



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 3rd Quarter ended 30 Sep 2011**

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30/09/2011 RM'000	Preceding Year Corresponding Quarter 30/09/2010 RM'000	Current Year To date 30/09/2011 RM'000	Preceding Year Corresponding Period 30/09/2010 RM'000
Revenue	16,693	14,719	50,074	49,988
Other operating income	289	1,643	688	2,123
Operating expenses	(18,215)	(16,834)	(53,349)	(52,051)
(Loss)/Profit from operations	(1,233)	(472)	(2,587)	60
Finance cost	(451)	(370)	(1,252)	(912)
Loss before taxation	(1,684)	(842)	(3,839)	(852)
Taxation	-	-	-	-
Loss for the period	(1,684)	(842)	(3,839)	(852)
Other comprehensive income, net of tax				
Cash flow hedge	173	210	339	173
Total comprehensive loss for the period	(1,511)	(632)	(3,500)	(679)
Loss per share (sen) :				
- Basic	(4.01)	(2.00)	(9.13)	(2.03)
- 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 3rd Quarter ended 30 Sep 2011**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

	AS AT END OF CURRENT QUARTER 30/09/2011 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2010 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	45,420	43,360
Prepaid land lease payment	2,434	2,452
<b>CURRENT ASSETS</b>		
Inventories	10,615	9,978
Trade receivables	14,275	14,590
Other receivables	5,288	5,356
Cash and bank balances	1,234	1,430
	<b>31,412</b>	<b>31,354</b>
<b>TOTAL ASSETS</b>	<b>79,266</b>	<b>77,166</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	42,043	42,043
Reserves	(18,804)	(15,305)
<b>Total Equity</b>	<b>23,239</b>	<b>26,738</b>
<b>NON-CURRENT LIABILITY</b>		
Long term borrowings	23,204	19,391
Derivative financial instrument	283	1,004
	<b>23,487</b>	<b>20,395</b>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	21,695	16,152
Trade payables	7,591	10,738
Other payables	3,254	3,143
	<b>32,540</b>	<b>30,033</b>
<b>TOTAL LIABILITIES</b>	<b>56,027</b>	<b>50,428</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>79,266</b>	<b>77,166</b>
	-	-
Net assets per share (RM)	0.55	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)**  
**Quarterly Report for the 3rd Quarter ended 30 Sep 2011**

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

	<b>9 months ended 30/09/2011 RM'000</b>	<b>9 months ended 30/09/2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(3,839)	(852)
Adjustments for :		
Non-cash operating items	3,798	4,153
Interest income	-	-
Interest expenses	1,252	912
Operating profit before working capital changes	<u>1,211</u>	<u>4,213</u>
Changes in working capital :		
Increase in inventories	(702)	(4,183)
Decrease/(Increase) in receivables	617	(2,548)
(Decrease)/Increase in payables	(3,125)	1,755
Cash used in operations	<u>(1,999)</u>	<u>(763)</u>
Interest paid	(1,252)	(912)
<b>Net cash used in operating activities</b>	<b><u>(3,251)</u></b>	<b><u>(1,675)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment		23
Purchase of property, plant and equipment	(4,898)	(2,253)
<b>Net cash used in investing activities</b>	<b><u>(4,898)</u></b>	<b><u>(2,230)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan		(813)
Repayment of loan to holding company	(2,298)	
Drawdown of term loan	6,000	-
Drawdown of short term borrowings	4,808	3,907
<b>Net cash generated from financing activities</b>	<b><u>8,510</u></b>	<b><u>3,094</u></b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>361</b>	<b>(811)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>38</b>	<b>(2)</b>
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD</b>	<b>599</b>	<b>1,665</b>
<b>CASH AND CASH EQUIVALENT AT END OF THE PERIOD *</b>	<b><u>998</u></b>	<b><u>852</u></b>
	<b>-</b>	<b>-</b>
* Cash and cash equivalents consists of :		
Cash on hand and at bank	1,234	864
Deposits with a licensed bank	-	-
Bank overdraft (Note 22)	(236)	(12)
	<b><u>998</u></b>	<b><u>852</u></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 3rd Quarter ended 30 Sep 2011**

**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
<b>9 months ended 30 Sep 2011</b>					
At 1 January 2011	42,043	65	(33)	(15,336)	26,739
Movement for the period	-	-	339	(3,839)	(3,500)
At 30 Sep 2011	<u>42,043</u>	<u>65</u>	<u>306</u>	<u>(19,175)</u>	<u>23,239</u>
<b>9 months ended 30 Sep 2010</b>					
At 1 January 2010	42,043	65		(15,727)	26,381
Movement for the period	-	-	173	(852)	(679)
At 30 Sep 2010	<u>42,043</u>	<u>65</u>	<u>173</u>	<u>(16,579)</u>	<u>25,702</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 3rd Quarter ended 30 Sep 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:

**2.1 Adoption of FRSs, Amendments to FRSs and IC Interpretations**

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRS 1, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS 131, FRS 132, FRS 134, FRS 139, and Amendments to IC Interpretation 13	Improvements to FRSs (2010)
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

IC Interpretation 12 Service Concession Arrangements was effective for annual periods beginning on or after 1 July 2010. This IC Interpretation is, however, not applicable to the Company.

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

**2.2 FRS, IC Interpretations and Amendments to IC Interpretation issued but not yet effective**

At the date of authorisation of these interim financial statements, the following FRS, IC Interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Company:

		Effective date
FRS 124	Related Party Disclosure	01-Jan-12
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	01-Jul-11
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	01-Jul-11

IC Interpretation 15 Agreements for the Construction of Real Estate will also be effective for annual periods beginning on or after 1 January 2012. This IC Interpretation is, however, not applicable to the Company.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 3rd Quarter ended 30 Sep 2011**

**NOTES TO THE QUARTERLY REPORT**

**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 30 September 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



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 3rd Quarter ended 30 Sep 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 higher by 13% at RM16.7million as against RM14.7 million in the previous corresponding quarter. The Company registered a bigger pre-tax loss of RM1.69mil during the quarter as against a pre-tax loss of RM0.84mil. The higher loss was mainly attributable to the unrealised foreign translation loss.

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

The turnover for the quarter was lower at RM16.7million as against RM17.9 million in the immediate preceding quarter. However, the Company registered a lower pre-tax loss of RM1.7mil for the quarter under review as compared to a pre-tax profit of RM2.2mil in the immediate preceding quarter. The lower pre-tax loss was mainly due to volatility of raw material price.

**16. Prospect**

The global economy had been negatively impacted by the uncertainties in the Eurozone and United States. However, the Company will continue to focus on enhancing its business profitability by cost control measures and better management of its product sales mix by exploring new market opportunities.

**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 30/09/2011	As at 31/12/2010
	RM'000	RM'000
Short Term Borrowings		
<i>Secured</i>		
Hire Purchase and finance lease payables	185	491
<i>Unsecured</i>		
Term loan	-	-
Bankers acceptance	3,977	3,803
Revolving credit	13,600	8,600
Bank overdraft	236	831
Loans from holding company	3,697	2,427
	21,510	15,661
	21,695	16,152
	-	-



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 3rd Quarter ended 30 Sep 2011**

**NOTES TO THE QUARTERLY REPORT**

**22. Borrowings (cont.)**

	As at 30/09/2011 RM'000	As at 31/12/2010 RM'000
Long Term Borrowings		
Secured		
Hire Purchase and finance lease payables	19	79
Unsecured		
Long Term Loan	6,000	-
Loans from holding company	17,185	19,312
	<u>23,185</u>	<u>19,312</u>
	<u>23,204</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.

	<b>9 months ended</b>	
	30/09/2011	30/09/2010
Basis (loss) per share		
Loss attributable to equity holders of the Company(RM'000)	(3,839)	(852)
Weighted average number of ordinary shares in issued('000)	42,043	42,043
Loss Per Share(sen)	(9.13)	(2.03)

**(b) Diluted Earnings Per Share**

Not applicable.





MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)  
Quarterly Report for the 3rd Quarter ended 30 Sep 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:-

	As at <u>30/09/2011</u> RM'000	As at <u>31/12/2010</u> RM'000
Total accumulated losses for the Company:		
- Realised	(16,229)	(13,235)
- Unrealised	(2,946)	(2,101)
Total accumulated losses as per financial statements	<u>(19,175)</u>	<u>(15,336)</u>

**28. Auditors' Report**

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

By Order of the Board

MITSURU HIRAMUKI  
Chief Executive Officer/Managing Director  
Kuala Lumpur, Malaysia  
Date : 21 November 2011