



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter ended 31 Mar 2010

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2010 RM'000	Preceding Year Corresponding Quarter 31/03/2009 RM'000	Current Year To date 31/03/2010 RM'000	Preceding Year Corresponding Period 31/03/2009 RM'000
Revenue	16,616	14,035	16,616	14,035
Other operating income	308	283	308	283
Operating expenses	(15,951)	(14,799)	(15,951)	(14,799)
Profit from operations	973	(481)	973	(481)
Finance cost	(267)	(326)	(267)	(326)
Profit/(Loss) before taxation	706	(807)	706	(807)
Taxation	-	-	-	-
Profit/(Loss) for the period	706	(807)	706	(807)
Other comprehensive income, net of tax				
Cash flow hedge	(100)	-	(100)	-
Total comprehensive income for the period	606	(807)	606	(807)
Earning/(Loss) per share (sen) :				
- Basic	1.68	(1.92)	1.68	(1.92)
- Diluted	-	-	-	-

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter ended 31 Mar 2010

CONDENSED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 31/03/2010 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2009 RM'000 restated
NON-CURRENT ASSETS		
Property, plant and equipment	42,112	42,579
CURRENT ASSETS		
Inventories	7,819	7,023
Trade receivables	16,818	16,586
Other receivables	773	325
Cash and bank balances	673	1,698
	26,083	25,632
TOTAL ASSETS	68,195	68,211
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	42,043	42,043
Reserves	(15,056)	(15,662)
Total Equity	26,987	26,381
NON-CURRENT LIABILITY		
Long term borrowings	21,758	22,969
CURRENT LIABILITIES		
Short term borrowings	7,935	7,876
Trade payables	8,769	8,072
Other payables	2,197	2,913
Corss-currency swap liability	549	-
	19,450	18,861
TOTAL LIABILITIES	41,208	41,830
TOTAL EQUITY AND LIABILITIES	68,195	68,211
	-	-
Net assets per share (RM)	0.64	0.63

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
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CONDENSED STATEMENT OF CASH FLOW
(The figures have not been audited)

	3 months ended 31/03/2010 RM'000	3 months ended 31/03/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	706	(807)
Adjustments for :		
Non-cash operating items	364	1,424
Interest income	-	(13)
Interest expenses	267	326
Operating profit before working capital changes	<u>1,337</u>	<u>930</u>
Changes in working capital :		
Decrease/(Increase) in inventories	(803)	2,102
Decrease/(Increase) in receivables	(769)	2,212
Decrease in payables	73	(2,287)
Cash used in operations	(162)	2,957
Interest paid	(267)	(326)
Net cash generated from operating activities	<u>(429)</u>	<u>2,631</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	23	-
Purchase of property, plant and equipment	(535)	(969)
Interest Received	-	13
Net cash used in investing activities	<u>(512)</u>	<u>(956)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(812)	(812)
Loan from holding company	-	-
(Repayment)/Drawdown of short term borrowings	76	(1,301)
Net cash (used in)/generated from financing activities	<u>(736)</u>	<u>(2,113)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,677)</u>	<u>(438)</u>
EFFECT OF EXCHANGE RATE CHANGES	2	85
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD	<u>1,666</u>	<u>3,244</u>
CASH AND CASH EQUIVALENT AT END OF THE PERIOD *	<u>(9)</u>	<u>2,891</u>
	-	-
* Cash and cash equivalents consists of :		
Cash on hand and at bank	673	1,893
Deposits with a licensed bank	-	1,000
Bank overdraft (Note 22)	(682)	(2)
	<u>(9)</u>	<u>2,891</u>

The Condensed Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
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CONDENSED STATEMENTS OF CHANGES IN EQUITY
(The figures have not been audited)

	NON-DISTRIBUTABLE			Accumulated losses	Total
	Share capital	Capital reserves	Hedging Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31 Mar 2010					
At 1 January 2010 - as previously stated	42,043	65		(15,719)	26,389
Effect of adopting FRS139				(8)	(8)
At 1 January 2010 - restated	<u>42,043</u>	<u>65</u>	<u>-</u>	<u>(15,727)</u>	<u>26,381</u>
Total comprehensive income for the period	-	-	(100)	706	606
At 31 Mar 2010	<u><u>42,043</u></u>	<u><u>65</u></u>	<u><u>(100)</u></u>	<u><u>(15,021)</u></u>	<u><u>26,987</u></u>
3 months ended 31 Mar 2009					
At 1 January 2009	42,043	65		(16,290)	25,818
Net profit for the period	-	-	-	(807)	(807)
At 31 Mar 2009	<u><u>42,043</u></u>	<u><u>65</u></u>	<u><u>-</u></u>	<u><u>(17,097)</u></u>	<u><u>25,011</u></u>

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter ended 31 Mar 2010**

NOTES TO THE QUARTERLY REPORT

PART A - EXPLANATORY NOTES PURSUANT TO FRS134

1. Basis of Preparation and Significant Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2009.

The same accounting policies and methods of computation are adopted in the interim financial statements as those used in the preparation of the most recent annual financial statements for the year ended 31 December 2009.

2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those used in the preparation of the most recent annual financial statements for the year ended 31 December 2009 except for the adoption of the following applicable new/revised Financial Reporting Standards ("FRS") and IC Interpretation effective for financial year beginning 1 January 2010:

Effective for financial periods beginning on or after 1 January 2010

FRS 4: Insurance Contracts

FRS 7: Financial Instruments: Disclosures

FRS 8: Operating Segment

FRS 101: Presentation of Financial Statements (Revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards
and FRS 127: Consolidated and Separate Financial Statements: Cost of an
Investments in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment - Vesting Conditions and
cancellations

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement,
FRS 7: Financial Instruments: Disclosures and IC Interpretation 9:
Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum
Funding Requirements and their Interaction

TR i - 3: Presentation of Finance Statements of Islamic Financial Institutions

The above new FRSs and Interpretations have no significant impact on the financial statement of the Company except for the adoption of FRS139 that give rise to a loss on cross currency swap of RM100,012 as at 31 March 2010. The loss on cross currency swap was adjusted to hedging reserve in compliance with cash flow hedging of FRS139.

At the date of authorisation of these financial statements, the following FRSs, amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Company:

Effective for financial periods beginning on or after 1 July 2010

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

FRS 127: Consolidated and Separate Financial Statements (amended)

Amendments to FRS 2: Share-based Payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued
Operations

Amendments to FRS 138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Arrangements



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
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NOTES TO THE QUARTERLY REPORT

IC Interpretation 15: Agreements for the Construction of Real Estate
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17: Distributions of Non-cash Assets to Owners

The above new FRSs and Interpretations are expected to have no significant impact on the financial statement of the Company upon their initial adoption.

3. Seasonal or Cyclical Factors

The operations of the Company for the financial period under review had not been materially affected by any seasonal or cyclical factors.

4. Unusual Items

There were no items during this quarter affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

5. Changes in Estimates

There were no changes in estimates of amounts reported in prior quarter of the current or prior financial year which have a material effect in the current quarter results.

6. Debt and Equity Securities

There were no share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares, issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

7. Dividends Paid

No dividend was paid during the quarter under review.

8. Segmental Analysis

There is no segmental analysis prepared as the Company is principally engaged in the manufacturing of printed and laminated flexible light packaging materials and the operations are predominantly carried out in Malaysia.

9. Valuations of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

10. Subsequent Events

There were no material events subsequent to 31 Dec 2009 and up to the date of this report that have not been reflected or disclosed in the financial statements for the quarter under review.

11. Changes in the Composition of the Company

There were no changes in the composition of the Company for the current quarter and financial year-to-date.

12. Contingent Liability

There were no contingent liabilities as at the date of this quarterly report.

13. Capital Commitments

There were no capital commitments as at the date of this quarterly report.



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NOTES TO THE QUARTERLY REPORT

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B (PART A) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA

14. Performance Review

Turnover for the quarter under review was higher at RM17 million as against RM14 million in the previous corresponding quarter. The Company registered a pre-tax profit of RM0.706 million during the quarter as against a pre-tax loss of RM0.807 million in the previous corresponding quarter. The pre-tax profit achieved was resulted from increased sales volume and unrealised foreign exchange translation gain.

15. Material Changes in Quarterly Results compared to the Results of the Immediate Preceding Quarter

The turnover for the quarter was slightly higher at RM17 million as against RM16 million in the immediate preceding quarter. The Company registered a pre-tax profit of RM0.706 million for the quarter under review as compared to a pre-tax profit of RM0.477 million in the immediate preceding quarter. The higher pre-tax profit recorded in this quarter was mainly due to improved production efficiency.

16. Prospect

With an encouraging sales order, the Board is optimistic of the financial performance for the remaining quarters.

17. Profit Forecast or Profit Guarantee

There was no profit forecast or profit guarantee for the current quarter and financial year-to-date.

18. Taxation

There is no provision for taxation in the current quarter and current financial year-to-date as the Company have sufficient unabsorbed capital allowances and reinvestment allowance brought forward to set off against its tax liabilities.

19. Profits/(loss) on Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

20. Quoted Securities

There are no quoted securities nor were there any purchases or disposals of quoted securities for the current quarter and financial year-to-date.

21. Status of Corporate Proposals

There were no corporate proposals announced as at the date of this report.

22. Borrowings

	As at <u>31/03/2010</u>	As at <u>31/12/2009</u>
	RM'000	RM'000
Short Term Borrowings		
<i>Secured</i>		
Hire Purchase and finance lease payables	491	456
<i>Unsecured</i>		
Term loan	-	813
Bankers acceptance	3,162	2,975
Revolving credit	3,600	3,600
Bank overdraft	682	32
	7,444	7,420
	7,935	7,876
	-	-



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NOTES TO THE QUARTERLY REPORT

22. Borrowings (cont.)

	As at <u>31/03/2010</u>	As at <u>31/12/2009</u>
	RM'000	RM'000
Long Term Borrowings		
Secured		
Hire Purchase and finance lease payables	424	570
Unsecured		
Term Loan	-	-
Loans from holding company	21,334	22,399
	<u>21,334</u>	<u>22,399</u>
	<u>21,758</u>	<u>22,969</u>
	-	-

All borrowings are denominated in Ringgit Malaysia except for Loan from Holding company, which are denominated in Japanese Yen and United States Dollars.

23. Financial Instruments with Off Balance Sheet Risk

There were no financial instruments with off balance sheet risk as at the date of this quarterly report.

24. Material Litigation

As at the date of this quarterly report, there was no material litigation pending.

25. Dividend Payable

The directors do not recommend any dividend in the quarter under review.

26. Earnings/(Loss) Per Share

(a) Basic Earnings/(Loss) Per Share

The earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period under review by the number of ordinary shares in issue of 42,042,824 shares of RM1.00 each during the said financial period.

3 months ended

	31/03/2010	31/03/2009
Basis earnings per share		
Profit/(Loss) attributable to equity holders of the Company (RM'000)	<u>706</u>	<u>(807)</u>
Weighted average number of ordinary shares in issued ('000)	<u>42,043</u>	<u>42,043</u>
Basic Earnings/(Loss) Per Share (sen)	<u>1.68</u>	<u>(1.92)</u>

(b) Diluted Earnings Per Share

Not applicable.

27. Auditors' Report

The auditors' report of the financial statements for the year ended 31 December 2009 was not qualified.

By Order of the Board

YOSHIKI MIYATANI
 Chief Executive Officer/Managing Director

Kuala Lumpur, Malaysia
 Date : 24 May 2010