



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 4th Quarter ended 31 Dec 2010

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2010 RM'000	Preceding Year Corresponding Quarter 31/12/2009 RM'000	Current Year To date 31/12/2010 RM'000	Preceding Year Corresponding Period 31/12/2009 RM'000
Revenue	15,827	16,197	65,815	61,595
Other operating income	7,172	358	9,295	1,166
Operating expenses	(21,393)	(15,796)	(73,444)	(60,980)
(Loss)/Profit from operations	1,606	759	1,666	1,781
Finance cost	(364)	(282)	(1,276)	(1,210)
(Loss)/Profit before taxation	1,242	477	390	571
Taxation	-	-	-	-
(Loss)/Profit for the period	1,242	477	390	571
Other comprehensive income, net of tax				
Cash flow hedge	(207)	-	(34)	-
Total comprehensive (loss)/income for the period	1,035	477	356	571
(Loss)/Earning per share (sen) :				
- Basic	2.95	1.13	0.93	1.36
- 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)
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CONDENSED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 31/12/2010 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2009 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	45,811	42,579
CURRENT ASSETS		
Inventories	9,978	7,023
Trade receivables	14,536	16,586
Other receivables	5,325	325
Cash and bank balances	1,427	1,698
	31,266	25,632
TOTAL ASSETS	77,077	68,211
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	42,043	42,043
Reserves	(15,306)	(15,662)
Total Equity	26,737	26,381
NON-CURRENT LIABILITY		
Long term borrowings	19,391	22,969
CURRENT LIABILITIES		
Short term borrowings	16,150	7,876
Trade payables	10,738	8,072
Other payables	3,058	2,913
Cross-currency swap liability	1,003	-
	30,949	18,861
TOTAL LIABILITIES	50,340	41,830
TOTAL EQUITY AND LIABILITIES	77,077	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)

	12 months ended 31/12/2010 RM'000	12 months ended 31/12/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	390	571
Adjustments for :		
Non-cash operating items	993	3,703
Interest income	-	(17)
Interest expenses	1,276	1,211
Operating profit before working capital changes	2,659	5,468
Changes in working capital :		
(Increase)/Decrease in inventories	(4,156)	2,012
(Increase)/Decrease in receivables	1,835	(616)
Increase/(Decrease) in payables	2,543	(632)
Cash used in operations	2,881	6,232
Interest paid	(1,276)	(1,211)
Net cash generated from operating activities	1,605	5,021
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	32	70
Purchase of property, plant and equipment	(7,261)	(3,047)
Interest Received	-	17
Net cash used in investing activities	(7,229)	(2,960)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(813)	(1,625)
Loan from holding company	-	-
(Repayment)/Drawdown of short term borrowings	5,372	(2,044)
Net cash generated/(used) from financing activities	4,559	(3,669)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,065)	(1,608)
EFFECT OF EXCHANGE RATE CHANGES	(2)	30
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD	1,665	3,244
CASH AND CASH EQUIVALENT AT END OF THE PERIOD *	598	1,666
	-	-
* Cash and cash equivalents consists of :		
Cash on hand and at bank	1,427	1,698
Deposits with a licensed bank	-	-
Bank overdraft (Note 22)	(829)	(32)
	598	1,666

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

	Share capital RM'000	Capital reserves RM'000	Hedging Reserve RM'000	Accumulated losses RM'000	Total RM'000
12 months ended 31 Dec 2010					
At 1 January 2010	42,043	65		(15,719)	26,389
FRS 139 adjustment				(8)	(8)
At 1 January 2010	<u>42,043</u>	<u>65</u>	<u>-</u>	<u>(15,727)</u>	<u>26,381</u>
Movement for the period	-	-	(34)	390	356
At 31 Dec 2010	<u><u>42,043</u></u>	<u><u>65</u></u>	<u><u>(34)</u></u>	<u><u>(15,337)</u></u>	<u><u>26,737</u></u>
					-
12 months ended 31 Dec 2009					
At 1 January 2009	42,043	65		(16,290)	25,818
Net profit for the period	-	-	-	571	571
At 30 June 2009	<u>42,043</u>	<u>65</u>	<u>-</u>	<u>(15,719)</u>	<u>26,389</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)
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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 RM33,997 as at 31 December 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 Operation
Amendments to FRS 138: Intangible Assets
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 12: Service Concession Arrangements



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Effective for financial periods beginning on or after 1 July 2010 (cont'd)

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

Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 7 Improving Disclosure about Financial Instruments

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 December 2010 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

Contracted but not provided:

Purchase of plant and equipment - RM2.8mil



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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 lower at RM15.8 million as against RM16.2 million in the previous corresponding quarter. The Company registered a pre-tax profit of RM1.243 million during the quarter as against a pre-tax profit of RM0.477 million in the previous corresponding quarter mainly due to adjustment for the write off of assets, which were damaged in fire incident that occurred on 11 July 2010 together with the recognition of insurance claims. The insurance claim is expected to be finalised in year 2011.

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

The turnover for the quarter was lower at RM15.8million as against RM14.7 million in the immediate preceding quarter. The Company registered a pre-tax profit of RM1.243 million for the quarter under review as compared to a pre-tax loss of RM0.842 million in the immediate preceding quarter. This is mainly due to adjustment for the write off of assets, which were damaged in fire incident that occurred on 11 July 2010 together with the recognition of insurance claims. The insurance claim is expected to be finalised in year 2011.

16. Prospect

The industry of flexible packaging remains competitive due to the increasing raw materials price. However, the Company will continue with its efforts on the development of the new market opportunities in overseas market.

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>31/12/2010</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	3,803	2,975
Revolving credit	8,600	3,600
Bank overdraft	829	32
Loans from holding company	2,427	
	15,659	7,420
	16,150	7,876
	-	-



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NOTES TO THE QUARTERLY REPORT

22. Borrowings (cont.)

	As at <u>31/12/2010</u>	As at <u>31/12/2009</u>
	RM'000	RM'000
Long Term Borrowings		
Secured		
Hire Purchase and finance lease payables	<u>79</u>	<u>570</u>
Unsecured		
Loans from holding company	<u>19,312</u>	<u>22,399</u>
	<u>19,312</u>	<u>22,399</u>
	<u>19,391</u>	<u>22,969</u>
	<u>-</u>	<u>-</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		12 months ended	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Basis earnings per share				
(Loss)/Profit attributable to equity holders of the Company(RM'000)	<u>1,242</u>	<u>477</u>	<u>390</u>	<u>571</u>
Weighted average number of ordinary shares in issued('000)	<u>42,043</u>	<u>42,043</u>	<u>42,043</u>	<u>42,043</u>
(Loss)/Earnings Per Share(sen)	<u>2.95</u>	<u>1.13</u>	<u>0.93</u>	<u>1.36</u>

(b) Diluted Earnings Per Share

Not applicable.

27. Realised and Unrealised Losses Disclosures



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The accumulated losses as at 31 December 2010 and 30 September 2010 is analysed as follows:-

	Current Quarter Ended 31-Dec-10 RM'000	Preceding Quarter Ended 30-Sep-10 RM'000
Total accumulated losses for the Company:		
- Realised	(13,164)	(14,762)
- Unrealised	(2,141)	(1,582)
Total accumulated losses as per financial statements	<u>(15,305)</u>	<u>(16,344)</u>

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 : 22 February 2011