

TOMYPAK HOLDINGS BERHAD

(Company No. 337743 W)

(Incorporated in Malaysia)

MINUTES OF THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE COMPANY HELD
ON THURSDAY, 16 MAY 2019

QUESTIONS / ENQUIRIES BY SHAREHOLDERS	RESPONSES FROM THE BOARD OF DIRECTORS / KEY SENIOR MANAGEMENT
Reference was made to the Chairman's Report on the Sales and Marketing Transformation. Enquiry was made if the purpose of recruiting additional 6 new sales and marketing staff are to provide support the existing and new agents / distributors / partners.	The main task of the additional sales force is to explore and expand the Group's international market. The new sales force not only limit to supporting the existing and new agents / distributors / partners but also to provide direct support to the brand owners / customers.
What was the nature of the share options allocated to a subsidiary's employees stated in Note 5 of the financial statements?	The share options allocated to a subsidiary's employees are pursuant to the Employees' Share Option Scheme ('ESOS') approved by the shareholders two years ago.
Reference was made to the Five Years' Financial Highlights and Financial Indicators on the decrease in Revenue by approximately RM38 million for FYE 2018 as compared to FYE 2017 and the Chairman's Report on Financial Performance where it was reported that the decrease in revenue was more substantial than expected as the Group's loss in revenue from some international customers. Considering the aforesaid, what is the prospect of the Group and how do the Group improve its revenue?	Despite intensive competition from multinational competitors and loosing revenue from international customers particularly in the Philippines, the Group has also gained some new business from other international customers and sales are picking up. The Group has taken steps to intensify discussions and engage with existing customers to improve orders and revenue beside continuing its effort to source for new customers. With the new plant fully in operation, the Group's production capacity has improved significantly, and it would take time to fill the capacity by improving sales or revenue.
Request for further elaboration on the review of capital structure to strengthen the financial position of the Group to support the future growth as stated in the Corporate Transformation of the Chairman's report.	The review of capital structure is on the financial or debt structure the Group's loan in USD which is subject to foreign exchange exposure. It was highlighted that the unrealised forex loss for FYE 2018 was approximately RM2.5 million. The Risk Management Committee and the Management will be working closely to reduce the potential forex risk and taking appropriate actions to mitigate the financial impact by looking into the possibility of switching the loan to local currency.
With the current move to reduce the use of plastics, films or similar materials in packaging, how ready is the Group to meet this new challenge if the major customers decide to do so?	The Group has been approached by supplier of biodegradable or decomposable packaging material and has also commenced research on environmental friendly products. The Group has succeeded in producing samples using the aforesaid materials for customer's review and confirmation.

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Clarification was sought on Note 11 of the Financial Statements in relation to the reclassification of the long-term loans to current term loans as the subsidiary has not complied with the financial covenant.	<p>It was highlighted that the long-term loans were merely reclassified as current term loans in view of the non-compliance with the bank's covenant in accordance with MFRS 101 on Presentation of Financial Statements. It was emphasized that there was no default in any way in terms of the subsidiary's payment commitment to the Bank nor in loan interests.</p> <p>Subsequently, the Group has obtained the approval from the Bank, granting waiver on the non-compliance with the financial covenant and a legal opinion was also sought concurring with the Bank's view. The Group intends to seek the Bank's approval to remove the said covenant, failing which the Group may consider seeking alternative financing.</p>
The Group's comment or view on the recent merger and acquisition ("M&A") of a major flexible plastic packaging manufacturer, Daibochi Berhad by Scientex Berhad and if the Group has any plan for any M&A.	The Group has no comment on the said recent M&A. The Group prefers exploring expansion on its own as compared to acquisition of another entity as there may limitation in such M&A in terms of the suitability of the acquired facilities, etc. However, the Group is open to all options if a suitable opportunity for expansion does arises.
Requested the Company to consider giving an overall presentation on the Group at future annual general meetings ("AGM").	The Board took note and would consider the request of the shareholders at future AGM.