



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 Dec 2015**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

*(The figures have not been audited)*

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended 31 Dec 2015 RM'000	3 months ended 31 Dec 2014 RM'000	12 months ended 31 Dec 2015 RM'000	12 months ended 31 Dec 2014 RM'000
Revenue	20,637	21,005	86,853	81,050
Other operating income	389	372	1,386	1,094
Operating expenses	(21,860)	(22,384)	(94,438)	(84,305)
Loss from operations	(834)	(1,007)	(6,199)	(2,161)
Interest expense	(344)	(312)	(1,258)	(1,185)
Loss before taxation	(1,178)	(1,319)	(7,457)	(3,346)
Taxation	-	-	-	-
Loss for the period	(1,178)	(1,319)	(7,457)	(3,346)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Fair value loss from cash flow hedge	-	2	(222)	(76)
Fair value gain/(loss) from available-for-sale financial asset	80	32	169	36
Other comprehensive loss for the period	80	34	(53)	(40)
Total comprehensive loss for the period	(1,098)	(1,285)	(7,510)	(3,386)
Loss per share (sen) :				
- Basic	(2.80)	(3.14)	(17.74)	(7.96)
- Diluted	(2.80)	(3.14)	(17.74)	(7.96)

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

	31 Dec 2015 RM'000	31 December 2014 RM'000
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	46,185	48,420
Land use rights	2,327	2,352
	<b>48,512</b>	<b>50,772</b>
<b>CURRENT ASSETS</b>		
Inventories	13,855	11,494
Trade and other receivables	18,526	17,745
Other current assets	137	22
Available-for-sale financial asset	372	203
Financial instrument at fair value through other comprehensive income	-	140
Cash and bank balances	5,516	9,165
	<b>38,406</b>	<b>38,769</b>
<b>TOTAL ASSETS</b>	<b>86,918</b>	<b>89,541</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Issued capital	42,043	42,043
Cash flow hedge reserve	-	222
Available-for-sale reserve	298	129
Accumulated losses	(19,499)	(12,042)
<b>TOTAL EQUITY</b>	<b>22,842</b>	<b>30,352</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	24,443	27,198
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	24,125	17,649
Trade and other payables	15,508	14,342
	<b>39,633</b>	<b>31,991</b>
<b>TOTAL LIABILITIES</b>	<b>64,076</b>	<b>59,189</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>86,918</b>	<b>89,541</b>
Net assets per share (RM)	<b>0.54</b>	<b>0.72</b>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

**CONDENSED STATEMENT OF CASH FLOW**

*(The figures have not been audited)*

	<b>12 months ended 31 Dec 2015</b>	<b>12 months ended 31 Dec 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(7,457)	(3,346)
Adjustments for :		
Non-cash operating items	12,792	5,406
Interest expense	1,258	1,185
Operating profit before working capital changes	6,593	3,245
Changes in working capital :		
(Increase)/Decrease in inventories	(2,976)	785
Increase in receivables	(1,136)	(2,240)
Increase in payables	1,582	2,528
Cash generated from operations	4,063	4,318
Interest paid	(1,258)	(1,185)
<b>Net cash generated from operating activities</b>	<b>2,805</b>	<b>3,133</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	-	44
Downpayment for purchase of property, plant and equipment	-	-
Purchase of property, plant and equipment	(3,057)	(2,719)
<b>Net cash used in investing activities</b>	<b>(3,057)</b>	<b>(2,675)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loan to ultimate holding company	(4,817)	(1,932)
Drawdown of loan from holding company	3,500	8,150
Repayment of a term loan	(1,846)	(1,846)
Increase in short term borrowings	1,272	128
(Repayments)/Increase of obligations under finance leases	(36)	192
<b>Net cash generated (used in)/from financing activities</b>	<b>(1,927)</b>	<b>4,692</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,179)</b>	<b>5,150</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>(720)</b>	<b>726</b>
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD</b>	<b>8,415</b>	<b>2,539</b>
<b>CASH AND CASH EQUIVALENT AT END OF THE PERIOD *</b>	<b>5,516</b>	<b>8,415</b>
* Cash and cash equivalents consists of :		
Cash on hand and at bank	5,516	9,165
Bank overdraft	0	(750)
	<u>5,516</u>	<u>8,415</u>

The Condensed Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

**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	Accumulated losses	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	42,043	222	129	(12,042)	30,352
Total comprehensive loss for the period	-	(222)	169	(7,457)	(7,510)
At 31 Dec 2015	42,043	-	298	(19,499)	22,842
At 1 January 2014	42,043	298	93	(8,696)	33,738
Total comprehensive loss for the period	-	(76)	36	(3,346)	(3,386)
At 31 Dec 2014	42,043	222	129	(12,042)	30,352

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

**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 2014.

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 2014.

**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 2014 except as follows:

On 1 January 2015, the Company adopted the following amended MFRS and improvements to MFRS for annual financial period beginning on or after 1 July 2014, where applicable.

Amendments to MFRS 119 : Defined Benefit Plans: Employee Contributions  
Annual Improvements to MFRSs 2010-2012 cycle  
Annual Improvements to MFRSs 2011-2013 cycle

The directors expect that the adoption of the above amendments to standard and annual improvements will have no material impact on the financial statements in the period of initial application.

**2.1 MFRS issued but not yet effective**

At the date of authorisation of these interim financial statements, the following MFRS, amendments to MFRS and annual improvements 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:



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 Dec 2015**

**NOTES TO THE QUARTERLY REPORT**

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

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

**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)
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 2018**

MFRS 9	Financial Instruments(IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers

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.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 Dec 2015**

**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.

Geographical information

Revenue information based on geographical location of customers is as follows:

	<b>3 months ended</b>		<b>12 months ended</b>	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	14,989	14,066	62,104	58,432
ASEAN	5,264	6,175	22,303	19,820
Others	384	764	2,446	2,798
	<u>20,637</u>	<u>21,005</u>	<u>86,853</u>	<u>81,050</u>



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 Dec 2015**

**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 December 2015 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>	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Sales to related parties:				
Ajinomoto (M) Berhad	1,057	876	3,551	4,038
Toyo Seikan (Thailand) Co. Ltd	274	295	1,140	1,328
Purchases from related parties:				
DIC (Malaysia) Sdn Bhd	284	530	1,437	1,897
Tokan Trading Corporation	315	138	1,070	1,052





**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 Dec 2015**

**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 RM20.64 million, decreased by RM0.37 million from RM21.01 million achieved in last year similar quarter. The reduction in turnover was mainly due to slow demand for packaging foil wrappers for condoms.

Meanwhile the pre-tax loss reduced to RM1.18 million from RM1.32 million recorded in similar quarter of last year mainly due to the unrealised gain on foreign exchange of RM0.54 million on translation of foreign loans.

For the current financial year-to-date, the Company's turnover and pre-tax loss were RM86.85 million and RM7.46 million respectively, as compared to turnover of RM81.05 million and pre-tax loss of RM3.35 million recorded in last year corresponding period. The higher turnover was mainly due to increased orders for retort pouch and liner packaging, while the higher pre-tax loss was due to unrealised foreign exchange loss of RM6.81 million on retranslation of the foreign loans and other monetary items denominated in foreign currency.

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

The turnover of RM20.64 million for the current quarter is lower by 6% as compared with turnover of RM21.97 million achieved in the immediate preceding quarter. The reduction in turnover was mainly due to lower demand for packaging foil wrappers for condoms and retort pouch packaging.

The Company registered a lower pre-tax loss of RM1.18 million during the quarter as against a pre-tax loss of RM4.18 million in the preceding quarter. This was mainly due to unrealised foreign exchange gain of RM0.54 million as apposed to a unrealised foreign exchange translation loss of RM4.39 million in the preceding quarter.

**17 Prospect**

The Board is of the opinion that the business operating environment will be competitive and challenging on the back of global uncertainty and weak Malaysian ringgit. However, the Company will focus on its efforts to increase its export and local sales and costs efficiency.

**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 Dec 2015**

**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 31/12/2015 RM'000	As at 31/12/2014 RM'000
<b>Short Term Borrowings</b>		
<i>Secured</i>		
Obligations under finance leases	36	36
<i>Unsecured</i>		
Term loan	462	1,846
Bankers acceptance	1,870	1,598
Revolving credit	10,000	9,000
Bank overdraft	-	750
Loans from holding company	11,757	4,419
	<u>24,089</u>	<u>17,613</u>
	<u>24,125</u>	<u>17,649</u>
	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
<b>Long Term Borrowings</b>		
<i>Secured</i>		
Obligations under finance leases	119	155
<i>Unsecured</i>		
Long term loan	-	462
Loans from holding company	24,324	26,581
	<u>24,324</u>	<u>27,043</u>
	<u>24,443</u>	<u>27,198</u>
<b>Included in the borrowings are borrowings denominated in foreign currency from holding company:</b>		
	USD'000	RM'000 equivalent
USD loan	5,510	23,657
	JPY'000	RM'000 equivalent
Japanese yen loan	250,200	8,924



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 Dec 2015**

**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 is 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>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
<u>Loss per share</u>				
Loss attributable to equity holders of the Company(RM'000)	(1,178)	(1,319)	(7,457)	(3,346)
Weighted average number of ordinary shares in issued('000)	<u>42,043</u>	<u>42,043</u>	<u>42,043</u>	<u>42,043</u>
Loss per share(sen)	<u>(2.80)</u>	<u>(3.14)</u>	<u>(17.74)</u>	<u>(7.96)</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>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	-	-	-	-
Other income	(389)	(364)	(1,386)	(1,079)
Interest expense	344	(312)	1,258	(1,185)
Depreciation and amortisation	1,301	1,303	5,207	5,115
Impairment loss on trade receivables	-	-	-	-
Reversal of impairment loss on trade receivables	-	-	-	-
Write off of inventories	418	42	598	188
Write down of inventories	-	-	-	-
Reversal of stock impairment loss	17	(7)	17	(7)
Gain on disposal of PPE	-	(8)	-	(15)
Property, plant and equipment - written off	88	34	111	136
Net Foreign exchange (gain)/loss				
- Realised	(235)	20	(2,139)	(41)
- Unrealised	(544)	294	6,809	(64)



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 4th Quarter and twelve months ended 31 Dec 2015**

**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 is as follows:

	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
Total accumulated losses for the Company:		
- Realised loss	(12,690)	(12,106)
- Unrealised (loss)/ gain	(6,809)	64
Total accumulated losses as per financial statements	<u>(19,499)</u>	<u>(12,042)</u>

**27 Auditors' Report**

The auditors' report of the financial statements for the year ended 31 December 2014 was not qualified.

By Order of the Board

MITSURU HIRAMUKI  
Chief Executive Officer/Managing Director

Kuala Lumpur, Malaysia  
Date : 22 February 2016