

**PUBLIC PACKAGES HOLDINGS BERHAD**  
**FIRST QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER**  
**ENDED 31 MARCH 2011**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
REVENUE	36,181	34,254	36,181	34,254
OPERATING EXPENSES	(34,069)	(32,890)	(34,069)	(32,890)
OTHER INCOME	320	366	320	366
<b>PROFIT FROM OPERATIONS</b>	<b>2,432</b>	<b>1,730</b>	<b>2,432</b>	<b>1,730</b>
SHARE OF RESULTS OF JOINT VENTURE COMPANIES	141	522	141	522
FINANCE COSTS	(658)	(513)	(658)	(513)
<b>PROFIT BEFORE TAX</b>	<b>1,915</b>	<b>1,739</b>	<b>1,915</b>	<b>1,739</b>
TAX EXPENSE	(362)	(618)	(362)	(618)
<b>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>1,553</b>	<b>1,121</b>	<b>1,553</b>	<b>1,121</b>
<b>EARNING PER SHARE ATTRIBUTABLE TO OWNER OF THE PARENT</b>				
- Basic (sen)	1.41	1.02	1.41	1.02
- Diluted (sen)	1.41	1.02	1.41	1.02

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31st December 2010 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>3 MONTHS ENDED</b>		<b>3 MONTHS ENDED</b>	
	<b>31/3/2011</b>	<b>31/3/2010</b>	<b>31/3/2011</b>	<b>31/3/2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Profit for the period	1,553	1,121	1,553	1,121
<b>OTHER COMPREHENSIVE INCOME:-</b>				
Foreign currency translation differences for foreign operations	(16)	(112)	(16)	(112)
Fair value of available-for-sale financial assets	30	42	30	42
Total other comprehensive income/(loss) for the period	<u>14</u>	<u>(70)</u>	<u>14</u>	<u>(70)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<u>1,567</u>	<u>1,051</u>	<u>1,567</u>	<u>1,051</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31st December 2010 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31/3/2011 RM'000 Unaudited	As at 31/12/2010 RM'000 Audited
<b>ASSETS</b>		
Non-current Assets		
Property, Plant & Equipment	82,553	83,097
Investment Properties	7,860	7,860
Goodwill	675	675
Investments in Joint Venture	17,441	17,348
AFS investments	435	405
Development Properties	19,995	19,995
	128,959	129,380
Current Assets		
Inventories	19,679	19,533
Trade and other receivables	41,881	38,284
Tax Recoverable	1,274	1,275
Cash & Cash Equivalents	5,055	6,667
	67,889	65,759
<b>TOTAL ASSETS</b>	<b>196,848</b>	<b>195,139</b>
<b>LIABILITIES</b>		
Non Current Liabilities		
Borrowings	10,154	10,612
Deferred tax liabilities	10,745	10,975
	20,899	21,587
Current Liabilities		
Trade & Other Payable	16,743	14,489
Borrowings	43,610	45,034
	60,353	59,523
<b>TOTAL LIABILITIES</b>	<b>81,252</b>	<b>81,110</b>
<b>EQUITY</b>		
Share Capital	54,949	54,949
Reserves	60,647	59,080
Equity attributable to owners of the parent	115,596	114,029
Minority interest	-	-
<b>TOTAL EQUITY</b>	115,596	114,029
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>196,848</b>	<b>195,139</b>
Net Assets per share attributable to owners of the parent (RM)	1.05	1.04

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31st December 2010 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	3 MONTHS ENDED	
	31/3/2011	31/3/2010
	RM'000 Unaudited	RM'000 Audited
Profit before tax	1,915	1,739
Adjustments for non-cash flow items:-		
Non-cash items	1,188	1,160
Non-operating items	(107)	(468)
Operating profit before changes in working capital	2,996	2,431
Changes in working capital		
Net changes in current assets	(3,770)	(1,196)
Net changes in current liabilities	2,256	(66)
Cash from operation	1,482	1,169
Dividend received	-	2
Tax paid	(554)	(374)
Tax refund	8	62
Net Cash Flows From Operating Activities	936	859
Investing Activities		
- Other investments	(648)	(1,230)
Net Cash Flows Used In Investing Activities	(648)	(1,230)
Financing activities		
- Net of bank borrowings	(313)	(329)
- Dividend paid	-	-
Net Cash Flows Used in Financing Activities	(313)	(329)
Effects of exchange rate changes on cash & cash equivalents	0	(3)
Net Change In Cash & Cash Equivalents	(25)	(703)
Cash & Cash Equivalents At Beginning Of Year	(1,807)	7,471
Effects of exchange rate changes	(19)	(43)
Cash & Cash Equivalents At End Of Period	(1,851)	6,725

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 31st December 2010 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	AFS Reserve RM'000	Currency Translation Reserve RM'000	Accumulated profit carried forward RM'000	Total RM'000
At 1 January 2010	54,949	1,295	16,106	-	(151)	36,036	108,235
Effect from adoption of FRS 139	-	-	-	205	-	-	205
As restated	54,949	1,295	16,106	205	(151)	36,036	108,440
Total comprehensive income/ (loss) for the period	-	-	-	42	(112)	1,121	1,051
At 31 March 2010	54,949	1,295	16,106	247	(263)	37,157	109,491
At 1 January 2011	54,949	1,295	16,106	215	(132)	41,596	114,029
Total comprehensive income/ (loss) for the period	-	-	-	30	(16)	1,553	1,567
At 31 March 2011	54,949	1,295	16,106	245	(148)	43,149	115,596

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31st December 2010 and the accompanying explanatory notes attached to the interim financial statements)

**PUBLIC PACKAGES HOLDINGS BERHAD**  
**FIRST QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER**  
**ENDED 31 MARCH 2011**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. ACCOUNTING POLICIES AND METHODS OF COMPUTATION**

The interim financial statements, other than for financial instruments, have been prepared under the historical cost convention. Financial instruments have been fair valued in accordance with FRS139 Financial Instruments: Recognition and Measurement.

The interim financial report has been prepared in accordance with FRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with annual financial statements for the financial year ended 31st December 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31st December 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those of previous financial year except for adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations.

(a) Adoption of FRSs, Amendments to FRSs and IC Interpretations

**i) Effective for the financial period beginning or after 1 July 2010**

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendment to FRS 2	Share-based payment : Vesting Conditions and Cancellations
Amendment to FRS 5	Non-current Assets held for Sales and Discontinued Operations
Amendment to FRS 138	Intangible Assets
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments to IC Interpretation 9)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of Net Investment in Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

**ii) Effective for the financial period beginning or after 1 January 2011**

Amendments to FRS 1	Limited Exemption from Comparative
Amendments to FRS 1	Additional Exemptions for First Time Adopters
Amendments to FRS 2	Group Cash-settle Share Based Payment Transactions
Amendments to FRS 3	Business Combinations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 121	The Effect of Changes in Foreign Exchange Rates
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 18	Transfer of Assets from Customers

(b) FRS, IC Interpretations and Amendments to IC Interpretation issued but not yet effective

**FRSs, Amendments to FRSs and Interpretations**

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding
IC Interpretation 15	Agreements for the Construction of Real Estate
FRS 124	Related Party Disclosure (Revised)

<b>Effective for annual periods</b>
<b>beginning on or after</b>
1 July 2011
1 July 2011
1 January 2012
1 January 2012

**A2. AUDITED ACCOUNTS**

The auditor's report in respect of the financial statements of the Group for the financial year ended 31 December 2010 was not subject to any qualification.

**A3. SEASONALITY & CYCLICALITY**

The Group's manufacturing division generally experience an "up-down" cycle once a year, with low demand usually in the beginning of the year and will gradually pick up again during the year.

**A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items for the current quarter under review.

**A5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATE**

There were no changes in estimates of amounts reported, which have a material effect in the current quarter.

**A6. DETAILS OF ISSUE, CANCELLATION, REPURCHASE, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuance, cancellations, repurchase, resale and repayment of debt and equity for the current quarter.

**A7. DIVIDEND PAID**

There was no dividend paid for the current quarter.

**A8. SEGMENTAL INFORMATION**

All the operations of the Group are organised into the following main business segments:

- (i) Investment holding
- (ii) Manufacturing
- (iii) Properties
- (iv) Trading

The segment information for the current quarter is as follow:-

Results for the period ended 31 March 2011

	Trading (RM'000)	Manufacturing (RM'000)	Properties (RM'000)	Investment (RM'000)	Consol adjustment (RM'000)	Total (RM'000)
<b>Revenue</b>						
Total sales	6,254	41,105	249	494	(11,921)	36,181
<b>Results</b>						
Profit before tax	342	1,588	(144)	27	102	1,915
Tax expense						(362)
Profit attributable to owners of the parent						1,553
<b>Assets</b>						
Segment assets	10,673	131,902	36,804	1,274	(2,520)	178,133
Investment in joint venture				17,441		17,441
Unallocated corporate assets						1,274
Total assets						196,848
<b>Liabilities</b>						
Segment liabilities	594	14,155	408	1,586	-	16,743
Unallocated corporate liabilities						64,509
Total liabilities						81,252

**A9. REVALUATION**

The properties of the Group carried at valuation were revalued in November 2007 based on professional independent valuations using the open market value basis.

**A10. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current quarter under review.

**A11. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no material changes in the composition of the group in the current quarter under review.

**A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no contingent liabilities and contingent assets since the end of the last annual reporting period.

**A13. CAPITAL COMMITMENTS**

Approved and Contracted for :

RM '000

Property, plant and equipment

1,703

## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

### B1. PERFORMANCE REVIEW

For the current quarter under review, the Group registered a total revenue of RM36.181mil, representing 5.63% increase from RM1.927mil of revenue recorded in the preceding corresponding period. In tandem with higher turnover, the Group has recorded a profit before taxation of RM1.915mil as compared to a profit before taxation of RM1.739mil in preceding corresponding quarter, showing an increase of 10.12%.

The increase in revenue is mainly due to the strengthening of the economy and improved market conditions.

### B2. PRECEDING QUARTER

For the current quarter review, the Group recorded a profit before taxation of RM1.915mil and turnover of RM36.181mil as compared to a profit before taxation of RM3.222mil and turnover of RM36.014mil in the immediate preceding quarter.

The dropped in profit before taxation is mainly due to the increase in raw material price.

### B3. FACTORS AFFECTING COMPANY'S PROSPECT

The Group will continue to focus on its core activities and barring any unforeseen circumstances, the Group's performance is expected to continue to be satisfactory for the financial year ending 31 December 2011.

### B4. EXPLANATORY NOTES ON VARIANCE WITH PROFIT FORECASTS AND/OR PROFIT GUARANTEE

The Group has not issued any profit forecast and/or profit guarantee to the public during the current financial period.

### B5. TAX EXPENSE

	3 MONTHS ended 31/3/2011 RM'000	3 MONTHS ended 31/3/2010 RM'000	3 MONTHS ended 31/3/2011 RM'000	3 MONTHS ended 31/3/2010 RM'000
Profit before tax	1,915	1,739	1,915	1,739
Current year taxation :-				
Income tax	592	746	592	746
Deferred tax	(230)	(128)	(230)	(128)
	<u>362</u>	<u>618</u>	<u>362</u>	<u>618</u>

### B6. PROFIT / (LOSS) ON DISPOSAL OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and/or properties during the financial period under review.

### B7. PURCHASE / (DISPOSAL) OF QUOTED SHARES

(a) There were no purchase or sale of quoted securities for the current quarter and financial period to date.

(b) Investment in quoted securities for the financial period under review are stated at fair value by reference to their published market bid price at the end of the financial period.

### B8. STATUS OF CORPORATE PROPOSALS

There is no corporate proposal announced but not completed as at the date of this report.

### B9. BANK BORROWINGS AND DEBT SECURITIES

	Secured RM('000)	Unsecured RM('000)	Total RM('000)
Short - term	-	43,610	43,610
Long - term	-	10,154	10,154
	<u>-</u>	<u>53,765</u>	<u>53,765</u>

### B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any off balance sheet financial instruments as at the date of this report.



**B11. MATERIAL LITIGATION**

Public Packages Sdn Bhd (PPSB) the wholly owned subsidiary of PPHB had filed a civil suit against Flextronics Technology (Penang) Sdn Bhd in year 2008 for an outstanding amount of RM1,815,527. PPSB had filed an application for Summary Judgement which was heard on 10 March 2010. On 14 April 2010, the Court dismissed the company's application for Summary Judgment and set the matter down for full trial. The case was set down for case management on 7 July 2010, but was vacated to date to be informed by Court due to public holiday in Penang on 7 July 2010. This matter is fixed for further case management on the 4 of January 2011 for the trial date to be fixed. The Deputy Registrar has fixed 8 April 2011 for case management (final) to file the issues to be tried and statements of agreed facts. The case management is reschedule to 22 June 2011.

**B12. DIVIDENDS**

The Board of Directors does not recommend any dividend payemnt for the period under review.

**B13. EARNING PER SHARE**

The basic earnings per share is calculated by diving the net profit for the period by weighted average number of ordinary shares in issue during the period.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
Net profit for the period (RM'000)	1,553	1,121	1,553	1,121
Weighted average number of ordinary shares in issue	109,896	109,896	109,896	109,896
Basic earnings per share (sen)	1.41	1.02	1.41	1.02
Diluted earning per share (sen)	N/A	N/A	N/A	N/A

There is no diluted earning per share as the Company does not have any convertible financial instruments in issue.

**B14. REALISED AND UNREALISED PROFITS/LOSSES DISCLOSURE**

	GROUP	
	31/3/2011 RM'000	31/3/2010 RM'000
Total retained profit of Public Packages Holding Berhad and its subsidiaries		
- Realised	56,780	54,294
- Unrealised	(11,082)	(11,611)
	45,698	42,683
Total share of retained profits from joint ventures:		
- Realised	8,172	6,084
	53,870	48,766
Less: Consolidation adjustments	(10,721)	(11,667)
Total retained profits	43,149	37,099

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31/3/2011 RM'000	CORRESPONDING QUARTER ENDED 31/3/2010 RM'000	CURRENT YEAR TO DATE ENDED 31/3/2011 RM'000	CORRESPONDING YEAR TO DATE ENDED 31/3/2010 RM'000
1. Revenue	36,181	34,254	36,181	34,254
2. Profit / (loss) before tax	1,915	1,739	1,915	1,739
3. Profit / (loss) for the period	1,553	1,121	1,553	1,121
4. Profit / (loss) attributable to ordinary equity holders of the parent	1,553	1,121	1,553	1,121
5. Basic earnings / (loss) per share (sen)	1.41	1.02	1.41	1.02
6. Proposed / declared dividend per share (sen)	2.50	2.50	2.50	2.50
	As at end of current quarter		As at preceding financial year end	
7. Net assets per share attributable to ordinary equity of the parent (RM)		1.05		1.04

Part A3: Additional Information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31/3/2011 RM'000	CORRESPONDING QUARTER ENDED 31/3/2010 RM'000	CURRENT YEAR TO DATE ENDED 31/3/2011 RM'000	CORRESPONDING YEAR TO DATE ENDED 31/3/2010 RM'000
1. Profit from the operation	2,432	1,730	2,432	1,730
2. Gross interest income	0	1	0	1
3. Gross interest expenses	658	513	658	513