



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 December 2013**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

*(The figures have not been audited)*

	<b>INDIVIDUAL PERIOD</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 months ended 31 Dec 2013 RM'000</b>	<b>3 months ended 31 Dec 2012 RM'000</b>	<b>12 months ended 31 Dec 2013 RM'000</b>	<b>12 months ended 31 Dec 2012 RM'000</b>
Revenue	19,213	17,129	76,430	75,032
Other operating income	247	231	948	5,669
Operating expenses	(19,617)	(17,360)	(77,169)	(73,025)
(Loss)/profit from operations	(157)	-	209	7,676
Interest expense	(310)	(351)	(1,267)	(1,502)
(Loss)/profit before taxation	(467)	(351)	(1,058)	6,174
Taxation	-	-	-	-
(Loss)/profit for the period	(467)	(351)	(1,058)	6,174
Other comprehensive (loss)/income, net of tax				
Cash flow hedge	(17)	(18)	(30)	48
Net fair value changes in available-for-sale(AFS) financial asset	93	-	93	-
Total comprehensive (loss)/income for the period	(391)	(369)	(995)	6,222
 (Loss)/earnings per share (sen) :				
- Basic	<u>(1.11)</u>	<u>(0.83)</u>	<u>(2.52)</u>	<u>14.68</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 4th Quarter and twelve months ended 31 December 2013**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

	31 December 2013 RM'000	31 December 2012 RM'000
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	50,957	51,943
Land use rights	2,377	2,402
	<b>53,334</b>	<b>54,345</b>
<b>CURRENT ASSETS</b>		
Inventories	12,460	10,754
Trade and other receivables	15,227	14,441
Investment securities	167	-
Other current assets	60	282
Cash and bank balances	2,539	6,038
	<b>30,453</b>	<b>31,515</b>
<b>TOTAL ASSETS</b>	<b>83,787</b>	<b>85,860</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	14,190	12,731
Trade and other payables	11,759	9,813
	<b>25,949</b>	<b>22,544</b>
<b>NET CURRENT ASSETS</b>	<b>4,504</b>	<b>8,971</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	24,133	28,223
Derivative financial instrument	(32)	361
	<b>24,101</b>	<b>28,584</b>
<b>TOTAL LIABILITIES</b>	<b>50,050</b>	<b>51,128</b>
<b>NET ASSETS</b>	<b>33,737</b>	<b>34,732</b>
<b>EQUITY</b>		
Share capital	42,043	42,043
Reserves	391	328
Accumulated losses	(8,697)	(7,639)
<b>TOTAL EQUITY</b>	<b>33,737</b>	<b>34,732</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>83,787</b>	<b>85,860</b>
Net assets per share (RM)	0.80	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)**  
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**CONDENSED STATEMENT OF CASH FLOW**

*(The figures have not been audited)*

	<b>12 months ended 31 Dec 2013</b>	<b>12 months ended 31 Dec 2012</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(1,058)	6,174
Adjustments for :		
Non-cash operating items	4,530	3,455
Interest income	-	(18)
Interest expense	1,267	1,502
Insurance claims	-	(4,368)
Operating profit before working capital changes	4,739	6,745
Changes in working capital :		
Increase in inventories	(1,835)	(1,796)
Increase in receivables	(699)	(2,208)
Increase in payables	1,430	92
Cash generated from operations	3,635	2,833
Interest paid	(1,267)	(1,502)
Insurance claims received	-	4,368
<b>Net cash generated from operating activities</b>	<b>2,368</b>	<b>5,699</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	2	2
Downpayment for purchase of property, plant and equipment	-	(212)
Purchase of property, plant and equipment	(3,776)	(7,290)
Purchase of investment securities	(74)	-
Interest Received	-	18
<b>Net cash used in investing activities</b>	<b>(3,848)</b>	<b>(7,482)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loan to holding company	(1,508)	(2,846)
Drawdown of loan from holding company	-	10,032
Repayment of term loan	(1,846)	-
Drawdown/(repayment) of short term borrowings	1,337	(3,884)
<b>Net cash (used in)/generated from financing activities</b>	<b>(2,017)</b>	<b>3,302</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,497)</b>	<b>1,519</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>(2)</b>	<b>10</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>2,539</b>	<b>6,038</b>
	-	-
* Cash and cash equivalents consists of :		
Cash on hand and at bank	2,539	6,038

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)*

	<b>NON-DISTRIBUTABLE</b>				
	<b>Share capital</b>	<b>Hedging reserve</b>	<b>AFS reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	RM'000	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 31 December 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	-	(30)	93	(1,058)	(995)
At 31 December 2013	42,043	298	93	(8,697)	33,737

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)**  
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**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 4th Quarter and twelve months ended 31 December 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)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 December 2013**

**NOTES TO THE QUARTERLY REPORT**

**10 Subsequent Events**

There were no material events subsequent to 31 December 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>12 months ended</b>	
	<u>31/12/2013</u>	<u>31/12/2012</u>	<u>31/12/2013</u>	<u>31/12/2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Sales to related parties:				
Ajinomoto (M) Berhad	800	707	2,498	3,121
Toyo Seikan (Thailand) Co. Ltd (formerly known as Wellpack Innovation Co. Ltd)	(20)	-	817	-
Tokan Trading Corporation	-	15	-	2,201
Purchases from related parties:				
DIC (Malaysia) Sdn Bhd	427	259	1,534	1,458
Tokan Trading Corporation	404	323	1,412	1,687



**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**

Turnover for the quarter under review was RM19.21 million, increased by RM2.08 million from RM17.13 million achieved in last year similar quarter. This was mainly due to increase in export sales. The domestic sales also registered an increase due to improved demand of wrappers from the food industries.

The Company registered a pre-tax loss of RM0.47 million for the current quarter against a pre-tax loss of RM0.35 million in last year corresponding quarter despite the higher turnover. This was attributable to increase in raw materials prices and production cost

For the current financial year ended 31 December 2013, the Company registered a pre-tax loss RM1.06 million as compared with a profit before taxation of RM6.17 million achieved last year. The result for last year includes insurance income of RM4.4 million. The pre-tax loss registered was mainly due to increase in raw materials prices and also production cost.

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

The turnover for the current quarter had decreased by RM1.43 million to RM19.21 million as compared to RM20.64 million recorded in the immediate preceding quarter. The lower turnover was mainly due to some customers in the condom industry were readjusting their inventory level for packaging foil wrapper. As such orders were reduced.

The pre-tax loss of RM0.47 million for the current quarter was lower as compared to the pre-tax loss of RM1.13 million recorded in the immediate preceding quarter. For the current quarter, there was an unrealised gain on foreign exchange on translation of foreign loans as compared to an unrealised loss in previous quarter, as such resulted in a reduced pre-tax loss.

**17 Prospect**

The Board is of the opinion the business operating environment is expected to a challenging one due to uncertainties in the global economy and rising cost. Furthermore, the Company is also facing the impact of a strong USD that causes the imports of raw materials to be more expensive.

**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 4th Quarter and twelve months ended 31 December 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 31/12/2013 RM'000	As at 31/12/2012 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	1,970	1,620
Revolving credit	8,500	7,500
Loans from holding company	1,874	1,752
	14,190	12,718
	14,190	12,731
	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
<i>Unsecured</i>		
Long term loan	2,308	4,154
Loans from holding company	21,825	24,069
	24,133	28,223

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

	USD'000	RM'000 equivalent
USD loan	4,444	14,556
		RM'000 equivalent
Japanese yen loan	293,460	9,143

**22 Material Litigation**

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



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**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>12 months ended</b>	
	<u>31/12/2013</u>	<u>31/12/2012</u>	<u>31/12/2013</u>	<u>31/12/2012</u>
<u>(Loss)/earnings per share</u>				
(Loss)/profit attributable to equity holders of the Company(RM'000)	(467)	(351)	(1,058)	6,174
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>(1.11)</u>	<u>(0.83)</u>	<u>(2.52)</u>	<u>14.68</u>

**25 Loss before taxation**

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

	<b>3 months ended</b>		<b>12 months ended</b>	
	<u>31/12/2013</u>	<u>31/12/2012</u>	<u>31/12/2013</u>	<u>31/12/2012</u>
Interest income	-	(4)	-	(18)
Other income	(247)	(226)	(948)	(5,650)
Interest expense	(310)	(351)	(1,267)	(1,502)
Depreciation and amortisation	1,257	1,791	4,963	4,933
Impairment loss on trade receivables	-	6	-	6
Reversal of impairment loss on trade receivables				-
Write off of inventories	37	20	126	75
Write down of inventories	4	2	4	2
Loss/(gain) on disposal of PPE	2	(1)	2	(1)
Property, plant and equipment written off	9	18	39	67
Net Foreign exchange (gain)/loss				
- Realised	(55)	90	2	132
- Unrealised	(540)	(1,292)	(663)	(1,668)
Realised gain on derivative	-	-	-	(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 31/12/2013 RM'000	As at 31/12/2012 RM'000
Total accumulated losses for the Company:		
- Realised loss	(8,813)	(8,784)
- Unrealised (loss)/gain	118	1,145
Total accumulated losses as per financial statements	<u>(8,696)</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 : 17 February 2014