian Rubber Products Manufacturers Association (MRPMA) and Chairman of Malaysian Rubber Export Promotion Council (MREPC). He is the Pro Chancellor of UiTM, Chairman of University Malaya Board and a member of the Council of Cooperative College Malaysia. He was a member of the Council of Kolej Ugama Sultan Zainal Abidin (KUSZA) and Institute Professional Baitulmal.

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.

Tan Sri Dato' Mohd Zuki Bin Kamaluddin	Independent Non-Executive Director	
	Member of the Remuneration and Nomination Committees	
	Malaysian	Age: 73

Tan Sri Dato’ Mohd Zuki Bin Kamaluddin 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, Digiphonic Sistem Sdn Bhd, 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 Counselor and the Speaker of the State Assembly of Pahang Darul Makmur. He was the director of Pahang 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.

Mr. Chow Yuen Liong	Non-Independent Executive Director	
	Managing Director, Remuneration and Risk Management Committees Member	
	Singaporean	Age: 52

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 28 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. He has no conflict of interest with the Group nor convictions of any offences within the past 10 years.

Mr. Teoh Kok Swee @ Michael Teoh	Independent Non-Executive Director	
	Member of the Audit, Nomination and Chairman of the Risk Management Committees	
	Malaysian	Age: 62

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.

Profile Of The Board Of Directors *(continued)*

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 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 Chairman of the 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.

Mr. Michael Teoh also sits on the Board of Directors of Denko Industrial Corporation Berhad.

Mr. Teo Kong Wan	Independent Non-Executive Alternate Director	
	Risk Management Committee Member	
	Malaysian	Age: 49

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). He passed his Malaysian Futures and Options Registered Representative (MFORR) examination in 1997 and secured his Capital Markets and Services Representative's License in 2004. His extensive 24 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 is the Senior Manager of Market 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 for any offences within the past 10 years.

Mr. Chin Cheong Kee @ Chin Song Kee	Independent Non-Executive Director	
	Member of the Audit Committees	
	Malaysian	Age: 61

Mr. Chin Cheong Kee @ Chin Song Kee was appointed as an Independent Non-Executive Director of the Company and a member of the Audit Committees since 13 February 2009.

His working career began in 1974 where-upon he spent six years in three international accounting firms as audit senior /supervisor. Thereafter, he moved on to various industries where he held several senior positions in general management and senior financial management field. Overall, he had acquired over 2 decades of experience in the functions of accounting, auditing, treasury, taxation, risk management and corporate finance and company secretarial work in diverse industries. Among the companies he worked for included listed companies and multi-national conglomerate which involved in the various businesses with the establishments spread over in Asia, Europe, Africa and United States.

Profile Of The Board Of Directors *(continued)*

Mr. Chin qualified as a Fellow member of the Association of Chartered Certified Accountants, United Kingdom and an Associate member of the Institute of Certified Public Accountants of Singapore and a Chartered Accountant of the Malaysian Institute of Accountants. He also graduated with the professional examinations of the Institute of Chartered Secretaries of Administrators, United Kingdom.

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.

Mr. Chow Wen Chye	Non-Independent Non-Executive Director	
	Singaporean	Age: 84

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 49 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. He has no conflict of interest with the Group nor convictions of any offences within the past 10 years.

Encik Azlan Bin Arshad	Independent Non-Executive Alternate Director	
	Malaysian	Age: 45

Encik Azlan Bin Arshad was appointed as an Independent Non-Executive Alternate Director to Tan Sri Dato' Mohd Zuki Bin Kamaluddin since 16 April 2009.

He graduated with a diploma in Accountancy in 1985 from the Institute Technology Mara and pursued his CIMA at the Derbyshire College of Higher education in the United Kingdom in 1987.

He underwent industrial training as part of the CIMA course in United Kingdom from 1988 to 1989 before joining an international accounting firm in Malaysia. He later joined a public listed company and held senior position in financial management from 1992 to 1994. He was appointed as a Non Independent Non Executive Director of Audrey International Berhad from 1995 to 2003. In 1995, he was also appointed as a Finance Director in Omnicrest Sdn Bhd which he currently holds a Non Independent Non Executive Director.

Encik Azlan Bin Arshad also sits on the Board of Directors of Arah Muara Sdn Bhd, Prestasi Hasil Sdn Bhd, Johmewah Maju Paper Mill Sdn Bhd and Zalaraz Sdn Bhd.

Encik Azlan Bin Arshad is the son of Tan Sri Datuk Arshad Bin Ayub. He has no other conflict of interest with the Group nor convictions for 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 2008.

Members of Audit Committee

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

Chairman

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)
(Resigned on 13 February 2009)

Mr. Chin Cheong Kee @ Chin Song Kee (Independent Non-Executive Director)
(Appointed on 13 February 2009)

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. 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, or
- iii) fulfils such other requirements as prescribed or approved by the Exchange.

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) with the external auditors, the audit plan;
 - ii) with the external auditors, his evaluation of the system of internal controls;
 - iii) with the external auditors, the audit report;
 - iv) the assistance given by the Company's employees to the external auditors; and
 - v) any related party transaction and conflict of interest situation that may arise within the Company or 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;

Audit Committee Report *(continued)*

- d) to review the quarterly results and year-end financial statements of the company and its subsidiary, focusing particularly on:-
- Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption; and
 - Compliance with accounting standards and other legal requirements;
- e) 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:-
- Review the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work;
 - Review the internal audit programme, and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
 - Review the appointment and performance of a firm of qualified professionals as the 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 areas as defined by the Board.

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 at the expense of the Company; and



Audit Committee Report *(continued)*

- f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

5. Meetings

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

In addition, the Chairman may call 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 other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

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

A quorum shall consist of a majority of independent directors.

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

The Audit Committee held a total of four (4) meetings during the financial year ended 31 December 2008 with the external auditors in one of the meetings. The detail 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 2007, 31 March 2008, 30 June 2008 and 30 September 2008 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 2007 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 2008 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 2008 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

2008 was a solid year for the Group and a record profit since the Group's listing in 1996. The strong performance was even more memorable considering the very challenging environment in 2008. The Group's ability to surmount the major challenges during this financial year attests to the strong fundamentals of our businesses. A combination of highest standard and technological advanced quality products, impactful marketing programmes and strong management enabled continual improvement, and a sustainable and profitable growth.

FINANCIAL REVIEW

For the year under review, the Group achieved an outstanding and historic net profit after tax of RM7.625 million, a significant increase of 395% over the RM1.538 million recorded in the previous year. The revenue was also higher at RM182.838 million in financial year ended 31 December 2008 compared with RM148.953 million in the previous year. Higher sales volume in both export and local markets coupled with higher selling prices and foreign exchange gain enabled the sterling financial performance. Net earnings per share rose to 19.06 sen in 2008 from 3.85 sen in 2007. Correspondingly, the Group's net tangible assets backing per share increased to RM1.47 from RM1.32 in the previous year.

SHAREHOLDERS' RETURN

2008 was yet another rewarding year. The Group had declared a tax exempt interim dividend of 3 sen per ordinary share in November 2008. The interim dividend was paid on 12 January 2009. The interim dividend was significantly higher than the previous year tax exempt interim dividend of 1 sen per ordinary share.

In line with the sharp falls of the major global bourses, the group's share price also decreased. However, the decline of the share price of 16.8% for the year 2008 saw it significantly outperformed the KLCI's fall of 39%. As at end 2008, the market capitalization of the Group stood at RM16.8 million which is very much below the net asset valuation of RM58.69 million.

CORPORATE GOVERNANCE

The Group is driven by the commitment of the Board and management and we continuously strive to build a culture of responsibility, accountability, transparency, excellence and trust in our people. A sound internal controls system and policies are in place to ensure the Group's long term viability and protect shareholders' value. Further information can be obtained in the Statement on Corporate Governance found in the Annual Report.

OUTLOOK AND PROSPECTS

After an unprecedented torrid year for the global credit and financial markets in 2008, 2009 offers another tough and challenging year. With projections of recessions in major developed economies and slowdowns in others, consumer demand would be severely affected. Nevertheless, stimulus packages announced and undertaken by the concerted efforts of major economies would help cushion the inevitable blow from economic fallouts. Malaysia had recently announced a second RM60 billion stimulus package, the largest ever, to prevent the country from slipping into recession. It aims to create and save jobs, lessen burden of the citizen, assist private sector and build capacity for the future.

The Group will continue to be lean and sensitive to all costs while leveraging and strengthening its marketing network. We expect to manage production costs efficiently and effectively while striving to maintain our sales in 2009 even under trying external environment. The Board will be vigilant against unexpected challenges and deterioration of the external environment.



Chairman's Statement *(continued)*

BOARD AND MANAGEMENT DEVELOPMENTS

The Board wishes to express our sincere appreciation and gratitude to Mr. Chin Loi Fuh who completed his term of service and resigned from the Company and the Board. We also welcome Mr. Chin Cheong Kee who replaced Mr Chin Loi Fuh as the Director and Encik Azlan Arshad as an alternate Director to Tan Sri Dato' Mohd Zuki bin Kamaluddin.

ACKNOWLEDGEMENTS

As we entered our 12th year of listing, I wish to acknowledge the contributions of the staff and management team. The Group's ability to deliver outstanding performance depends on them. On behalf of the Board, we would like to thank them for their commitment and dedication. Our appreciation also goes to our customers, business associates and partners, financial institutions and regulatory authorities for their continued support. To my fellow Board members, I would like to thank them for their unwavering support and positive contributions. Last but not least, thanks must go to our shareholders for their loyal and continued confidence in the Group.

TAN SRI DATUK ARSHAD BIN AYUB
CHAIRMAN

APRIL 2009



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 eight (8) members (and two (2) alternate) of whom seven (7) are non-executive directors and one (1) is executive director. Six (6) of the eight (8) 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 2008, 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) (Resigned on 13 February 2009)	Non-Independent Executive Director	4/4
Tan Sri Dato' Mohd. Zuki Bin Kamaluddin	Independent Non-Executive Director	3/4
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
Mr. Chin Cheong Kee @ Chin Song Kee (Appointed on 13 February 2009)	Independent Non-Executive Director	0/0
Encik Azlan Bin Arshad (Alternate Director to Tan Sri Dato' Mohd. Zuki Bin Kamaluddin)(Appointed on 16 April 2009)	Independent Non-Executive Alternate Director	0/0

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.



Corporate Governance Statement *(continued)*

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.

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.

The Board acknowledges the amendments to Bursa Malaysia Listing Requirements to assume the onus of determining or overseeing the training needs of their Directors. The Directors will continue to attend relevant seminars and courses to stay abreast with the various issues arising from the ever-changing business environment, regulatory and corporate governance developments to enhance their professionalism and knowledge to effectively discharge their duties and obligations.

The seminars and courses attended by the Directors during the financial year covered the areas such as "Strategic Management", "Importance of Strategy Execution, Innovation and Creativity for Business Growth", "Behavioral Finance", "Effective Portfolio Management and Global Trend and Market Strategy", "National Seminar on Taxation 2008" and "Corporate Governance and Risk Management".

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.



Corporate Governance Statement *(continued)*

The Nomination Committee comprised the following members during the year:

Chairman

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

Members

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

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

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 included:

- (i) recommended 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; and
- (ii) recommended the appointment of new Directors to the Board. A familiarization programme including visits to the Group's business and meetings with senior management were 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.



Corporate Governance Statement *(continued)*

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

Chairman

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

Members

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

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

The Committee consists majority of independent 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; and
- ii) review and determine the policy and scope of service agreements and major changes in employee remuneration.

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.

Corporate Governance Statement *(continued)*

Details of Directors' remuneration for the financial year ended 31 December 2008, distinguishing between Executive and Non-Executive Directors in aggregate, are as follows:-

	Salaries RM'000	Allowances RM'000	Fees RM'000	Bonuses RM'000	Benefits in Kind RM'000	Total RM'000
Executive Directors	861	4	121	416	221	1,623
Non-Executive Directors (including Alternate)	NIL	14	322	NIL	82	418

The number of Directors whose remuneration falls into each successive band of RM50,000.00 for the financial year ended 31 December 2008 are set out below:

Range of Remuneration	Executive Directors	Non-Executive Directors (Including alternate)
RM50,000 and below	NIL	NIL
RM50,001 to RM100,000	NIL	4
RM400,001 to RM450,000	1	NIL
RM1,150,001 to RM1,200,000	1	NIL
	2	4

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

Category of Directors	No. of Directors	Maximum Entitlement (no. of options)
Managing Director	1	275,000
Executive Directors	1	NIL

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)
(Resigned on 13 February 2009)

Mr. Chin Cheong Kee @ Chin Song Kee (Independent Non-Executive Director)
(Appointed on 14 May 2009)

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

Mr. Liew Chek Leong (Executive Director of Tomypak Berhad)

(Appointed on 14 May 2009)

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



Corporate Governance Statement *(continued)*

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.

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.



Corporate Governance Statement *(continued)*

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 35 of this Annual Report.

Internal Control

The Statement on Internal Control set out on page 28 to page 29 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.

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 an email address at 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.



Corporate Governance Statement *(continued)*

(c) The Audit Committee

The Board complies the Revised Code which strikes to strengthen the role of audit committee by requiring the committee to comprise fully of non-executive directors for the financial year beginning 1 January 2009.

Non-Audit Fees

The amount of non-audit fees paid to external auditors by the Group for the financial year ended 31 December 2008 amounted to RM 20,500.

Corporate Social Responsibility

The Board of Directors of Tomypak Holdings Berhad have long recognised and acknowledged the importance of a corporate culture that emphasises good corporate social responsibility (“CSR”) and corporate citizenship. The Group not only grows the stakeholder value through the core business but also contributes and works for betterment of the community and the environment.

The CSR contributions of the Group are as follows:

ENVIRONMENT

The Group complies strictly to all environmental laws and regulations. During the year, the Group was not penalised for any instance of non-compliance with environmental laws and regulations.

The Group undertook several initiatives in preserving the environment including:

- Energy savings programme to reduce electricity usage. Convert the use of electricity to natural gas;
- Reuse whatever materials we can within our production processes. For example: reuse waste solvents; and
- Recycle what we cannot use ourselves but can be used by others. For example: sell the waste generated to scrap collectors.

COMMUNITY

The Group plays its role as a socially responsible corporate citizen in the community. In 2008, the Group made donation to the following organizations:

- Rotary Club of Kulai;
- Berita Kesatuan Pekerja Bomba Dan Penyelamat, S. Malaysia;
- Kelab Alumni University Of Wales Aberystwyth Di Malaysia; and
- Chinese Chamber Of Commerce, Batu Pahat, Johor.



Corporate Social Responsibility *(continued)*

WORKPLACE

The Group recognises that employees are most valued assets. The Group continues to care welfare of all employees and employ the employees under fair and equitable terms as well as offering equal opportunity for career advancement based on performance and academic qualification. The Group constantly upgrades employees' skill, knowledge and experience which would enhance the individual employee's competency.

The Group complies with the Malaysian statutory requirement to contribute to the Employees' Provident Fund and the Social Security Organisation. The Group provides to its employees certain medical benefits as for outpatient, specialist treatment and for hospitalization, dental treatment. In addition to this, the Group provides personal accident insurance for executive employees.

In addition, the Group makes contribution to a defined benefit plan that provides for lump sum benefits for certain employees upon retirement age of 56.

The Group being a caring employer organises sport club and encourage employees to join sport events such as yoga, aerobic, badminton and football game with the aim to motivate and build up teamwork amongst the employees.

The Group's Safety and Health Committee is actively ensuring safety, health and welfare of all employees are not compromised. Constant education, training, counseling or prevention programs to ensure a high level of awareness of safety requirements are disseminated to all employees at all levels.

The Group promotes continual improvement on the standards of the safety and health, complies with statutory requirement, codes, guidelines and standard for occupational safety and health.



Statement On Internal Control

INTRODUCTION

The Board is committed in maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets. In doing so, the Board acknowledges its responsibility to identify major risks faced by the Group and ensure that relevant internal controls are in place in order to manage these risks.

In view of the above, the Board is pleased to provide the following Statement on Internal Control which outlines the nature and scope of internal controls of the Group during the year pursuant to Paragraph 15.27 (b) of the Listing Requirements of Bursa Securities.

BOARD OF DIRECTORS' RESPONSIBILITIES

The Board understands fully its responsibility to maintain a sound system of internal controls and ensure accurate information to be presented in the financial statements. The system of internal controls is designed to manage rather than eliminate the risk of failure in achieving its business objectives.

In pursuing the business objectives, internal controls can only provide reasonable but not absolute assurance against material misstatement, loss or fraud. As such, the Board recognises that a sound system of internal controls is an important part of managing risks in an effort to attain a balanced achievement of its business objectives, and operational efficiency and effectiveness.

The Board has endeavoured to identify the relevant major risks faced by the Group on a regular basis in order to monitor these risks so as to ensure that the Group achieves its business objectives.

THE RISK MANAGEMENT PROCESS

In managing the major risks, the Board has always carried out necessary preliminary studies and evaluation on various projects which will be undertaken by the Group. This entails proper delegation of duties and responsibilities from the Board to the Managing Director, Executive Directors and Senior Management ("The Management") in running the main operating functions of the Group within the Group's strategic business plans.

In this respect, the Management comprises personnel with many years of "hands-on" experience who are able to identify business risks relevant to the Group and design the appropriate internal controls to manage these risks.

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

INTERNAL AUDIT

In order to ensure the effectiveness of the system of internal controls, the internal audit functions of the Group has been outsourced to an external consultant, Grant Thornton Consulting Sdn Bhd, which submits relevant Internal Audit Reports for Audit Committee's deliberation on a quarterly basis.

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

Certain control weaknesses have been identified and are being addressed by the Board and Audit Committee so as to ensure that the integrity of internal controls can be enhanced in the future. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require mention in the Company's



Statement On Internal Control *(continued)*

Annual Report. The Management of the Group continues to take measures to strengthen the internal control environment from time to time based on the recommendations proposed by the Internal Auditors.

Furthermore, the Board recognises that the development of the system of internal controls is an ongoing process for identifying, evaluating and managing the risk faced by the Group. The Board maintains an ongoing commitment to strengthen the Group's internal control function and processes.

Indeed, the Board and Audit Committee have always ensured that the Group adopts good system of internal controls, corporate governance and best practices in its Board meetings and Audit Committee meetings taking into cognisance of possible establishment of additional processes for identifying, evaluating and managing the significant risks within the Group which is in accordance with the guidelines stipulated in the "Statement on Internal Control: Guidance for Directors of Public Listed Companies" issued by the Bursa Securities.

KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROLS

The Group has implemented various key internal controls for identifying, evaluating and managing the significant risks that may affect the achievement of its business objectives throughout the financial year under review.

In fact, the Group has incorporated various key elements into its system of internal controls in order to safeguard shareholders' investment and the Group's assets by: -

- giving authority to the Board's committee members to investigate and report on any areas of improvement for the betterment of the Group;
- performing review on major variances and deliberating irregularities (if any) in the Board meetings and Audit Committee meetings so as to identify the causes of the problems and formulate solutions to resolve them;
- considering comments from External Auditors and consultants on any weaknesses in the system of internal controls. The Board would also be informed on the matters brought up in the Audit Committee meetings on a timely basis;
- delegating authority to the Managing Director in order for him to play a major role as the link between the Board and Senior Management in implementing the Board's expectation of effective system of internal controls and managing the Group's various operations;
- keeping the Management informed on the development of action plan for enhancing system of internal controls and allowing various management personnel to have access to important information for better decision-making;
- monitoring key commercial, operational and financial risks through reviewing the system of internal controls and other operational structures so as to ensure that reasonable assurance on the effectiveness and efficiency of the same will mitigate the various risks faced by the Group to an appropriate level acceptable to the Board;
- Maintaining internal policies and procedures which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group; and
- Formulating the appropriate business planning, budgeting and Key Performance Indicators ("KPI") so as to ensure the business performance is monitored on an ongoing basis. Key business risks are identified during the business planning process and are reviewed regularly during the year.



Directors' report For the year ended 31 December 2008

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 2008.

Principal activities

The Company is an investment holding company. The principal activities of its subsidiary are disclosed in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the year	<u>7,625,382</u>	<u>1,201,190</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

Since the end of the previous financial year, the Company declared an interim dividend of 3 sen tax exempt per share totalling RM1,200,000 in respect of the year ended 31 December 2008, based on the issued and paid-up capital as at 15 December 2008. The said dividend was paid on 12 January 2009.

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

Tan Sri Datuk Arshad bin Ayub
Mr. Chow Yuen Liong
Tan Sri Dato' Mohd. Zuki bin Kamaluddin
Mr. Teoh Kok Swee @ Michael Teoh
Mr. Chow Wen Chye
Mr. Chin Cheong Kee @ Chin Song Kee (appointed on 13 February 2009)
Mr. Chin Ah Kow @ Chin Loi Fuh (resigned on 13 February 2009)

Alternate

Mr. Teo Kong Wan



Directors' report

For the year ended 31 December 2008 *(continued)*

Directors' interests

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

Name of Directors	Interest	Number of ordinary shares of RM1.00 each			At 31 December 2008
		At 1 January 2008	Bought	Sold	
<i>Company</i>					
Tan Sri Datuk Arshad bin Ayub	Direct	454,500	145,900	(1,000)	599,400
	Deemed	1,100,000	240,300	--	1,340,300
Tan Sri Dato' Mohd. Zuki bin Kamaluddin	Direct	40,000	--	--	40,000
	Deemed	10,000	--	--	10,000
Mr. Teo Kong Wan	Direct	50,000	--	--	50,000
	Deemed	6,729,000	189,000	--	6,918,000
Mr. Chow Yuen Liong	Direct	1,017,100	--	--	1,017,100
	Deemed	80,000	12,000	--	92,000
Mr. Chin Ah Kow @ Chin Loi Fuh	Direct	8,000	--	--	8,000
	Deemed	2,940,040	9,000	(30,000)	2,919,040
Mr. Chow Wen Chye	Direct	56,100	--	--	56,100
Mr. Teoh Kok Swee @ Michael Teoh	Direct				

Name of Directors	Interest	Number of options over ordinary shares of RM1.00 each			At 31 December 2008
		At 1 January 2008	Granted	Forfeited	
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 as disclosed in Note 26 to the financial statements.

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 2008 *(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 expiry date of the ESOS is on 5 May 2008; however on 16 April 2008, the expiry date was extended by a further 5 years to 5 May 2013.

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 31 December 2008
		At 1 January 2008	Exercised	Forfeited	
1.11.2003	1.00	3,059,000	--	(355,000)	2,704,000

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 Director or Employee 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.
- e) The option is personal to the grantee and is non-assignable.



Directors' report

For the year ended 31 December 2008 *(continued)*

- f) The options granted may be exercised at any time within the extended period of five (5) years up to 5 May 2013.
- 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 20,000	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 2008 *(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 2008 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 Liang

Johor Bahru,

Date: 27 February 2009



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 39 to 69 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2008 and of their financial performance and cash flows for the financial year then ended.

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: 27 February 2009

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

I, Liew Chek Leong, the officer primarily responsible for the financial management of TOMYPAK HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 39 to 69 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 27 February 2009.

Liew Chek Leong

Before me:





Independent auditors' report to the members of Tomypak Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Tomypak Holdings Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 69.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the Act.



Independent auditors' report to the members of Tomypak Holdings Berhad *(continued)*

- b) We are satisfied that the accounts of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit report on the accounts of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG

KPMG

Firm Number: AF 0758

Chartered Accountants

WBC

Wee Beng Chuan

Approval Number: 2677/12/10 (J)

Chartered Accountant

Johor Bahru

Date: 27 February 2009



Balance sheets

At 31 December 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Assets					
Property, plant and equipment	3	52,410,823	49,182,903	--	--
Prepaid lease payments	4	2,915,757	3,028,257	--	--
Investment in a subsidiary	5	--	--	16,948,998	16,948,998
Due from a subsidiary	6	--	--	5,406,967	5,386,967
Other investments	7	--	70,800	--	--
Intangible assets	8	174,668	156,463	--	--
Total non-current assets		<u>55,501,248</u>	<u>52,438,423</u>	<u>22,355,965</u>	<u>22,335,965</u>
Inventories	9	26,479,891	29,284,984	--	--
Trade and other receivables	10	34,760,012	34,495,159	1,401,176	601,175
Tax recoverable		42,040	21,540	34,500	16,500
Cash and bank balances	11	8,992,276	3,305,982	36,074	26,472
Total current assets		<u>70,274,219</u>	<u>67,107,665</u>	<u>1,471,750</u>	<u>644,147</u>
Total assets		<u>125,775,467</u>	<u>119,546,088</u>	<u>23,827,715</u>	<u>22,980,112</u>
Equity					
Share capital		40,000,000	40,000,000	40,000,000	40,000,000
Reserves		18,694,028	12,668,646	(17,620,309)	(17,221,499)
Total equity attributable to equity holders of the Company/ Total equity	12	<u>58,694,028</u>	<u>52,668,646</u>	<u>22,379,691</u>	<u>22,778,501</u>
Liabilities					
Loans and borrowings	13	8,190,838	7,457,857	--	--
Deferred tax liabilities	14	6,027,000	5,719,000	--	--
Employee benefits	15	542,469	479,572	--	--
Total non-current liabilities		<u>14,760,307</u>	<u>13,656,429</u>	<u>--</u>	<u>--</u>
Trade and other payables	16	15,826,315	20,189,198	237,762	195,377
Loans and borrowings	13	35,284,555	33,025,581	--	--
Dividends payable		1,210,262	6,234	1,210,262	6,234
Total current liabilities		<u>52,321,132</u>	<u>53,221,013</u>	<u>1,448,024</u>	<u>201,611</u>
Total liabilities		<u>67,081,439</u>	<u>66,877,442</u>	<u>1,448,024</u>	<u>201,611</u>
Total equity and liabilities		<u>125,775,467</u>	<u>119,546,088</u>	<u>23,827,715</u>	<u>22,980,112</u>

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



Income statements For the year ended 31 December 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Revenue					
Goods sold		182,837,940	148,953,198	--	--
Dividend income		--	--	1,400,000	600,000
Cost of goods sold		(161,669,574)	(135,718,177)	--	--
Gross profit		21,168,366	13,235,021	1,400,000	600,000
Other income		1,425,453	208,102	240,000	240,000
Distribution expenses		(6,513,926)	(5,328,044)	--	--
Administrative expenses		(5,004,554)	(4,537,618)	(438,810)	(374,239)
Other expenses		(608,765)	(582,070)	--	--
Results from operating activities		10,466,574	2,995,391	1,201,190	465,761
Finance costs		(2,533,192)	(2,074,343)	--	--
Profit before tax	17	7,933,382	921,048	1,201,190	465,761
Tax (expense)/income	18	(308,000)	617,193	--	(807)
Profit for the year/ Attributable to equity holder of the Company		<u>7,625,382</u>	<u>1,538,241</u>	<u>1,201,190</u>	<u>464,954</u>
Basic and diluted earning per ordinary share (sen)	19	<u>19.06</u>	<u>3.85</u>		

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



Statement of changes in equity For the year ended 31 December 2008

Note	← Attributable to equity holders of the Company →					Total equity RM
	Share capital RM	Share premium RM	Revaluation reserves RM	Merger reserves RM	Retained earnings RM	
Group						
<i>At 1 January 2007</i>	40,000,000	435,839	3,260,592	2,991,000	5,242,974	51,930,405
Profit for the year	--	--	--	--	1,538,241	1,538,241
Dividends to shareholders	20	--	--	--	(800,000)	(800,000)
<i>At 31 December 2007</i>	40,000,000	435,839	3,260,592	2,991,000	5,981,215	52,668,646
<i>Net gain recognised directly in equity</i>						
Realisation of reserve	--	--	(1,230,000)	--	1,230,000	--
Profit for the year	--	--	--	--	7,625,382	7,625,382
Total recognised income for the year	--	--	(1,230,000)	--	8,855,382	7,625,382
Dividends to shareholders	20	--	--	--	(1,600,000)	(1,600,000)
<i>At 31 December 2008</i>	40,000,000	435,839	2,030,592	2,991,000	13,236,597	58,694,028

Note	← Non-distributable →			Total equity RM
	Share capital RM	Share premium RM	Accumulated losses RM	
Company				
<i>At 1 January 2007</i>	40,000,000	435,839	(17,322,292)	23,113,547
Profit for the year	--	--	464,954	464,954
Dividends to shareholders	20	--	(800,000)	(800,000)
<i>At 31 December 2007</i>	40,000,000	435,839	(17,657,338)	22,778,501
Profit for the year	--	--	1,201,190	1,201,190
Dividends to shareholders	20	--	(1,600,000)	(1,600,000)
<i>At 31 December 2008</i>	40,000,000	435,839	(18,056,148)	22,379,691

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



Cash flow statements

For the year ended 31 December 2008

	Note	Group 2008 RM	2007 RM	Company 2008 RM	2007 RM
Cash flows from operating activities					
Profit before tax		7,933,382	921,048	1,201,190	465,761
Adjustments for:-					
Amortisation of intangible assets		39,594	105,883	--	--
Amortisation of prepaid lease payments		112,500	112,500	--	--
Depreciation		9,349,367	8,930,070	--	--
Finance costs		2,533,192	2,074,343	--	--
Property, plant and equipment written off		10,426	11,488	--	--
Unrealised loss on foreign exchange		539,235	180,934	--	--
Gain on disposal of property, plant and equipment		(202,235)	(60,735)	--	--
Retirement benefits charged		62,897	37,025	--	--
Dividend income on quoted shares		(1,200)	(3,000)	--	--
Loss on disposal of quoted shares		38,104	--	--	--
Operating profit before changes in working capital		20,415,262	12,309,556	1,201,190	465,761
Changes in working capital:					
Inventories		2,805,093	(2,993,137)	--	--
Trade and other receivables		(804,088)	(1,421,951)	--	--
Trade and other payables		(4,362,883)	1,883,441	42,385	28,437
Cash generated from operations		18,053,384	9,777,909	1,243,575	494,198
Interest paid		(2,533,192)	(2,074,343)	--	--
Tax paid		(20,500)	(12,570)	(18,000)	(16,807)
Net cash from operating activities		15,499,692	7,690,996	1,225,575	477,391

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



Cash flow statements

For the year ended 31 December 2008 (continued)

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	21	(6,388,042)	(14,721,055)	--	--
Acquisition of intangible assets		(57,799)	(90,290)	--	--
Decrease in pledged deposits placed with licensed banks		--	190,000	--	--
Proceeds from disposal of property, plant and equipment		274,057	78,193	--	--
Due from a subsidiary		--	--	(820,001)	315,014
Dividend income on quoted shares		1,200	3,000	--	--
Proceeds on disposal of quoted shares		32,696	--	--	--
Net cash (used in)/from investing activities		<u>(6,137,888)</u>	<u>(14,540,152)</u>	<u>(820,001)</u>	<u>315,014</u>
Cash flows from financing activities					
Proceeds from term loans		--	8,542,200	--	--
Repayment of term loans		(2,199,816)	(1,968,271)	--	--
Net short term borrowings		2,154,349	(461,023)	--	--
Payments of finance lease liabilities		(2,597,220)	(1,329,486)	--	--
Dividend paid to shareholders of the Company		(395,972)	(793,766)	(395,972)	(793,766)
Net cash (used in)/from financing activities		<u>(3,038,659)</u>	<u>3,989,654</u>	<u>(395,972)</u>	<u>(793,766)</u>
Net increase/(decrease) in cash and cash equivalents		6,323,145	(2,859,502)	9,602	(1,361)
Cash and cash equivalents at 1 January		<u>2,669,131</u>	<u>5,528,633</u>	<u>26,472</u>	<u>27,833</u>
Cash and cash equivalents at 31 December		<u>8,992,276</u>	<u>2,669,131</u>	<u>36,074</u>	<u>26,472</u>
Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:					
Cash and bank balances		8,992,276	3,305,982	36,074	26,472
Bank overdrafts		--	(636,851)	--	--
		<u>8,992,276</u>	<u>2,669,131</u>	<u>36,074</u>	<u>26,472</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 the Second Board of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

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

Registered office

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

The consolidated financial statements of the Company as at and for the year ended 31 December 2008 comprise the Company and its subsidiary.

The Company is an investment holding company. The principal activities of its subsidiary are disclosed in Note 5.

The financial statements were approved by the Board of Directors on 27 February 2009.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRS), the Companies Act, 1965 and accounting principles generally accepted in Malaysia.

The Group and the Company have not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRSs / Interpretations	Effective date
FRS 4, <i>Insurance Contracts</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 8, <i>Operating Segment</i>	1 July 2009
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010

The Group and the Company plan to apply the abovementioned FRSs / Interpretations from the annual period beginning 1 January 2010.



Notes to the financial statements *(continued)*

(a) Statement of compliance *(continued)*

The impact of applying FRS 4, FRS 7 and FRS 139 on the financial statements upon first adoption 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 FRSs. The initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the Note 2 (d).

(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.

(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.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Significant accounting policies

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

(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 the Company and its subsidiary has been carried out on the basis of merger accounting.



Notes to the financial statements *(continued)*

(a) Basis of consolidation *(continued)*

(i) *Subsidiaries (continued)*

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.

Investment in a subsidiary are stated in the Company's balance sheet at cost less any impairment losses unless the investment is classified as held for sale.

(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 statements.

When a 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.

(iii) *Transactions eliminated on consolidation*

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

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. 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 are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.



Notes to the financial statements *(continued)*

(c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk 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 any accumulated depreciation and any accumulated impairment losses.

Revalued property, plant and equipment where no revaluation policy is adopted

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 any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. 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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in the income statements.



Notes to the financial statements *(continued)*

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

(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

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

Building	40 years
Plant and machinery	10 - 15 years
Office equipment, furniture and fittings	6 - 10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(e) Leased assets

(i) Finance lease

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.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.



Notes to the financial statements *(continued)*

(e) Leased assets *(continued)*

(ii) *Operating lease (continued)*

The leasehold land was revalued in 1994 and the Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments. The short term leasehold land is amortised on a straight line basis over the remaining leasehold period of 40 years.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(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 statements 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 any accumulated amortisation and any accumulated impairment losses.

(iii) *Computer software*

Computer software acquired by the Company are stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) *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.

Computer software are amortised from the date that they are available for use. Amortisation of intangible assets is charged to the income statements on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives of computer software is 6.7 years.



Notes to the financial statements *(continued)*

(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 the estimated costs necessary to make the sale.

(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, if any.

(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 intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated usually at each reporting date.

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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.



Notes to the financial statements *(continued)*

(l) Impairment of assets *(continued)*

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. Impairment losses are recognised in the income statements. 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.

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 statements 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 statements, a reversal of that impairment loss is also recognised in the income statements.

(m) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements 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 temporary difference arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (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.



Notes to the financial statements *(continued)*

(n) Revenue recognition

(i) *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.

(ii) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(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 statements over the period of the loans and borrowings using the effective interest method.

(p) Borrowing costs

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

(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 statutory pension funds 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.



Notes to the financial statements *(continued)*

(q) Employee benefits *(continued)*

(iii) Share-based payment transactions

The share option programme allows Group employees to acquire shares of the Company. 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	Building RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
<i>At cost/valuation</i>					
At 1 January 2007	8,566,725	116,551,293	5,941,212	2,029,375	133,088,605
Additions	--	14,572,245	767,216	112,000	15,451,461
Disposals	--	(982,160)	(34,919)	(149,500)	(1,166,579)
Written off	--	(4,411,084)	(57,486)	--	(4,468,570)
At 31 December 2007/ 1 January 2008	8,566,725	125,730,294	6,616,023	1,991,875	142,904,917
Additions	35,142	11,416,820	928,652	278,921	12,659,535
Disposals	--	(2,662,309)	(140,143)	(329,828)	(3,132,280)
Written off	--	(25,300)	(229,451)	--	(254,751)
At 31 December 2008	8,601,867	134,459,505	7,175,081	1,940,968	152,177,421
<i>Representing items at:</i>					
Cost	863,072	134,459,505	7,175,081	1,940,968	144,438,626
Directors' valuation	7,738,795	--	--	--	7,738,795
	8,601,867	134,459,505	7,175,081	1,940,968	152,177,421
<i>Accumulated depreciation</i>					
At 1 January 2007	2,497,836	80,153,702	4,005,001	1,321,517	87,978,056
Depreciation charge	217,754	7,945,805	439,782	326,729	8,930,070
Disposals	--	(966,038)	(33,583)	(149,500)	(1,149,121)
Written off	--	(4,405,212)	(51,870)	--	(4,457,082)
At 31 December 2007/ 1 January 2008	2,715,590	82,728,257	4,359,330	1,498,746	91,301,923
Depreciation charge	218,407	8,329,495	507,084	294,381	9,349,367
Written off	--	(2,593,692)	(136,938)	(329,828)	(3,060,458)
Disposals	--	(25,300)	(219,025)	--	(244,325)
At 31 December 2008	2,933,997	88,438,760	4,510,451	1,463,299	97,346,507
<i>Accumulated impairment losses</i>					
At 1 January 2007/ 31 December 2007	--	2,420,091	--	--	2,420,091
At 1 January 2008/ 31 December 2008	--	2,420,091	--	--	2,420,091
<i>Carrying amounts</i>					
At 31 December 2008	5,667,870	43,600,654	2,664,630	477,669	52,410,823
At 31 December 2007	5,851,135	40,581,946	2,256,693	493,129	49,182,903



Notes to the financial statements *(continued)*

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

	Group	
	2008 RM	2007 RM
<i>Carrying amounts of building</i>		
<i>At valuation</i>		
Building	5,024,724	5,222,866
<i>At cost</i>		
Building	<u>643,146</u>	<u>628,269</u>
	<u>5,667,870</u>	<u>5,851,135</u>

Revaluation

The building was 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 building been carried at cost model, their carrying amounts would have been as follows:

	2008 RM	2007 RM
Building	<u>4,302,218</u>	<u>4,460,004</u>

Leased plant and machinery

Included in property, plant and equipment of the Group are plant and machinery, motor vehicles and other equipment acquired under finance lease with carrying amount of RM11,452,940 (2007: RM5,331,090). The leased plant and machinery secures lease obligations (see Note 13).

Security

Certain plant and machinery of the Group with net book value of RM12,218,607 (2007: RM13,161,156) have been charged to banks for banking facilities granted to the Group as disclosed in Note 13.

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.

Notes to the financial statements *(continued)*

4. Prepaid lease payments

	Group	
	2008 RM	2007 RM
<i>At cost/valuation</i>		
At 1 January/31 December	<u>4,500,000</u>	<u>4,500,000</u>
<i>Accumulated amortisation</i>		
At 1 January	1,471,743	1,359,243
Amortisation charge	<u>112,500</u>	<u>112,500</u>
At 31 December	<u>1,584,243</u>	<u>1,471,743</u>
<i>Carrying amounts</i>		
At 31 December	<u>2,915,757</u>	<u>3,028,257</u>

The prepaid lease payments of the Group has an unexpired lease period of less than 50 years.

5. Investment in a subsidiary

	Company	
	2008 RM	2007 RM
Unquoted shares, at cost	<u>16,948,998</u>	<u>16,948,998</u>

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.

6. Due from a subsidiary

Company

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

7. Other investments

	Group	
	2008 RM	2007 RM
Quoted shares in Malaysia	<u>--</u>	<u>70,800</u>
At market value	<u>--</u>	<u>54,000</u>



Notes to the financial statements *(continued)*

8. Intangible assets

	Licence fee RM	Development expenditure RM	Computer software RM	Total RM
<i>Group</i>				
<i>At cost</i>				
At 1 January 2007	494,202	684,249	256,758	1,435,209
Additions	--	--	90,290	90,290
At 31 December 2007/ 1 January 2008	494,202	684,249	347,048	1,525,499
Additions	--	--	57,799	57,799
At 31 December 2008	<u>494,202</u>	<u>684,249</u>	<u>404,847</u>	<u>1,583,298</u>
<i>Accumulated amortisation</i>				
At 1 January 2007	485,970	622,873	154,310	1,263,153
Amortisation charge	8,232	61,376	36,275	105,883
At 31 December 2007/ 1 January 2008	494,202	684,249	190,585	1,369,036
Amortisation charge	--	--	39,594	39,594
At 31 December 2008	<u>494,202</u>	<u>684,249</u>	<u>230,179</u>	<u>1,408,630</u>
<i>Carrying amounts</i>				
At 31 December 2008	<u>--</u>	<u>--</u>	<u>174,668</u>	<u>174,668</u>
At 31 December 2007	<u>--</u>	<u>--</u>	<u>156,463</u>	<u>156,463</u>

9. Inventories

	Group	
	2008 RM	2007 RM
Raw materials	12,557,764	14,747,775
Work-in-progress	1,082,274	3,170,517
Finished goods	9,205,821	8,543,910
Consumables	3,634,032	2,822,782
	<u>26,479,891</u>	<u>29,284,984</u>

10. Trade and other receivables

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade receivables	33,534,637	32,465,425	--	--
Due from a subsidiary	--	--	1,400,000	600,000
Other receivables, deposits and prepayments	1,225,375	2,029,734	1,176	1,175
	<u>34,760,012</u>	<u>34,495,159</u>	<u>1,401,176</u>	<u>601,175</u>

Notes to the financial statements *(continued)*

10. Trade and other receivables *(continued)*

Included in the trade receivables of the Group are allowance for doubtful debts of RM207,286 (2007: RM1,792,929). Allowance for doubtful debts is made for debtors where management considers the recoverability to be doubtful. During the year, doubtful debts of RM1,496,437 which have been previously provided for as allowance for doubtful debts were written off as bad debts.

Trade receivables of the Group denominated in currencies other than the functional currency comprise RM14,469,000 (2007: RM11,283,000) denominated in US Dollar.

11. Cash and bank balances

Cash and bank balances of the Group denominated in currencies other than the functional currency comprise RM3,133,000 (2007: RM1,410,000) denominated in US Dollar and RM484,000 (2007: RM385,000) denominated in Singapore Dollar.

12. Share capital and reserves

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2008 RM	2007 RM	2008	2007
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>

Reserves

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
<i>Non-distributable</i>				
Share premium	435,839	435,839	435,839	435,839
Revaluation reserves	2,030,592	3,260,592	--	--
Merger reserves	<u>2,991,000</u>	<u>2,991,000</u>	<u>--</u>	<u>--</u>
	5,457,431	6,687,431	435,839	435,839
<i>Distributable</i>				
Retained earnings/ (Accumulated losses)	<u>13,236,597</u>	<u>5,981,215</u>	<u>(18,056,148)</u>	<u>(17,657,338)</u>
	<u>18,694,028</u>	<u>12,668,646</u>	<u>(17,620,309)</u>	<u>(17,221,499)</u>



Notes to the financial statements *(continued)*

13. Loans and borrowings

	Group	
	2008 RM	2007 RM
Non-current		
<i>Secured</i>		
Term loans	4,825,669	6,940,814
Finance lease liabilities	3,365,169	517,043
	8,190,838	7,457,857
Current		
<i>Secured</i>		
Term loans	2,097,043	2,181,714
Finance lease liabilities	2,255,203	1,429,056
	4,352,246	3,610,770
<i>Unsecured</i>		
Bank overdrafts	--	636,851
Bankers' acceptances	30,932,309	28,777,960
	30,932,309	29,414,811
	35,284,555	33,025,581
	43,475,393	40,483,438

Terms and debt repayment schedule

	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Group					
2008					
Secured term loans	2009 - 2012	6,923	2,097	1,807	3,019
Secured finance lease liabilities	2009 - 2013	5,620	2,255	1,426	1,939
Unsecured bankers' acceptances	2009	30,932	30,932	--	--
		43,475	35,284	3,233	4,958
2007					
Unsecured bank overdrafts		637	637	--	--
Secured term loans	2008 - 2012	9,122	2,181	2,093	4,848
Secured finance lease liabilities	2008 - 2009	1,946	1,429	517	--
Unsecured bankers' acceptances	2008	28,778	28,778	--	--
		40,483	33,025	2,610	4,848

Notes to the financial statements *(continued)*

13. Loans and borrowings *(continued)*

Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	2008			2007		
	Minimum lease payments RM	Interest RM	Principal RM	Minimum lease payments RM	Interest RM	Principal RM
Less than one year	2,510,352	255,149	2,255,203	1,598,610	169,554	1,429,056
Between one and five years	3,835,876	470,707	3,365,169	582,718	65,675	517,043
	<u>6,346,228</u>	<u>725,856</u>	<u>5,620,372</u>	<u>2,181,328</u>	<u>235,229</u>	<u>1,946,099</u>

Security

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

Significant covenants

One of the term loans is subject to the fulfilment of the following significant covenants:

- i) the ratio of the Group's total bank borrowings to its tangible net worth shall not exceed the ratio of 1.4:1; and
- ii) the tangible net worth of the Group shall not fall below RM45 million.

14. Deferred tax liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group	
	2008 RM	2007 RM
Property, plant and equipment		
- capital allowances	5,744,000	5,588,000
- revaluation	647,000	677,000
Trade receivables allowance	(52,000)	(243,000)
Employee benefits obligations	--	(174,000)
Unabsorbed capital allowances	--	(82,000)
Others	(312,000)	(47,000)
	<u>6,027,000</u>	<u>5,719,000</u>

Notes to the financial statements *(continued)*

14. Deferred tax liabilities *(continued)*

Movement in temporary differences during the year

Group	At 1 January 2007 RM'000	Recognised in income statement (Note 18) RM'000	At 31 December 2007 RM'000	Recognised in income statement (Note 18) RM'000	At 31 December 2008 RM'000
Property, plant and equipment					
- capital allowance	5,464	124	5,588	156	5,744
- revaluation	887	(210)	677	(30)	647
Trade receivables allowances	(283)	40	(243)	191	(52)
Employee benefit obligations	(119)	(55)	(174)	174	--
Unabsorbed capital allowances	--	(82)	(82)	82	--
Others	(133)	86	(47)	(265)	(312)
	<u>5,816</u>	<u>(97)</u>	<u>5,719</u>	<u>308</u>	<u>6,027</u>

15. Employee benefits

	Group	
	2008 RM	2007 RM
Recognised liability for defined benefit obligations	<u>542,469</u>	<u>479,572</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 56.

Movement in the net liability recognised in the balance sheet

	Group	
	2008 RM	2007 RM
Net liability at 1 January	479,572	442,547
Expense recognised in the income statement	<u>62,897</u>	<u>37,025</u>
Net liability at 31 December	<u>542,469</u>	<u>479,572</u>

Expense recognised in the income statement

	Group	
	2008 RM	2007 RM
Current service cost	<u>62,897</u>	<u>37,025</u>

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

	Group	
	2008 RM	2007 RM
Cost of goods sold	62,187	30,275
Distribution expenses	657	(2,514)
Administrative expenses	53	9,264
	<u>62,897</u>	<u>37,025</u>

Notes to the financial statements *(continued)*

15. 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 extended period of five (5) years up to 5 May 2013.
- 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 20,000	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:

	Number of options 2008 '000	Number of options 2007 '000
<i>Outstanding at 1 January</i>	3,059	3,163
Forfeited	(355)	(104)
<i>Outstanding at 31 December</i>	<u>2,704</u>	<u>3,059</u>

The options outstanding have an exercise price of RM1.00 each.

16. Trade and other payables

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade payables	12,088,050	16,101,070	--	--
Other payables and accrued expenses	<u>3,738,265</u>	<u>4,088,128</u>	<u>237,762</u>	<u>195,377</u>
	<u>15,826,315</u>	<u>20,189,198</u>	<u>237,762</u>	<u>195,377</u>

Payables of the Group denominated in currencies other than the functional currency comprise RM945,000 (2007: RM3,575,000) denominated in US Dollar.



Notes to the financial statements *(continued)*

17. Profit before tax

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before tax is arrived at after charging/(crediting)				
Audit fees	68,000	62,000	18,000	17,000
Amortisation of:				
- Intangible assets	39,594	105,883	--	--
- Prepaid lease payments	112,500	112,500	--	--
Allowance for doubtful debts	21,000	--	--	--
Depreciation	9,349,367	8,930,070	--	--
Loss on disposal of quoted investments	38,104	--	--	--
Property, plant and equipment written off	10,426	11,488	--	--
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	758,332	820,345	--	--
- Expenses related to defined benefits plans	62,897	37,025	--	--
- Wages, salaries and others	11,263,378	10,074,191	--	--
Rental of:				
- premises	209,852	141,713	--	--
- equipment	2,530	3,400	--	--
Foreign exchange:				
- Realised (gain)/loss	(1,111,812)	389,648	--	--
- Unrealised loss	539,235	180,934	--	--
Bad debts recovered	(110,206)	(113,832)	--	--
Dividend income on quoted shares	(1,200)	(3,000)	--	--
Gain on disposal of property, plant and equipment	<u>(202,235)</u>	<u>(60,735)</u>	<u>--</u>	<u>--</u>

Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Notes to the financial statements *(continued)*

17. Profit before tax *(continued)*

Key management personnel compensation are as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors				
- Fees	443,500	348,000	208,000	168,000
- Remuneration	1,194,640	955,152	20,200	22,500
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	<u>403,125</u>	<u>262,370</u>	<u>56,138</u>	<u>10,127</u>
Total short-term employee benefits	2,041,265	1,565,522	284,338	200,627
Other key management personnel:				
- Short-term employee benefits	<u>403,983</u>	<u>380,414</u>	<u>--</u>	<u>--</u>
	<u><u>2,445,248</u></u>	<u><u>1,945,936</u></u>	<u><u>284,338</u></u>	<u><u>200,627</u></u>

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

18. Tax expense/(income)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Tax expense				
- (Over)/Under provided in prior years	<u>--</u>	<u>(520,193)</u>	<u>--</u>	<u>807</u>
Deferred tax expense/(income)				
- Origination and reversal of temporary differences	<u>39,000</u>	<u>(22,000)</u>	<u>--</u>	<u>--</u>
- Under/(Over) provided in prior years	<u>269,000</u>	<u>(75,000)</u>	<u>--</u>	<u>--</u>
	<u>308,000</u>	<u>(97,000)</u>	<u>--</u>	<u>--</u>
	<u><u>308,000</u></u>	<u><u>(617,193)</u></u>	<u><u>--</u></u>	<u><u>807</u></u>

The overprovision of income tax in prior year was because of the eligibility of the subsidiary to utilise reinvestment allowance against all its chargeable income due to achievement of the Process Efficiency Ratio above national average for its industry.

Notes to the financial statements *(continued)*

18. Tax expense/(income) *(continued)*

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Reconciliation of effective tax expense/(income)				
Profit before tax	7,933	921	1,201	466
Tax at Malaysian tax rate of 26% (2007: 27%)	2,062	249	312	126
Non deductible expenses	289	--	52	22
Non taxable income	--	(2)	(364)	(162)
Tax incentive	(2,072)	--	--	--
Effect of change in tax rate*	(240)	(283)	--	--
Others	--	14	--	14
	39	(22)	--	--
Under/(Over) provided in prior years	269	(595)	--	1
Tax expense/(income)	308	(617)	--	1

The additional tax savings arising from utilising reinvestment allowance against all the subsidiary's chargeable income due to expected achievement of the Process Efficiency Ratio above national average is RM627,000 (2007: NIL).

* The corporate tax rate is at 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently, deferred tax liabilities are measured using these tax rates.

Subject to agreement by the Inland Revenue Board, the Group has unabsorbed reinvestment allowance of RM24,670,000 (2007: RM26,539,000) to set off against future taxable profits.

19. Earnings per ordinary share

(a) *Basic earnings per ordinary share*

The calculation of basic earnings per ordinary share at 31 December 2008 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2008 RM	2007 RM
Profit for the year attributable to shareholders	7,625,382	1,538,241
Weighted average number of ordinary shares are determined as follows:		
	2008	2007
Weighted average number of ordinary shares at 31 December	40,000,000	40,000,000
Basic earnings per ordinary share (sen)	19.06	3.85



Notes to the financial statements *(continued)*

19. Earnings per ordinary share *(continued)*

(b) Diluted earnings per ordinary share

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

20. Dividends

Dividends recognised in the current year by the Group and the Company are:

	Sen per share	Total amount RM	Date of payment
2008			
2008 - Interim, tax exempt	3.0	1,200,000	12 January 2009
2007 - Interim, tax exempt	1.0	<u>400,000</u>	5 February 2008
Total amount		<u><u>1,600,000</u></u>	
2007			
2006 - Interim, tax exempt	2.0	<u>800,000</u>	8 February 2007

21. Acquisition of property, plant and equipment

	Group	
	2008 RM	2007 RM
Current year's addition of property, plant and equipment	12,659,535	15,451,461
Less: Amount financed by hire purchase	<u>(6,271,493)</u>	<u>(730,406)</u>
	<u><u>6,388,042</u></u>	<u><u>14,721,055</u></u>

22. 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.

	2008 RM'000	2007 RM'000
Revenue		
- Local	105,037	94,316
- Export	<u>77,801</u>	<u>54,637</u>
	<u><u>182,838</u></u>	<u><u>148,953</u></u>



Notes to the financial statements *(continued)*

23. Contingent liabilities (unsecured)

	Company	
	2008	2007
	RM'000	RM'000
Corporate guarantees for banking facilities given to subsidiary	84,656	94,475

24. Capital commitments

	Group	
	2008	2007
	RM'000	RM'000
<i>Plant and equipment</i>		
Contracted but not provided for	1,141	4,330
Authorised but not contracted for	3,748	74

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 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 has significant concentrations of credit risk arising from amounts due from three (2007: three) major customers, representing 37% (2007: 35%) of the Group's trade receivables. The maximum exposure to credit risk for the Group is represented by the carrying amount of each financial assets.

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-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.

Notes to the financial statements *(continued)*

25. Financial instruments *(continued)*

2008	Average effective interest rate %	Total RM'000	Within 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
Fixed rate instruments							
<i>Secured</i>							
Term loans							
- RM fixed rate loan	5.50 - 6.35	6,923	2,097	1,807	1,921	1,098	--
Finance lease liabilities	3.00 - 4.00	5,620	2,255	1,426	946	794	199
		12,543	4,352	3,233	2,867	1,892	199
Floating rate instruments							
<i>Unsecured</i>							
Bankers' Acceptances	3.90 - 4.65	30,932	30,932	--	--	--	--
2007							
Fixed rate instruments							
<i>Secured</i>							
Term loans							
- RM fixed rate loan	5.30 - 6.35	9,122	2,181	2,093	1,802	1,915	1,131
Finance lease liabilities	3.00 - 3.35	1,946	1,429	517	--	--	--
		11,068	3,610	2,610	1,802	1,915	1,131
Floating rate instruments							
<i>Unsecured</i>							
Bankers' Acceptances	4.11 - 5.72	28,778	28,778	--	--	--	--
Bank overdrafts	8.50	637	637	--	--	--	--
		29,415	29,415	--	--	--	--

Foreign currency risk

The Group is exposed to 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. 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.

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.

Notes to the financial statements *(continued)*

25. Financial instruments *(continued)*

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

	2008		2007	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial asset				
Quoted shares	--	--	71	54
Financial liabilities				
Secured term loans				
- RM fixed rate loan	6,923	6,006	9,122	7,468
- RM fixed rate finance lease liabilities	5,620	5,259	1,946	1,871

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. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions are as follows:

	Company	
	2008 RM'000	2007 RM'000
<i>Subsidiary</i>		
Management fee receivable	240	240
	Group	
	2008 RM'000	2007 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.	2	4



Particulars Of Properties

The details of the landed property of Tomypak Holdings Berhad as at 31 December 2008 are as follows:

Registered Owner / Location	Description/ Existing Use	Land/Built-up Area (RM00 sq.ft)	Tenure Age of building	Net Book Value RM000	Date of Last Revaluation
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 30.09.2034/20 yrs	8,584	15.11.1994



Analysis Of Shareholdings As at 30 April 2009

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	: 2,144

Distribution of Shareholdings

Range of Shares	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Less than 100	4	0.19	54	0.00
100 - 1,000	116	5.41	100,954	0.25
1,001 - 10,000	1,760	82.09	6,505,052	16.27
10,001 - 100,000	230	10.73	5,876,400	14.69
100,001 - 1,999,999	31	1.44	13,392,600	33.48
2,000,000 and above	3	0.14	14,124,940	35.31
Total	2,144	100.00	40,000,000	100.00

List of Top 30 Shareholders as at 30 April 2009

No.	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	Chow Yuen Liong	6,945,900	17.36
2.	Lim Hun Swee	3,602,300	9.01
3.	Chow Wen Chye	2,919,040	7.30
4.	Zalaraz Sdn. Bhd.	1,340,300	3.35
5.	Chow Yuen Kou	1,187,000	2.97
6.	Alliance Group Nominee (Asing) Sdn. Bhd. (Lim Hun Swee (8041132))	1,140,000	2.85
7.	Perbadanan Kemajuan Negeri Pahang	1,091,024	2.73
8.	Teng Chew Guat	1,017,100	2.54
9.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. (Pascorp Holdings Sdn. Bhd. (MBB-Kuantan 21E))	1,000,000	2.50
10.	Shin Lai Har Theresa	700,000	1.75
11.	Tohtonku Sdn. Berhad	673,000	1.68
12.	Lim Hun Swee	657,700	1.64
13.	Cimsec Nominees (Asing) Sdn. Bhd. (Abdul Aziz Bin Mohamed Hussain (MY0324))	629,000	1.57
14.	Arshad Bin Ayub	599,400	1.50
15.	Pascorp Holdings Sdn. Bhd.	484,576	1.21
16.	Follow Me Industries Sdn. Bhd.	368,000	0.92
17.	Goh Chew Geyok	314,200	0.79
18.	Lim Hui Huat @ Lim Hooi Chang	261,000	0.65
19.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. (Chow Yuen Loong (GIB))	255,000	0.64
20.	Son Mei Chin	238,800	0.60
21.	Apollo Food Holdings Berhad	201,900	0.50
22.	Khoo Kay Leong	190,000	0.48
23.	Tan Lay Hooi	186,000	0.47
24.	Tan Lan Diang	185,000	0.46
25.	HLB Nominees (Tempatan) Sdn. Bhd. (Ong Ghee Thuan)	174,000	0.44



Analysis Of Shareholdings As at 30 April 2009 *(continued)*

26. Follow Me Sdn. Bhd.	171,300	0.43
27. Chuah Cheng Soon	154,300	0.39
28. Chow Yuen Kou	144,000	0.36
29. Lim Lee Keow	123,000	0.31
30. Lim Sang Hee	119,000	0.30
Total	27,071,840	67.70

List of Substantial Shareholders as at 30 April 2009 (as shown in the Register of Substantial Shareholders)

No.	Name of Substantial Shareholders	Interests in Shares		Note	Percentage (%)
		Direct	Deemed		
1.	Chow Yuen Liong	6,945,900	1,017,100	a	19.90
2.	Teng Chew Guat	1,017,100	6,945,900	b	19.90
3.	Chow Wen Chye	2,919,040	-		7.30
4.	Lim Hun Swee	5,400,000	-		13.50
5.	Chow Yuen Kou	1,331,000	700,000	c	5.08
6.	Shin Lai Har Theresa	700,000	1,331,000	d	5.08

Directors' Interests in Shares as at 30 April 2009 (as shown in the Register of Directors' Shareholding)

No.	Name of Directors in the Company	Interests in Shares		Note	Percentage (%)
		Direct	Deemed		
1.	Tan Sri Datuk Arshad Bin Ayub	599,400	1,340,300	e	4.85
2.	Chow Yuen Liong	6,945,900	1,017,100	a	19.90
3.	Tan Sri Dato' Mohd Zuki Bin Kamaluddin	40,000	-		0.10
4.	Chow Wen Chye	2,919,040	-		7.30
5.	Teoh Kok Swee @ Michael Teoh	56,100	-		0.14
6.	Chin Cheong Kee @ Chin Song Kee	-	-		-
7.	Teo Kong Wan #	10,000	50,000	f	0.15
8.	Azlan Bin Arshad ^	-	-		-

Alternate Director to Tan Sri Datuk Arshad Bin Ayub

^ Alternate Director to Tan Sri Dato' Mohd Zuki Bin Kamaluddin

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 Yip Siew Fune's shareholdings in the Company



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 roxy
to attend and vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Nilam (Level 2), The Puteri Pacific Hotel, Jalan Abdullah Ibrahim "The Kotaraya", 80730 Johor Bahru, Johor on Friday, 26th June 2009 at 12.00 noon 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 2008.		
2	To approve the payment of Directors' fees.		
3 4 5 6 7	To re-elect the following retiring Directors:- i. Mr. Teoh Kok Swee @ Michael Teoh ii. Mr. Chin Cheong Kee @ Chin Song Kee iii. Tan Sri Datuk Arshad Bin Ayub iv. Mr. Chow Wen Chye v. Tan Sri Dato' Mohd Zuki Bin Kamaluddin		
8	To re-appoint the retiring Auditors, Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration.		
9	Empower directors to issue shares pursuant to Section 132D of the Companies Act, 1965		

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 _____ 2009

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 9 - Proposed Authority to Issue Shares)

The Proposed Authority to Issue Shares, Ordinary Resolution No. 9, 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.

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