



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31 Mar 2013 RM'000	Preceding Year Corresponding Quarter 31 Mar 2012 RM'000	Current Year To date 31 Mar 2013 RM'000	Preceding Year Corresponding To date 31 Mar 2012 RM'000
Profit before taxation				
Revenue	17,300	17,744	17,300	17,744
Other operating income	167	273	167	273
Operating expenses	(16,714)	(16,056)	(16,714)	(16,056)
Profit from operations	753	1,961	753	1,961
Finance cost	(319)	(381)	(319)	(381)
Profit before taxation	434	1,580	434	1,580
Taxation	-	-	-	-
Profit for the period	434	1,580	434	1,580
Other comprehensive income, net of tax				
Cash flow hedge	(1)	70	(1)	70
Total comprehensive income for the period	433	1,650	433	1,650
Earnings per share (sen) :				
- Basic	<u>1.03</u>	<u>3.76</u>	<u>1.03</u>	<u>3.76</u>

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

CONDENSED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	31 March 2013 RM'000	31 December 2012 RM'000
Profit before taxation		
Property, plant and equipment	50,938	51,943
Land use rights	2,396	2,402
	53,334	54,345
CURRENT ASSETS		
Inventories	10,494	10,754
Trade and other receivables	15,789	14,441
Other current assets	678	282
Cash and bank balances	2,964	6,038
	29,925	31,515
TOTAL ASSETS	83,259	85,860
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Loans and borrowings	11,943	12,731
Trade and other payables	9,747	9,813
	21,690	22,544
NET CURRENT ASSETS	8,235	8,971
NON-CURRENT LIABILITIES		
Long term borrowings	26,171	28,223
Derivative financial instrument	233	361
	26,404	28,584
TOTAL LIABILITIES	48,094	51,128
NET ASSETS	35,165	34,732
EQUITY		
Share capital	42,043	42,043
Reserves	327	328
Accumulated losses	(7,205)	(7,639)
TOTAL EQUITY	35,165	34,732
TOTAL EQUITY AND LIABILITIES	83,259	85,860
Net assets per share (RM)	0.84	0.83

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

CONDENSED STATEMENT OF CASH FLOW

(The figures have not been audited)

	3 months ended 31 Mar 2013 RM'000	3 months ended 31 Mar 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	434	1,580
Adjustments for :		
Non-cash operating items	571	(125)
Interest expense	319	381
Operating profit before working capital changes	1,324	1,836
Changes in working capital :		
Decrease in inventories	215	439
Increase in receivables	(1,521)	(4,482)
(Decrease)/increase in payables	(214)	233
Cash used in operations	(196)	(1,974)
Interest paid	(319)	(381)
Net cash used in operating activities	(515)	(2,355)
CASH FLOWS FROM INVESTING ACTIVITIES		
Down payment for purchase of property, plant and equipment	(188)	-
Purchase of property, plant and equipment	(201)	(449)
Net cash used in investing activities	(389)	(449)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan to holding company	(837)	(1,880)
Repayment of term loan	(462)	-
(Repayment)/drawdown of short term borrowings	(803)	1,530
Net cash used in financing activities	(2,102)	(350)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,006)	(3,154)
EFFECT OF EXCHANGE RATE CHANGES	(68)	(1)
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD	6,038	4,509
CASH AND CASH EQUIVALENT AT END OF THE PERIOD *	2,964	1,354
	-	-
* Cash and cash equivalents consists of :		
Cash on hand and at bank	2,964	1,893
Bank overdraft		(539)
	<u>2,964</u>	<u>1,354</u>

The Condensed Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

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

NON-DISTRIBUTABLE

Profit before taxation	Share capital	Hedging Reserve	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
3 months ended 31 Mar 2013				
At 1 January 2013	42,043	328	(7,639)	34,732
Total comprehensive income for the period	-	(1)	434	433
At 31 March 2013	42,043	327	(7,205)	35,165

3 months ended 31 Mar 2012				
At 1 January 2012	42,043	280	(13,813)	28,510
Total comprehensive income for the period	-	70	1,580	1,650
At 31 March 2012	42,043	350	(12,233)	30,160

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

NOTES TO THE QUARTERLY REPORT

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation and Significant Accounting Policies

The condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 : *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2012.

The accounting policies and methods of computation adopted in this interim financial reports are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2012.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2012 except for the adoption of the following where applicable Malaysian Financial Reporting Standards ("MFRS"), Amendments to standards and IC Interpretations("IC Int") as and when they become effective:

2.1 Effective for annual periods beginning on or after 1 July 2012

MFRS 101	Amendments to MFRS 101 Presentation of Financial Statements (Presentation of Items of Other Comprehensive Income)
----------	---

2.2 Effective for annual periods beginning on or after 1 January 2013

MFRS 1	Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Government Loan)
MFRS 1	Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
MFRS 3	MFRS 3 Business Combinations (IFRS 3 issued by IASB in March 2004)
MFRS 7	Amendments to MFRS 7 Financial Instruments: Disclosures (Offsetting Financial Assets and Financial Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 10	Amendments to MFRS Consolidated Financial Statements (Transition Guidance)
MFRS 11	Joint Arrangement



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

NOTES TO THE QUARTERLY REPORT

2. Changes in Accounting Policies (cont'd)

2.2 Effective for annual periods beginning on or after 1 January 2013 (cont'd)

MFRS 11	Amendments to MFRS 11 Joint Arrangement (Transition Guidance)
MFRS 12	Disclosure of Interests in Other Entities
MFRS 12	Amendments to MFRS 12 Disclosure of Interests in Other Entities (Transition Guidance)
MFRS 13	Fair Value Measurement
MFRS 101	Amendments to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)
MFRS 116	Amendments to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)
MFRS 119	Employee Benefits
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 as amended by IASB in December 2003)
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
MFRS 132	Amendments to MFRS 132 Financial Instruments: Presentation (Annual Improvements 2009 - 2011 cycle)
MFRS 134	Amendments to MFRS 134 Interim Financial Reporting (Annual Improvements 2009 - 2011 cycle)
IC Interpretation 2	Amendments to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009 - 2011 Cycle)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

2.3 Effective for annual periods beginning on or after 1 January 2014

MFRS 10	Amendments to MFRS 10 Consolidated Financial Statements (Investment Entities)
MFRS 12	Amendments to MFRS 12 Disclosure of Interests in Other Entities (Investment Entities)



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

NOTES TO THE QUARTERLY REPORT

2. Changes in Accounting Policies (cont'd)

2.3 Effective for annual periods beginning on or after 1 January 2014 (cont'd)

MFRS 127	Amendments to MFRS 127 Consolidated and Separate Financial Statements (Investment Entities)
MFRS 132	Amendments to MFRS 132 Financial Instruments: Presentation (Offsetting Financial Assets and Financial Liabilities)

2.4 Effective for annual periods beginning on or after 1 January 2015

MFRS 9	Financial Instruments
--------	-----------------------

The adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

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.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

NOTES TO THE QUARTERLY REPORT

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 March 2013 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 machineries - RM1.6mil

14 Profit before taxation

The following amounts have been included in arriving at profit before taxation

	Current quarter	
	3 months ended	
	31/03/2013	31/03/2012
	RM'000	RM'000
	<u> </u>	<u> </u>
Other income	(167)	(273)
Interest expense	319	381
Depreciation and amortisation	1,220	1,010
Write off of inventories	45	17
Property, plant and equipment written off	1	3
Net Foreign exchange (gain)/loss		
- Realised	(65)	155
- Unrealised	(709)	(1,167)



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

NOTES TO THE QUARTERLY REPORT

15 Related party transactions

Significant transactions between the Company and related parties are as follows:-

	3 months ended	
	<u>31/03/2013</u>	<u>31/03/2012</u>
	<u>RM'000</u>	<u>RM'000</u>
Sales to related parties:		
Ajinomoto (M) Berhad	536	885
Wellpack Innovation Co. Ltd	273	-
Tokan Trading Corporation	-	572
Purchase from related parties:		
DIC (Malaysia) Sdn Bhd	223	201
Tokan Trading Corporation	356	151

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

16 Performance Review

The turnover for the current quarter under review at RM17.3 million was slightly lower as compared to RM17.7 million in the previous corresponding quarter. The lower turnover was mainly attributable to delay in orders as some customers were experiencing delays in their project and also a slowdown in demand from our customers who are also affected by a slowdown in demand for their products notably in the snack and health food sector

The Company registered a lower pre-tax profit of RM0.43 million as against RM1.58 million achieved in the previous corresponding quarter. The lower pre-tax profit recorded was mainly due to lower unrealised foreign translation gain and turnover.

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

The turnover of RM17.3 million for the current quarter was slightly better than the immediate preceding quarter of RM17.1 million. As explained in 4th quarter of year 2012 and also above note, the Company is still experiencing a slowdown in demand. Orders have started to come in and the Company anticipates a higher turnover in the next quarter.

For the quarter under review, the Company recorded a pre-tax profit of RM0.43 million as against a pre-tax loss of RM0.35 million in the immediate preceding quarter which was affected by a higher depreciation charge.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

NOTES TO THE QUARTERLY REPORT

18 Prospect

The Board is of the view that the global economic condition remain challenging and competitive as the Company's turnover for the last two quarters had been affected as a result of the slowdown in demand. The prices for the raw materials used in the flexible packaging industry are forecasted to be on an uptrend. This will impact on the operational performance of the Company.

19 Profit Forecast or Profit Guarantee

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

20 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.

21 Status of Corporate Proposals

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

22 Borrowings

	As at 31/03/2013 RM'000	As at 31/12/2012 RM'000
Short Term Borrowings		
<i>Secured</i>		
Hire Purchase and finance lease payables	6	13
<i>Unsecured</i>		
Term loan	1,846	1,846
Bankers acceptance	823	1,620
Revolving credit	7,500	7,500
Loans from holding company	1,768	1,752
	11,937	12,718
	11,943	12,731
	As at 31/03/2013 RM'000	As at 31/12/2012 RM'000
Long Term Borrowings		
<i>Unsecured</i>		
Long term loan	3,692	4,154
Loans from holding company	22,479	24,069
	26,171	28,223
	-	-



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

NOTES TO THE QUARTERLY REPORT

22 Borrowings (Cont'd)

Included in the borrowings are borrowings denominated in foreign currency from holding company:

	USD'000	RM'000 equivalent
USD loan	4,730	14,616
	JPY'000	RM'000 equivalent
Japanese yen loan	293,460	9,631

23 Material Litigation

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

24 Dividend Payable

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

25 Earnings Per Share

The earnings 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.

	Current quarter 3 months ended	
	<u>31/03/2013</u>	<u>31/03/2012</u>
Basic earnings per share		
Profit attributable to equity holders of the Company(RM'000)	434	1,580
Weighted average number of ordinary shares in issued('000)	42,043	42,043
Earnings per share(sen)	1.03	3.76

26 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 31/03/2013 RM'000	As at 31/12/2012 RM'000
Total accumulated losses for the Company:		
- Realised loss	(7,385)	(8,784)
- Unrealised gain	180	1,145
Total accumulated losses as per financial statements	(7,205)	(7,639)



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st Quarter and three months ended 31 March 2013

NOTES TO THE QUARTERLY REPORT

27 Auditors' Report

The auditors' report of the financial statements for the year ended 31 December 2012 was not qualified.

By Order of the Board

MITSURU HIRAMUKI
Chief Executive Officer/Managing Director

Kuala Lumpur, Malaysia
Date : 20 May 2013