



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 2nd Quarter ended 30 June 2011

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2011 RM'000	Preceding Year Corresponding Quarter 30/06/2010 RM'000	Current Year To date 30/06/2011 RM'000	Preceding Year Corresponding Period 30/06/2010 RM'000
Revenue	17,899	18,653	33,381	35,269
Other operating income	158	172	399	480
Operating expenses	(19,826)	(19,267)	(35,134)	(35,217)
(Loss)/Profit from operations	(1,769)	(442)	(1,354)	532
Finance cost	(423)	(275)	(801)	(542)
(Loss)/Profit before taxation	(2,192)	(717)	(2,155)	(10)
Taxation	-	-	-	-
(Loss)/Profit for the period	(2,192)	(717)	(2,155)	(10)
Other comprehensive income, net of tax				
Cash flow hedge	67	(37)	166	(37)
Total comprehensive (loss)/income for the period	(2,125)	(754)	(1,989)	(47)
(Loss)/Earning per share (sen) :				
- Basic	(5.21)	(1.71)	(5.13)	(0.02)
- 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)
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CONDENSED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 30/06/2011 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2010 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	48,247	45,812
CURRENT ASSETS		
Inventories	10,909	9,978
Trade receivables	16,526	14,590
Other receivables	5,620	5,356
Cash and bank balances	931	1,430
	33,986	31,354
TOTAL ASSETS	82,233	77,166
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	42,043	42,043
Reserves	(17,293)	(15,305)
Total Equity	24,750	26,738
NON-CURRENT LIABILITY		
Long term borrowings	22,912	19,391
Derivative financial instrument	920	1,004
	23,832	20,395
CURRENT LIABILITIES		
Short term borrowings	20,377	16,152
Trade payables	9,981	10,738
Other payables	3,293	3,143
	33,651	30,033
TOTAL LIABILITIES	57,483	50,428
TOTAL EQUITY AND LIABILITIES	82,233	77,166
	-	-
Net assets per share (RM)	0.59	0.64

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

	6 months ended 30/06/2011	6 months ended 30/06/2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(2,155)	(10)
Adjustments for :		
Non-cash operating items	1,820	1,977
Interest income	-	-
Interest expenses	801	542
Operating profit before working capital changes	466	2,509
Changes in working capital :		
(Increase)/Decrease in inventories	(977)	(2,231)
(Increase)/Decrease in receivables	(2,222)	(915)
Increase/(Decrease) in payables	(650)	1,737
Cash used in operations	(3,383)	1,100
Interest paid	(801)	(542)
Net cash used in operating activities	(4,184)	558
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment		23
Purchase of property, plant and equipment	(4,291)	(1,305)
Net cash used in investing activities	(4,291)	(1,282)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan		(813)
Repayment of loan to holding company	(1,200)	
Drawdown of term loan	6,000	-
Drawdown of short term borrowings	2,998	1,447
Net cash generated from/(used in) financing activities	7,798	634
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(677)	(90)
EFFECT OF EXCHANGE RATE CHANGES	3	32
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD	599	1,665
CASH AND CASH EQUIVALENT AT END OF THE PERIOD *	(75)	1,607
	-	-
* Cash and cash equivalents consists of :		
Cash on hand and at bank	931	1,622
Deposits with a licensed bank	-	-
Bank overdraft (Note 22)	(1,006)	(15)
	(75)	1,607

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)
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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
6 months ended 30 June 2011					
At 1 January 2011	42,043	65	(33)	(15,336)	26,739
Movement for the period	-	-	166	(2,155)	(1,989)
At 30 June 2011	<u>42,043</u>	<u>65</u>	<u>133</u>	<u>(17,491)</u>	<u>24,750</u>
6 months ended 30 June 2010					
At 1 January 2010	42,043	65		(15,727)	26,381
Movement for the period	-	-	(37)	(10)	(47)
At 30 June 2010	<u>42,043</u>	<u>65</u>	<u>(37)</u>	<u>(15,737)</u>	<u>26,334</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)
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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 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)
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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 30 June 2011 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 - RM7mil



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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 by 4% at RM17.9million as against RM18.7 million in the previous corresponding quarter. The Company registered a pre-tax loss of RM2.2mil during the quarter as against a pre-tax loss of RM0.7mil in the previous corresponding quarter mainly due to the increasing raw materials prices and lower turnover.

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

The turnover for the quarter was higher at RM17.9million as against RM15.5 million in the immediate preceding quarter. The Company registered a lower pre-tax loss of RM2.2mil for the quarter under review as compared to a pre-tax profit of RM0.037mil in the immediate preceding quarter. The higher pre-tax loss despite the increased turnover was mainly due to raw materials price increase and unrealised foreign exchange translation loss.

16. Prospect

Amidst the continuing price increase in raw materials and the slowdown in global economy, operating in such an environment will be competitive and challenging. However, the Company will focus on its efforts to increase its export sales and costs efficiency

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>30/06/2011</u>	As at <u>31/12/2010</u>
	RM'000	RM'000
Short Term Borrowings		
<i>Secured</i>		
Hire Purchase and finance lease payables	303	491
<i>Unsecured</i>		
Term loan	-	-
Bankers acceptance	4,042	3,803
Revolving credit	11,600	8,600
Bank overdraft	1,006	831
Loans from holding company	3,426	2,427
	<u>20,074</u>	<u>15,661</u>
	<u>20,377</u>	<u>16,152</u>
	-	-



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

22. Borrowings (cont.)

	As at <u>30/06/2011</u>	As at <u>31/12/2010</u>
	RM'000	RM'000
Long Term Borrowings		
Secured		
Hire Purchase and finance lease payables	<u>26</u>	<u>79</u>
Unsecured		
Long Term Loan	6,000	-
Loans from holding company	16,886	19,312
	<u>22,886</u>	<u>19,312</u>
	<u>22,912</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.

6 months ended

	<u>30/06/2011</u>	<u>30/06/2010</u>
Basis earnings per share		
Profit attributable to equity holders of the Company(RM'000)	<u>(2,155)</u>	<u>(10)</u>
Weighted average number of ordinary shares in issued('000)	<u>42,043</u>	<u>42,043</u>
Earnings Per Share(sen)	<u>(5.13)</u>	<u>(0.02)</u>

(b) Diluted Earnings Per Share

Not applicable.



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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:-

	As at <u>30/06/2011</u> RM'000	As at <u>31/12/2010</u> RM'000
Total accumulated losses for the Company:		
- Realised	(15,641)	(13,235)
- Unrealised	(1,850)	(2,101)
Total accumulated losses as per financial statements	<u>(17,491)</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 August 2011