



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter and three months ended 31 March 2016**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

*(The figures have not been audited)*

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended 31 Mar 2016 RM'000	3 months ended 31 Mar 2015 RM'000	3 months ended 31 Mar 2016 RM'000	3 months ended 31 Mar 2015 RM'000
Revenue	21,901	22,382	21,901	22,382
Other operating income	230	340	230	340
Operating expenses	(21,357)	(22,911)	(21,357)	(22,911)
Gain/(Loss) from operations	774	(189)	774	(189)
Interest expense	(344)	(308)	(344)	(308)
Gain/(Loss) before taxation	430	(497)	430	(497)
Taxation	-	-	-	-
Profit/(Loss) for the period	430	(497)	430	(497)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Fair value loss from cash flow hedge	-	(31)	-	(31)
Fair value (loss)/gain from available-for-sale financial asset	(30)	72	(30)	72
Other comprehensive (loss)/gain for the period	(30)	41	(30)	41
Total comprehensive gain/(loss) for the period	400	(456)	400	(456)
Gain/(Loss) per share (sen) :				
- Basic	1.02	(1.18)	1.02	(1.18)
- Diluted	1.02	(1.18)	1.02	(1.18)

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
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**CONDENSED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

	31 Mar 2016 RM'000	31 December 2015 RM'000
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	45,432	46,185
Land use rights	2,320	2,327
	<b>47,752</b>	<b>48,512</b>
<b>CURRENT ASSETS</b>		
Inventories	12,674	13,855
Trade and other receivables	19,860	18,526
Other current assets	427	137
Available-for-sale financial asset	342	372
Cash and bank balances	3,611	5,516
	<b>36,914</b>	<b>38,406</b>
<b>TOTAL ASSETS</b>	<b>84,666</b>	<b>86,918</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Issued capital	42,043	42,043
Available-for-sale reserve	268	298
Accumulated losses	(19,070)	(19,499)
<b>TOTAL EQUITY</b>	<b>23,241</b>	<b>22,842</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	22,535	24,443
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	24,054	24,125
Trade and other payables	14,836	15,508
	<b>38,890</b>	<b>39,633</b>
<b>TOTAL LIABILITIES</b>	<b>61,425</b>	<b>64,076</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>84,666</b>	<b>86,918</b>
Net assets per share (RM)	0.55	0.54

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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>3 months ended 31 Mar 2016</b>	<b>12 months ended 31 Dec 2015</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	430	(7,457)
Adjustments for :		
Non-cash operating items	(673)	12,792
Interest expense	344	1,258
Operating profit before working capital changes	101	6,593
Changes in working capital :		
Decrease/(Increase) in inventories	1,130	(2,976)
Increase in receivables	(1,935)	(1,136)
(Decrease)/Increase in payables	(602)	1,582
Cash (used in)/generated from operations	(1,306)	4,063
Interest paid	(344)	(1,258)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,650)</b>	<b>2,805</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(511)	(3,057)
<b>Net cash used in investing activities</b>	<b>(511)</b>	<b>(3,057)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loan to ultimate holding company	-	(4,817)
Drawdown of loan from holding company	-	3,500
Repayment of a term loan	(462)	(1,846)
Increase in short term borrowings	881	1,272
Repayments of obligations under finance leases	(9)	(36)
<b>Net cash generated from/(used in) financing activities</b>	<b>410</b>	<b>(1,927)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,751)</b>	<b>(2,179)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>(154)</b>	<b>(720)</b>
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD</b>	<b>5,516</b>	<b>8,415</b>
<b>CASH AND CASH EQUIVALENT AT END OF THE PERIOD *</b>	<b>3,611</b>	<b>5,516</b>
* Cash and cash equivalents consists of :		
Cash on hand and at bank	3,611	5,516
Bank overdraft	0	0
	<u>3,611</u>	<u>5,516</u>

The Condensed Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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	
	Issued capital	Cashflow hedge reserve	Available- for-sale reserve	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2016	42,043	-	298	(19,499)	22,842
Total comprehensive gain for the period	-	-	(30)	430	400
At 31 Mar 2016	42,043	-	268	(19,069)	23,242
At 1 January 2015	42,043	222	129	(12,042)	30,352
Total comprehensive loss for the period	-	(31)	72	(497)	(456)
At 31 Mar 2015	42,043	191	201	(12,539)	29,896

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

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 2015.

**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 2015 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:



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**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.



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**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>	
	31/3/2016	31/3/2015
	<u>RM'000</u>	<u>RM'000</u>
Malaysia	16,473	15,988
ASEAN	4,649	5,182
Others	779	1,212
	<u>21,901</u>	<u>22,382</u>



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**NOTES TO THE QUARTERLY REPORT**

**9 Valuations of Property, Plant and Equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

**10 Subsequent Events**

There were no material events subsequent to 31 March 2016 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>	
	31/3/2016	31/3/2015
	<u>RM'000</u>	<u>RM'000</u>
Sales to related parties:		
Ajinomoto (M) Berhad	615	817
Toyo Seikan (Thailand) Co. Ltd	714	259
Purchases from related parties:		
DIC (Malaysia) Sdn Bhd	165	511
Tokan Trading Corporation	541	295





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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 RM21.90 million, decreased by RM0.48 million from RM22.38 million achieved in last year similar quarter. The reduction in turnover was mainly due to lower demand for retort pouch packaging.

Despite lower turnover, the Company registered a pre-tax profit of RM0.43 million during the quarter as against a pre-tax loss of RM0.50 million similar quarter of last year. This was mainly due to unrealised foreign exchange gain of RM2.0 million as opposed to a unrealised foreign exchange translation loss of RM2.2 million in the similar quarter of last year.

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

The turnover of RM21.90 million for the current quarter is higher by 6% as compared with turnover of RM20.64 million achieved in the immediate preceding quarter. The increase was attributable to higher sales in condom packaging.

The Company recorded a pre-tax profit of RM0.43 million during the quarter as against a pre-tax loss of RM1.18 million in the preceding quarter. This was mainly due to unrealised foreign translation gain of RM2 million.

**17 Prospect**

The Board is of the opinion that the business operating environment is expected to a challenging one due to uncertainties in the global economy and rising costs. However, the Company will continue to focus on enhancing its business profitability by cost control measures and better management of its product sales mix by exploring new market opportunities.

**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.



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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 31/3/2016 RM'000	As at 31/12/2015 RM'000
<b>Short Term Borrowings</b>		
<i>Secured</i>		
Obligations under finance leases	36	36
<i>Unsecured</i>		
Term loan	-	462
Bankers acceptance	2,751	1,870
Revolving credit	10,000	10,000
Loans from holding company	11,267	11,757
	<u>24,018</u>	<u>24,089</u>
	<u>24,054</u>	<u>24,125</u>
	As at 31/3/2016 RM'000	As at 31/12/2015 RM'000
<b>Long Term Borrowings</b>		
<i>Secured</i>		
Obligations under finance leases	110	119
<i>Unsecured</i>		
Loans from holding company	22,425	24,324
	<u>22,425</u>	<u>24,324</u>
	<u>22,535</u>	<u>24,443</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	21,500
	JPY'000	RM'000 equivalent
Japanese yen loan	250,200	8,691



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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 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>	
	<u>31/3/2016</u>	<u>31/3/2015</u>
<u>Gain/(Loss) per share</u>		
Gain/(Loss) attributable to equity holders of the Company(RM'000)	430	(497)
Weighted average number of ordinary shares in issued('000)	<u>42,043</u>	<u>42,043</u>
Gain/(Loss) per share(sen)	<u>1.02</u>	<u>(1.18)</u>

**25 Gain/(Loss) before taxation**

The following amounts have been included in arriving at gain/(loss) before taxation

	<b>3 months ended</b>	
	<u>31/3/2016</u>	<u>31/3/2015</u>
	RM'000	RM'000
Interest income	-	-
Other income	(230)	(340)
Interest expense	344	308
Depreciation and amortisation	1,269	1,318
Write off of inventories	52	28
Property, plant and equipment		
- written off	1	3
Net Foreign exchange (gain)/loss		
- Realised	96	(1,149)
- Unrealised	(2,000)	2,210



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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 is as follows:

	As at 31/3/2016 RM'000	As at 31/12/2015 RM'000
Total accumulated losses for the Company:		
- Realised loss	(21,070)	(12,690)
- Unrealised gain / (loss)	2,000	(6,809)
Total accumulated losses as per financial statements	<u>(19,070)</u>	<u>(19,499)</u>

**27 Auditors' Report**

The auditors' report of the financial statements for the year ended 31 December 2015 was not qualified.

By Order of the Board

MITSURU HIRAMUKI  
Chief Executive Officer/Managing Director

Kuala Lumpur, Malaysia  
Date : 23 May 2016