



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 Mar 2011**

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

|   | INDIVIDUAL PERIOD                                  |  | CUMULATIVE PERIOD                                 |   |
|---|--|--|---|---|
|   | Current<br>Year<br>Quarter<br>31/03/2011<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31/03/2010<br>RM'000 | Current<br>Year<br>ToDate<br>31/03/2011<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31/03/2010<br>RM'000 |
| Revenue   | 15,482   | 16,616   | 15,482  | 16,616  |
| Other operating income                              | 241  | 308  | 241   | 308   |
| Operating expenses                                  | (15,308)   | (15,951)   | (15,308)  | (15,951)  |
| (Loss)/Profit from operations                       | 415  | 973  | 415   | 973   |
| Finance cost  | (378)  | (267)  | (378)   | (267)   |
| (Loss)/Profit before taxation                       | 37   | 706  | 37  | 706   |
| Taxation  | -  | -  | -   | -   |
| (Loss)/Profit for the period                        | 37   | 706  | 37  | 706   |
| Other comprehensive income, net of tax              |  |  |   |   |
| Cash flow hedge                                     | 99   | (100)  | 99  | (100)   |
| Total comprehensive (loss)/income<br>for the period | 136  | 606  | 136   | 606   |
| (Loss)/Earning per share (sen) :                    |  |  |   |   |
| - Basic   | 0.09   | 1.68   | 0.09  | 1.68  |
| - Diluted   | -  | -  | -   | -   |

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

|                                     | AS AT<br>END OF<br>CURRENT<br>QUARTER<br>31/03/2011<br>RM'000 | AS AT<br>PRECEDING<br>FINANCIAL<br>YEAR END<br>31/12/2010<br>RM'000 |
|-------------------------------------|---|---|
| <b>NON-CURRENT ASSETS</b>           |   |   |
| Property, plant and equipment       | 48,658  | 45,812  |
| <b>CURRENT ASSETS</b>               |   |   |
| Inventories                         | 11,960  | 9,978   |
| Trade receivables                   | 13,612  | 14,590  |
| Other receivables                   | 7,294   | 5,356   |
| Cash and bank balances              | 1,209   | 1,430   |
|                                     | <b>34,075</b>   | <b>31,354</b>   |
| <b>TOTAL ASSETS</b>                 | <b>82,733</b>   | <b>77,166</b>   |
| <b>EQUITY AND LIABILITIES</b>       |   |   |
| <b>EQUITY</b>                       |   |   |
| Share Capital                       | 42,043  | 42,043  |
| Reserves                            | (15,168)  | (15,305)  |
| <b>Total Equity</b>                 | <b>26,875</b>   | <b>26,738</b>   |
| <b>NON-CURRENT LIABILITY</b>        |   |   |
| Long term borrowings                | 23,556  | 19,391  |
| Derivative financial instrument     | 983   | 1,004   |
|                                     | <b>24,539</b>   | <b>20,395</b>   |
| <b>CURRENT LIABILITIES</b>          |   |   |
| Short term borrowings               | 16,425  | 16,152  |
| Trade payables                      | 11,513  | 10,738  |
| Other payables                      | 3,381   | 3,143   |
|                                     | <b>31,319</b>   | <b>30,033</b>   |
| <b>TOTAL LIABILITIES</b>            | <b>55,858</b>   | <b>50,428</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>82,733</b>   | <b>77,166</b>   |
|                                     | -   | -   |
| Net assets per share (RM)           | <b>0.64</b>   | <b>0.64</b>   |

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011**

**CONDENSED STATEMENT OF CASH FLOW**  
*(The figures have not been audited)*

|   | <b>3 months ended<br/>31/03/2011</b> | <b>3 months ended<br/>31/03/2010</b> |
|---|--------------------------------------|--------------------------------------|
|   | <b>RM'000</b>                        | <b>RM'000</b>                        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                                      |                                      |
| Profit before taxation  | 37                                   | 706                                  |
| Adjustments for :   |                                      |                                      |
| Non-cash operating items                                      | 442                                  | 364                                  |
| Interest income   | -                                    | -                                    |
| Interest expenses   | 378                                  | 267                                  |
| Operating profit before working capital changes               | 857                                  | 1,337                                |
| Changes in working capital :                                  |                                      |                                      |
| (Increase)/Decrease in inventories                            | (1,987)                              | (803)                                |
| (Increase)/Decrease in receivables                            | (1,027)                              | (769)                                |
| Increase/(Decrease) in payables                               | 1,040                                | 73                                   |
| Cash used in operations                                       | (1,117)                              | (162)                                |
| Interest paid   | (378)                                | (267)                                |
| <b>Net cash used in operating activities</b>                  | <b>(1,495)</b>                       | <b>(429)</b>                         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                                      |                                      |
| Proceeds from disposal of property, plant and equipment       |                                      | 23                                   |
| Purchase of property, plant and equipment                     | (3,745)                              | (535)                                |
| <b>Net cash used in investing activities</b>                  | <b>(3,745)</b>                       | <b>(512)</b>                         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                                      |                                      |
| Repayment of term loan  |                                      | (812)                                |
| Repayment of loan to holding company                          | (1,279)                              |                                      |
| Drawdown of term loan   | 6,000                                | -                                    |
| Drawdown of short term borrowings                             | 555                                  | 76                                   |
| <b>Net cash generated from/(used in) financing activities</b> | <b>5,276</b>                         | <b>(736)</b>                         |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | <b>36</b>                            | <b>(1,677)</b>                       |
| <b>EFFECT OF EXCHANGE RATE CHANGES</b>                        | <b>(7)</b>                           | <b>2</b>                             |
| <b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD</b>    | <b>599</b>                           | <b>1,666</b>                         |
| <b>CASH AND CASH EQUIVALENT AT END OF THE PERIOD *</b>        | <b>628</b>                           | <b>(9)</b>                           |
|   | -                                    | -                                    |
| * Cash and cash equivalents consists of :                     |                                      |                                      |
| Cash on hand and at bank                                      | 1,209                                | 673                                  |
| Deposits with a licensed bank                                 | -                                    | -                                    |
| Bank overdraft (Note 22)                                      | (581)                                | (682)                                |
|   | <b>628</b>                           | <b>(9)</b>                           |

The Condensed Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011**

**CONDENSED STATEMENTS OF CHANGES IN EQUITY**  
*(The figures have not been audited)*

**NON-DISTRIBUTABLE**

|                                   | Share<br>capital<br>RM'000 | Capital<br>reserves<br>RM'000 | Hedging<br>Reserve<br>RM'000 | Accumulated<br>losses<br>RM'000 | Total<br>RM'000 |
|-----------------------------------|----------------------------|-------------------------------|------------------------------|---------------------------------|-----------------|
| <b>3 months ended 31 Mar 2011</b> |                            |                               |                              |                                 |                 |
| At 1 January 2011                 | 42,043                     | 65                            | (33)                         | (15,336)                        | 26,739          |
| Movement for the period           | -                          | -                             | 99                           | 37                              | 136             |
| At 31 Mar 2011                    | <u>42,043</u>              | <u>65</u>                     | <u>66</u>                    | <u>(15,299)</u>                 | <u>26,875</u>   |
| <b>3 months ended 31 Mar 2010</b> |                            |                               |                              |                                 |                 |
| At 1 January 2010                 | 42,043                     | 65                            |                              | (15,727)                        | 26,381          |
| Movement for the period           | -                          | -                             | (100)                        | 706                             | 606             |
| At 30 June 2009                   | <u>42,043</u>              | <u>65</u>                     | <u>(100)</u>                 | <u>(15,021)</u>                 | <u>26,987</u>   |

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011**

**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 2010

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 2010.

**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 2010 except for the adoption of the following applicable new/revised Financial Reporting Standards ("FRS") and IC Interpretation effective for the current financial year:

**Effective for annual periods beginning on or after 1 March 2010**

Amendment to FRS 132 Financial instruments: Presentation

**Effective for annual periods beginning on or after 1 July 2010**

Revised FRS 3 Business combinations

Revised FRS 127 Consolidated and separate financial statements

Amendments to FRS 138 Intangible assets

IC Interpretation 9 Reassessment of embedded derivatives

**Effective for annual periods beginning on or after 1 January 2011**

Amendments to FRS 1 First-time adoption of financial reporting standards

Amendments to FRS 7 Financial instruments: Disclosures

IC Interpretation 14 Interim financial reporting and impairment

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.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 Mar 2011**

**NOTES TO THE QUARTERLY REPORT**

**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**

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



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 Mar 2011**

**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 by 7% at RM15.5million as against RM16.6 million in the previous corresponding quarter. The Company registered a pre-tax profit of RM37,000 during the quarter as against a pre-tax profit of RM706,000 in the previous corresponding quarter mainly due to the increase raw materials price and the lower turnover.

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

The turnover for the quarter was lower at RM15.5million as against RM15.8 million in the immediate preceding quarter. The Company registered a lower pre-tax profit of RM37,000 for the quarter under review as compared to a pre-tax profit of RM1,244,000 in the immediate preceding quarter. This is mainly due to adjustment in the immediate preceding quarter 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.

**16. Prospect**

As the flexible packaging industry will continue to face the rising raw materials price, the Company operating environment is expected to be competitive and challenging in the coming quarters. However, the Company will continue with its efforts on production efficiency and the expansion of the 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<br><u>31/03/2011</u> | As at<br><u>31/12/2010</u> |
|--|----------------------------|----------------------------|
|  | RM'000                     | RM'000                     |
| Short Term Borrowings                    |                            |                            |
| <i>Secured</i>                           |                            |                            |
| Hire Purchase and finance lease payables | 418                        | 491                        |
| <i>Unsecured</i>                         |                            |                            |
| Term loan                                | -                          | -                          |
| Bankers acceptance                       | 3,399                      | 3,803                      |
| Revolving credit                         | 9,600                      | 8,600                      |
| Bank overdraft                           | 581                        | 831                        |
| Loans from holding company               | 2,427                      | 2,427                      |
|  | 16,007                     | 15,661                     |
|  | 16,425                     | 16,152                     |
|  | -                          | -                          |



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 Mar 2011**

**NOTES TO THE QUARTERLY REPORT**

**22. Borrowings (cont.)**

|  | As at<br><u>31/03/2011</u> | As at<br><u>31/12/2010</u> |
|--|----------------------------|----------------------------|
|  | RM'000                     | RM'000                     |
| Long Term Borrowings                     |                            |                            |
| Secured                                  |                            |                            |
| Hire Purchase and finance lease payables | <u>32</u>                  | <u>79</u>                  |
| Unsecured                                |                            |                            |
| Long Term Loan                           | 6,000                      | -                          |
| Loans from holding company               | 17,524                     | 19,312                     |
|  | <u>23,524</u>              | <u>19,312</u>              |
|  | <u>23,556</u>              | <u>19,391</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 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 |               |
|--|----------------|---------------|
|  | 31/03/2011     | 31/03/2010    |
| Basis earnings per share                                     |                |               |
| Profit attributable to equity holders of the Company(RM'000) | <u>37</u>      | <u>706</u>    |
| Weighted average number of ordinary shares in issued('000)   | <u>42,043</u>  | <u>42,043</u> |
| Earnings Per Share(sen)                                      | <u>0.09</u>    | <u>1.68</u>   |

**(b) Diluted Earnings Per Share**

Not applicable.





**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 Mar 2011**

**NOTES TO THE QUARTERLY REPORT**

**27. Realised and Unrealised Losses Disclosures**

The breakdown of the accumulated losses as at the reporting date, into realised and unrealised loss is as follows:-

|  | <b>As at<br/>31-Mar-11<br/>RM'000</b> | <b>As at<br/>31-Dec-10<br/>RM'000</b> |
|--|---------------------------------------|---------------------------------------|
| Total accumulated losses for the Company:            |                                       |                                       |
| - Realised   | (13,674)                              | (13,235)                              |
| - Unrealised   | (1,624)                               | (2,101)                               |
| Total accumulated losses as per financial statements | <u>(15,298)</u>                       | <u>(15,336)</u>                       |

**27. Auditors' Report**

The auditors' report of the financial statements for the year ended 31 December 2010 was not qualified.

By Order of the Board

YOSHIKI MIYATANI  
Chief Executive Officer/Managing Director  
Kuala Lumpur, Malaysia  
Date : 23 May 2011