



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 Dec 2014**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

*(The figures have not been audited)*

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended 31 Dec 2014 RM'000	3 months ended 31 Dec 2013 RM'000	12 months ended 31 Dec 2014 RM'000	12 months ended 31 Dec 2013 RM'000
Revenue	21,005	19,213	81,050	76,430
Other operating income	372	247	1,094	948
Operating expenses	(22,384)	(19,617)	(84,305)	(77,169)
(Loss)/profit from operations	(1,007)	(157)	(2,161)	209
Interest expense	(312)	(310)	(1,185)	(1,267)
Loss before taxation	(1,319)	(467)	(3,346)	(1,058)
Taxation	-	-	-	-
Loss for the period	(1,319)	(467)	(3,346)	(1,058)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Fair value gain/(loss) from cash flow hedge	2	(17)	(76)	(30)
Fair value gain from available-for-sale financial asset	32	93	36	93
Other comprehensive gain/(loss) for the period	34	76	(40)	63
Total comprehensive loss for the period	(1,285)	(391)	(3,386)	(995)
Loss per share (sen) :				
- Basic	(3.14)	(1.11)	(7.96)	(2.52)
- Diluted	(3.14)	(1.11)	(7.96)	(2.52)

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 Dec 2014**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

	31 Dec 2014 RM'000	31 December 2013 RM'000
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	48,420	50,957
Land use rights	2,352	2,377
	<b>50,772</b>	<b>53,334</b>
<b>CURRENT ASSETS</b>		
Inventories	11,494	12,460
Trade and other receivables	17,745	15,227
Other current assets	22	60
Available-for-sale financial asset	203	167
Financial instrument at fair value through other comprehensive income	140	32
Cash and bank balances	9,165	2,539
	<b>38,769</b>	<b>30,485</b>
<b>TOTAL ASSETS</b>	<b>89,541</b>	<b>83,819</b>
<b>EQUITY</b>		
Issued capital	42,043	42,043
Cash flow hedge reserve	222	298
Available-for-sale reserve	129	93
Accumulated losses	(12,042)	(8,696)
<b>TOTAL EQUITY</b>	<b>30,352</b>	<b>33,738</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	27,198	24,133
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	17,649	14,190
Trade and other payables	14,342	11,758
	<b>31,991</b>	<b>25,948</b>
<b>TOTAL LIABILITIES</b>	<b>59,189</b>	<b>50,081</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>89,541</b>	<b>83,819</b>
Net assets per share (RM)	0.72	0.80

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014</b>	<b>12 months ended 31 Dec 2013</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(3,346)	(1,058)
Adjustments for :		
Non-cash operating items	5,406	4,530
Interest expense	1,185	1,267
Operating profit before working capital changes	3,245	4,739
Changes in working capital :		
Decrease / (Increase) in inventories	785	(1,835)
Increase in receivables	(2,240)	(699)
Increase in payables	2,528	1,430
Cash generated from operations	4,318	3,635
Interest paid	(1,185)	(1,267)
<b>Net cash generated from operating activities</b>	<b>3,133</b>	<b>2,368</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	44	2
Purchase of property, plant and equipment	(2,719)	(3,776)
Purchase of investment securities	-	(74)
<b>Net cash used in investing activities</b>	<b>(2,675)</b>	<b>(3,848)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loan to holding company	(1,932)	(1,508)
Drawdown of loan from holding company	8,150	-
Repayment of term loan	(1,846)	(1,846)
Drawdown of short term borrowings	128	1,337
Drawn down of finance leases obligations	192	-
<b>Net cash generated from / (used) in financing activities</b>	<b>4,692</b>	<b>(2,017)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,150</b>	<b>(3,497)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>726</b>	<b>(2)</b>
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD</b>	<b>2,539</b>	<b>6,038</b>
<b>CASH AND CASH EQUIVALENT AT END OF THE PERIOD *</b>	<b>8,415</b>	<b>2,539</b>
* Cash and cash equivalents consists of :		
Cash on hand and at bank	9,165	2,539
Bank overdraft	(750)	0
	<u>8,415</u>	<u>2,539</u>

The Condensed Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



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**CONDENSED STATEMENTS OF CHANGES IN EQUITY**

*(The figures have not been audited)*

	I---Non-distributable---I		Distributable		Total
	Issued capital	Cashflow hedge reserve	Available- for-sale reserve	Profit/ (accumulated losses)	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	42,043	298	93	(8,696)	33,738
Total comprehensive (loss)/gain for the period	-	(76)	36	(3,346)	(3,386)
At 31 Dec 2014	42,043	222	129	(12,042)	30,352
At 1 January 2013	42,043	328	-	(7,638)	34,733
Total comprehensive (loss)/gain for the period	-	(30)	93	(1,058)	(995)
At 31 Dec 2013	42,043	298	93	(8,696)	33,738

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



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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 2013.

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 2013.

**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 2013 except as follows:

On 1 January 2014, the Company adopted the following amended MFRS and IC Interpretations where applicable.

**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

IC Interpretation 21 Levies

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Company



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**NOTES TO THE QUARTERLY REPORT**

**2 Changes in Accounting Policies (continued)**

**2.1 MFRS issued but not yet effective**

At the date of authorisation of these interim financial statements, the following MFRS was 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 July 2014**

MFRS 2	Amendment to MFRS 2(Annual Improvements to MFRSs 2010-2012 Cycle)
MFRS 3	Amendment to MFRS 3(Annual Improvements to MFRSs 2010-2012 Cycle) Amendment to MFRS 3(Annual Improvements to MFRSs 2011-2013 Cycle)
MFRS 8	Amendment to MFRS 8(Annual Improvements to MFRSs 2010-2012 Cycle)
MFRS 13	Amendment to MFRS 13(Annual Improvements to MFRSs 2011-2013 Cycle)
MFRS 116	Amendment to MFRS 116(Annual Improvements to MFRSs 2010-2012 Cycle)
MFRS 119	Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
MFRS 124	Amendment to MFRS 124(Annual Improvements to MFRSs 2010-2012 Cycle)
MFRS 138	Amendment to MFRS 138(Annual Improvements to MFRSs 2010-2012 Cycle)
MFRS 140	Amendment to MFRS 140(Annual Improvements to MFRSs 2011-2013 Cycle)

**Effective for annual periods beginning on or after 1 January 2016**

MFRS 5	Amendment to MFRS 5(Annual Improvements to MFRSs 2012-2014 Cycle)
MFRS 7	Amendment to MFRS 7(Annual Improvements to MFRSs 2012-2014 Cycle)
MFRS 10	Amendment to MFRS 10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Amendments to MFRS 10 Investment Entities: Applying the Consolidation Exception
MFRS 11	Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations
MFRS 12	Amendments to MFRS 12 Investment Entities: Applying the Consolidation Exception
MFRS 14	Regulatory Deferral Accounts
MFRS 101	Amendments to MFRS 101 Disclosure Initiative
MFRS 116	Amendment to MFRS 116(Clarification of Acceptable Methods of Depreciation and Amortisation)



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**NOTES TO THE QUARTERLY REPORT**

**2 Changes in Accounting Policies (continued)**

**2.1 MFRS issued but not yet effective(continued)**

MFRS 119	Amendment to MFRS 119(Annual Improvements to MFRSs 2012-2014 Cycle)
MFRS 127	Amendment to MFRS 127 Equity Method in Separate Financial Statements
MFRS 128	Amendment to MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Amendments to MFRS 128 Investment Entities:Applying the Consolidation Exception
MFRS 134	Amendment to MFRS 134(Annual Improvements to MFRSs 2012-2014 Cycle)
MFRS 138	Amendment to MFRS 138(Clarification of Acceptable Methods of Depreciation and Amortisation)
MFRS 141	Amendment to MFRS 141 (Agriculture: Bearer Plants)

**Effective for annual periods beginning on or after 1 January 2017**

MFRS 15	Revenue from Contracts with Customers
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**Effective for annual periods beginning on or after 1 January 2018**

MFRS 9	Financial Instruments(IFRS 9 as issued by IASB in July 2014)
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The directors expect that the adoption of the above amendment to standard 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.



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**NOTES TO THE QUARTERLY REPORT**

**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 31 Dec 2014 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>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Sales to related parties:				
Ajinomoto (M) Berhad	876	800	4,038	2,498
Toyo Seikan (Thailand) Co. Ltd	295	(20)	1,328	817
Purchases from related parties:				
DIC (Malaysia) Sdn Bhd	530	427	1,897	1,534
Tokan Trading Corporation	138	404	1,052	1,412





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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**

Sales turnover for the current quarter was RM21 million as compared to RM19.2 million in the corresponding quarter of last year. The improvement of RM1.8 million in sales was due mainly to increase in export sales and strong demand for packaging foil wrappers from the condom industry. Despite the increased turnover, the Company recorded a pre-tax loss of RM1.32 million as compared to a pre-tax loss of RM0.47 million due mainly to increase in production costs. Another factor contributed to the pre-tax loss is the strong USD which resulted in a unrealised foreign exchange loss on retranslation of monetary assets and liabilities denominated in foreign currency

For the financial ended 31 Dec 2014, the Company registered a turnover of RM81.05 million as compared to RM76.43 million in same period last year, representing a growth rate of 6%. This was due mainly to increase demand of packaging wrappers for medical devices, dairy products and condoms.

The pre-tax loss for the year widened to RM3.35 million from a pre-tax loss of RM1.06 million recorded in last year corresponding period. This was attributable to higher production costs

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

The turnover for the current quarter had increased by RM2.70 million to RM21.0 million as compared to RM18.3 million recorded in the immediate preceding quarter. The improvement in the turnover was attributable to increase demand for retort pouch packaging and the orders for condom packaging had start to pick-up .

The loss before taxation for the current quarter was slightly higher at RM1.32million as compared to a pre-tax loss of RM1.22million in the preceding quarter. This was mainly due to unrealised foreign exchange translation loss while a unrealised translation gain was recorded in the immediate previous quarter.

**17 Prospect**

The Board is of the opinion that the business operating environment will be a challenging one on the back of global uncertainty and plunging oil prices that had prompted the government to revise the GDP downward. However the Company will strive to increase its turnover in the export sector as local demand may be affected due to the domestic economic factors.

**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)**  
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**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 31/12/2014 RM'000	As at 31/12/2013 RM'000
<b>Short Term Borrowings</b>		
<i>Secured</i>		
Hire Purchase and finance lease payables	36	-
<i>Unsecured</i>		
Term loan	1,846	1,846
Bankers acceptance	1,598	1,970
Revolving credit	9,000	8,500
Bank overdraft	750	-
Loans from holding company	4,419	1,874
	<u>17,613</u>	<u>14,190</u>
	<u>17,649</u>	<u>14,190</u>
	As at 31/12/2014 RM'000	As at 31/12/2013 RM'000
<b>Long Term Borrowings</b>		
<i>Secured</i>		
Hire Purchase and finance lease payables	155	-
<i>Unsecured</i>		
Long Term Loan	462	2,308
Loans from holding company	26,581	21,825
	<u>27,043</u>	<u>24,133</u>
	<u>27,198</u>	<u>24,133</u>

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

	USD'000	RM'000 equivalent
USD loan	6,412	22,420
	<u>6,412</u>	<u>22,420</u>
	JPY'000	RM'000 equivalent
Japanese yen loan	293,460	8,580
	<u>293,460</u>	<u>8,580</u>



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**NOTES TO THE QUARTERLY REPORT**

**22 Material Litigation**

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

**23 Dividend Payable**

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

**24 Loss Per Share**

The loss per share are calculated by dividing the net loss 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>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
<u>Loss per share</u>				
Loss attributable to equity holders of the Company(RM'000)	(1,319)	(467)	(3,346)	(1,058)
Weighted average number of ordinary shares in issued('000)	42,043	42,043	42,043	42,043
Loss per share(sen)	<u>(3.14)</u>	<u>(1.11)</u>	<u>(7.96)</u>	<u>(2.52)</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>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
	RM'000	RM'000	RM'000	RM'000
Other income	(364)	(247)	(1,079)	(948)
Interest expense	(312)	(310)	(1,185)	(1,267)
Depreciation and amortisation	1,303	1,257	5,115	4,963
Write off of inventories	42	37	188	126
Write down of inventories	-	4	-	4
Reversal of stock impairment loss	(7)	-	(7)	-
(Gain)/loss on disposal of PPE	(8)	2	(15)	2
Property, plant and equipment written off	34	9	136	39
Net Foreign exchange loss/(gain)				
- Realised	20	(55)	(41)	2
- Unrealised	294	(540)	(64)	(662)



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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 loss and unrealised gain is as follows:-

	As at 31/12/2014 RM'000	As at 31/12/2013 RM'000
Total accumulated losses for the Company:		
- Realised loss	(12,106)	(9,358)
- Unrealised gain	64	662
Total accumulated losses as per financial statements	<u>(12,042)</u>	<u>(8,696)</u>

**27 Auditors' Report**

The auditors' report of the financial statements for the year ended 31 December 2013 was not qualified.

By Order of the Board

MITSURU HIRAMUKI  
Chief Executive Officer/Managing Director

Kuala Lumpur, Malaysia  
Date : 23 February 2015