



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 3rd Quarter and nine months ended 30 Sept 2013**

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

|                                                  | <b>INDIVIDUAL PERIOD</b>                          |                                                   | <b>CUMULATIVE PERIOD</b>                          |                                                   |
|--------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
|                                                  | <b>3 months ended<br/>30 Sept 2013<br/>RM'000</b> | <b>3 months ended<br/>30 Sept 2012<br/>RM'000</b> | <b>9 months ended<br/>30 Sept 2013<br/>RM'000</b> | <b>9 months ended<br/>30 Sept 2012<br/>RM'000</b> |
| Revenue                                          | 20,637                                            | 20,003                                            | 57,217                                            | 57,904                                            |
| Other operating income                           | 338                                               | 4,748                                             | 701                                               | 5,438                                             |
| Operating expenses                               | <b>(21,786)</b>                                   | <b>(18,917)</b>                                   | <b>(57,552)</b>                                   | <b>(55,665)</b>                                   |
| (Loss)/profit from operations                    | <b>(811)</b>                                      | 5,834                                             | <b>366</b>                                        | 7,677                                             |
| Interest expense                                 | <b>(323)</b>                                      | <b>(383)</b>                                      | <b>(957)</b>                                      | <b>(1,151)</b>                                    |
| (Loss)/profit before taxation                    | <b>(1,134)</b>                                    | 5,451                                             | <b>(591)</b>                                      | 6,526                                             |
| Taxation                                         | -                                                 | -                                                 | -                                                 | -                                                 |
| (Loss)/profit for the period                     | <b>(1,134)</b>                                    | 5,451                                             | <b>(591)</b>                                      | 6,526                                             |
| Other comprehensive (loss)/income, net of tax    |                                                   |                                                   |                                                   |                                                   |
| Cash flow hedge                                  | 5                                                 | 65                                                | <b>(14)</b>                                       | 66                                                |
| Total comprehensive (loss)/income for the period | <b>(1,129)</b>                                    | 5,516                                             | <b>(605)</b>                                      | 6,592                                             |
| (Loss)/earnings per share (sen) :                |                                                   |                                                   |                                                   |                                                   |
| - Basic                                          | <u>(2.70)</u>                                     | <u>12.97</u>                                      | <u>(1.41)</u>                                     | <u>15.52</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 3rd Quarter and nine months ended 30 Sept 2013**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

|                                     | 30 Sept<br>2013<br>RM'000 | 31 December<br>2012<br>RM'000 |
|-------------------------------------|---------------------------|-------------------------------|
| <b>NON CURRENT ASSETS</b>           |                           |                               |
| Property, plant and equipment       | 51,836                    | 51,943                        |
| Land use rights                     | 2,383                     | 2,402                         |
|                                     | <b>54,219</b>             | <b>54,345</b>                 |
| <b>CURRENT ASSETS</b>               |                           |                               |
| Inventories                         | 12,744                    | 10,754                        |
| Trade and other receivables         | 18,245                    | 14,441                        |
| Other current assets                | 169                       | 282                           |
| Cash and bank balances              | 1,268                     | 6,038                         |
|                                     | <b>32,426</b>             | <b>31,515</b>                 |
| <b>TOTAL ASSETS</b>                 | <b>86,645</b>             | <b>85,860</b>                 |
| <b>EQUITY AND LIABILITIES</b>       |                           |                               |
| <b>CURRENT LIABILITIES</b>          |                           |                               |
| Loans and borrowings                | 14,644                    | 12,731                        |
| Trade and other payables            | 12,761                    | 9,813                         |
|                                     | <b>27,405</b>             | <b>22,544</b>                 |
| <b>NET CURRENT ASSETS</b>           | <b>5,021</b>              | <b>8,971</b>                  |
| <b>NON-CURRENT LIABILITIES</b>      |                           |                               |
| Long term borrowings                | 25,141                    | 28,223                        |
| Derivative financial instrument     | (28)                      | 361                           |
|                                     | <b>25,113</b>             | <b>28,584</b>                 |
| <b>TOTAL LIABILITIES</b>            | <b>52,518</b>             | <b>51,128</b>                 |
| <b>NET ASSETS</b>                   | <b>34,127</b>             | <b>34,732</b>                 |
| <b>EQUITY</b>                       |                           |                               |
| Share capital                       | 42,043                    | 42,043                        |
| Reserves                            | 314                       | 328                           |
| Accumulated losses                  | (8,230)                   | (7,639)                       |
| <b>TOTAL EQUITY</b>                 | <b>34,127</b>             | <b>34,732</b>                 |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>86,645</b>             | <b>85,860</b>                 |
| Net assets per share (RM)           | 0.81                      | 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 3rd Quarter and nine months ended 30 Sept 2013**

**CONDENSED STATEMENT OF CASH FLOW**

*(The figures have not been audited)*

|                                                               | <b>9 months ended<br/>30 Sept 2013</b> | <b>9 months ended<br/>30 Sept 2012</b> |
|---------------------------------------------------------------|----------------------------------------|----------------------------------------|
|                                                               | <b>RM'000</b>                          | <b>RM'000</b>                          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                                        |                                        |
| (Loss)/profit before taxation                                 | (591)                                  | 6,526                                  |
| Adjustments for :                                             |                                        |                                        |
| Non-cash operating items                                      | 3,742                                  | 2,909                                  |
| Interest income                                               | -                                      | (14)                                   |
| Interest expense                                              | 957                                    | 1,151                                  |
| Insurance claims                                              | -                                      | (4,368)                                |
| Operating profit before working capital changes               | 4,108                                  | 6,204                                  |
| Changes in working capital :                                  |                                        |                                        |
| Increase in inventories                                       | (2,079)                                | (3,032)                                |
| Increase in receivables                                       | (3,816)                                | (6,052)                                |
| Increase in payables                                          | 2,495                                  | 2,141                                  |
| Cash generated from/(used in) operations                      | 708                                    | (739)                                  |
| Interest paid                                                 | (957)                                  | (1,151)                                |
| Insurance claims received                                     | -                                      | 4,368                                  |
| <b>Net cash (used in)/generated from operating activities</b> | <b>(249)</b>                           | <b>2,478</b>                           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                                        |                                        |
| Proceed from disposal of property, plant and equipment        | -                                      | 1                                      |
| Purchase of property, plant and equipment                     | (3,389)                                | (6,635)                                |
| Interest Received                                             | -                                      | 14                                     |
| <b>Net cash used in investing activities</b>                  | <b>(3,389)</b>                         | <b>(6,620)</b>                         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                                        |                                        |
| Repayment of loan to holding company                          | (1,529)                                | (2,845)                                |
| Drawdown of loan from holding company                         | -                                      | 10,032                                 |
| Repayment of term loan                                        | (1,385)                                | -                                      |
| Drawdown/(repayment) of short term borrowings                 | 1,801                                  | (4,013)                                |
| <b>Net cash (used in)/generated from financing activities</b> | <b>(1,113)</b>                         | <b>3,174</b>                           |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>              | <b>(4,751)</b>                         | <b>(969)</b>                           |
| <b>EFFECT OF EXCHANGE RATE CHANGES</b>                        | <b>(19)</b>                            | <b>(31)</b>                            |
| <b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD</b>    | <b>6,038</b>                           | <b>4,509</b>                           |
| <b>CASH AND CASH EQUIVALENT AT END OF THE PERIOD *</b>        | <b>1,268</b>                           | <b>3,509</b>                           |
|                                                               | -                                      | -                                      |
| * Cash and cash equivalents consists of :                     |                                        |                                        |
| Cash on hand and at bank                                      | 1,268                                  | 3,509                                  |

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

**NON-DISTRIBUTABLE**

|                                           | Share<br>capital | Hedging<br>Reserve | Accumulated<br>losses | Total  |
|-------------------------------------------|------------------|--------------------|-----------------------|--------|
|                                           | RM'000           | RM'000             | RM'000                | RM'000 |
| At 1 January 2012                         | 42,043           | 280                | (13,813)              | 28,510 |
| Total comprehensive income for the period | -                | 66                 | 6,526                 | 6,592  |
| At 30 Sept 2012                           | 42,043           | 346                | (7,287)               | 35,102 |
| At 1 January 2013                         | 42,043           | 328                | (7,639)               | 34,732 |
| Total comprehensive loss for the period   | -                | (14)               | (591)                 | (605)  |
| At 30 Sept 2013                           | 42,043           | 314                | (8,230)               | 34,127 |

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 3rd Quarter and nine months ended 30 Sept 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. These condensed interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

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”) and Amendments to MFRS:

**2.1 MFRS and Amendments to MFRS issued but not yet effective**

At the date of authorisation of these interim financial statements, the following MFRS and Amendments to MFRS were issued but not yet effective and have not been applied by the Company. The Company intends to adopt, where applicable , these standards and amendments to standards as and when they become effective:

**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)                              |
| 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) |
| MFRS 136 | Amendments to MFRS 136 Recoverable Amount Disclosures for Non Financial Assets.                                    |
| MFRS 139 | Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting                                |



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 3rd Quarter and nine months ended 30 Sept 2013**

**NOTES TO THE QUARTERLY REPORT**

**2 Changes in Accounting Policies(cont'd)**

**2.1 MFRS and Amendments to MFRS issued but not yet effective(cont'd)**

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

MFRS 9                      Financial Instruments

The adoption of the above standards and amendments to standards 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.

**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.



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

**10 Subsequent Events**

There were no material events subsequent to 30 September 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**

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

**14 Related party transactions**

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

|                                                                                      | <b>3 months ended</b> |                   | <b>9 months ended</b> |                   |
|--------------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|-------------------|
|                                                                                      | <u>30/09/2013</u>     | <u>30/09/2012</u> | <u>30/09/2013</u>     | <u>30/09/2012</u> |
|                                                                                      | <u>RM'000</u>         | <u>RM'000</u>     | <u>RM'000</u>         | <u>RM'000</u>     |
| Sales to related parties:                                                            |                       |                   |                       |                   |
| Ajinomoto (M) Berhad                                                                 | 356                   | 792               | 1,698                 | 2,414             |
| Toyo Seikan (Thailand) Co. Ltd<br>(formerly known as Wellpack<br>Innovation Co. Ltd) | 287                   | -                 | 837                   | -                 |
| Tokan Trading Corporation                                                            | -                     | 856               | -                     | 2,186             |
| Purchases from related parties:                                                      |                       |                   |                       |                   |
| DIC (Malaysia) Sdn Bhd                                                               | 415                   | 534               | 1,107                 | 1,199             |
| Tokan Trading Corporation                                                            | 474                   | 399               | 1,008                 | 1,364             |



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
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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**

**15 Performance Review**

The turnover of RM20.6 million for the current quarter had increased by 3% comparing with turnover of RM20 million achieved in similar quarter of previous year. This was mainly due to improvement in domestic demand for packaging foil used in the condom industry and also packaging materials for the snack and general food sectors.

The Company registered a pre-tax loss of RM1.1million compared to the pre-tax profit of RM5.5million in last year corresponding quarter. Due to the strengthening of the USD and Japanese Yen against the ringgit, the Company recorded an unrealised foreign exchange translation loss on foreign loans amounting to RM0.75million. The pre-tax profit of RM5.5million registered in last year corresponding quarter were mainly from insurance income received following the fire incident in July 2010.

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

The turnover for the current quarter had increased by RM1.3 million to RM20.6 million as compared to RM19.3 million recorded in the immediate preceding quarter. This represent a growth rate of 6.7%. The increase in the turnover was mainly due to higher sales of retort pouch packaging, packaging foil for condoms and plastic wrappers for food sauces and pastes.

The company registered a pre-tax loss of RM1.1million for the current quarter as against the pre-tax profit of RM0.011million recorded in the immediate preceding quarter, despite the higher turnover. The pre-tax loss were mainly from the unrealised foreign exchange translation loss on the foreign loans. The operational result were also affected by the increase in production costs.

**17 Prospect**

The recovery of the global economy was rather weak and as such our country exports may be impacted by a fall in external demands. However, the Board is of the view the turnover growth rate will continue to increase as we strive to sell more to the domestic market and to explore new market opportunities oversea.

**18 Profit Forecast or Profit Guarantee**

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

**19 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.





**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 3rd Quarter and nine months ended 30 Sept 2013**

**NOTES TO THE QUARTERLY REPORT**

**20 Status of Corporate Proposals**

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

**21 Borrowings**

|                                          | As at<br>30/09/2013<br>RM'000 | As at<br>31/12/2012<br>RM'000 |
|------------------------------------------|-------------------------------|-------------------------------|
| <b>Short Term Borrowings</b>             |                               |                               |
| <i>Secured</i>                           |                               |                               |
| Hire Purchase and finance lease payables | -                             | 13                            |
| <i>Unsecured</i>                         |                               |                               |
| Term loan                                | 1,846                         | 1,846                         |
| Bankers acceptance                       | 2,434                         | 1,620                         |
| Revolving credit                         | 8,500                         | 7,500                         |
| Loans from holding company               | 1,864                         | 1,752                         |
|                                          | 14,644                        | 12,718                        |
|                                          | 14,644                        | 12,731                        |
|                                          |                               |                               |
|                                          | As at<br>30/06/2013<br>RM'000 | As at<br>31/12/2012<br>RM'000 |
| <i>Unsecured</i>                         |                               |                               |
| Long term loan                           | 2,769                         | 4,154                         |
| Loans from holding company               | 22,372                        | 24,069                        |
|                                          | 25,141                        | 28,223                        |

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

|                   |         |                      |
|-------------------|---------|----------------------|
|                   | USD'000 | RM'000<br>equivalent |
| USD loan          | 4,444   | 14,477               |
|                   |         | RM'000<br>equivalent |
| Japanese yen loan | 293,460 | 9,759                |

**22 Material Litigation**

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



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 3rd Quarter and nine months ended 30 Sept 2013**

**NOTES TO THE QUARTERLY REPORT**

**23 Dividend Payable**

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

**24 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.

|                                                                     | <b>3 months ended</b> |                   | <b>9 months ended</b> |                   |
|---------------------------------------------------------------------|-----------------------|-------------------|-----------------------|-------------------|
|                                                                     | <u>30/09/2013</u>     | <u>30/09/2012</u> | <u>30/09/2013</u>     | <u>30/09/2012</u> |
| <u>(Loss)/earnings per share</u>                                    |                       |                   |                       |                   |
| (Loss)/profit attributable to equity holders of the Company(RM'000) | (1,134)               | 5,451             | (591)                 | 6,526             |
| Weighted average number of ordinary shares in issued('000)          | 42,043                | 42,043            | 42,043                | 42,043            |
| <u>(Loss)/earnings per share(sen)</u>                               | <u>(2.70)</u>         | <u>12.97</u>      | <u>(1.41)</u>         | <u>15.52</u>      |

**25 Loss before taxation**

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

|                                           | <b>3 months ended</b> |                   | <b>9 months ended</b> |                   |
|-------------------------------------------|-----------------------|-------------------|-----------------------|-------------------|
|                                           | <u>30/09/2013</u>     | <u>30/09/2012</u> | <u>30/09/2013</u>     | <u>30/09/2012</u> |
| Interest income                           | -                     | (9)               | -                     | (14)              |
| Other income                              | (338)                 | (4,739)           | (701)                 | (5,424)           |
| Interest expense                          | 323                   | 383               | 957                   | 1,151             |
| Depreciation and amortisation             | 1,245                 | 1,100             | 3,706                 | 3,142             |
| Write off of inventories                  | 23                    | 34                | 89                    | 55                |
| Property, plant and equipment written off | 9                     | 26                | 30                    | 49                |
| Net Foreign exchange (gain)/loss          |                       |                   |                       |                   |
| - Realised                                | 106                   | (1)               | 57                    | 42                |
| - Unrealised                              | 746                   | (371)             | (123)                 | (375)             |
| Realised gain on derivative               |                       | (58)              |                       | (58)              |



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**NOTES TO THE QUARTERLY REPORT**

**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<br>30/09/2013<br>RM'000 | As at<br>31/12/2012<br>RM'000 |
|------------------------------------------------------|-------------------------------|-------------------------------|
| Total accumulated losses for the Company:            |                               |                               |
| - Realised loss                                      | (7,812)                       | (8,784)                       |
| - Unrealised (loss)/gain                             | (417)                         | 1,145                         |
| Total accumulated losses as per financial statements | <u>(8,229)</u>                | <u>(7,639)</u>                |

**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 : 25 November 2013