

**PUBLIC PACKAGES HOLDINGS BERHAD**  
**FIRST QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD**  
**ENDED 31 MARCH 2013**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/3/2013 RM'000 Unaudited	31/3/2012 RM'000 Unaudited	31/3/2013 RM'000 Unaudited	31/3/2012 RM'000 Unaudited
REVENUE	32,719	32,914	32,719	32,914
OPERATING EXPENSES	(30,471)	(31,403)	(30,471)	(31,403)
OTHER INCOME	165	126	165	126
<b>PROFIT FROM OPERATIONS</b>	<u>2,413</u>	<u>1,637</u>	<u>2,413</u>	<u>1,637</u>
SHARE OF RESULTS OF JOINT VENTURE COMPANIES	317	98	317	98
FINANCE COSTS	(600)	(664)	(600)	(664)
<b>PROFIT BEFORE TAX</b>	<u>2,130</u>	<u>1,071</u>	<u>2,130</u>	<u>1,071</u>
TAX EXPENSE	(607)	(340)	(607)	(340)
<b>PROFIT AFTER TAX</b>	<u>1,523</u>	<u>731</u>	<u>1,523</u>	<u>731</u>
<b>OTHER COMPREHENSIVE INCOME:-</b>				
Foreign currency translation differences for foreign operations	10	35	10	35
Fair value of available-for-sale financial assets	1	(1)	1	(1)
Total other comprehensive profit for the period	<u>11</u>	<u>34</u>	<u>11</u>	<u>34</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<u>1,534</u>	<u>765</u>	<u>1,534</u>	<u>765</u>
<b>EARNING PER SHARE ATTRIBUTABLE TO OWNER OF THE PARENT</b>				
- Basic (sen)	<u>1.39</u>	<u>0.67</u>	<u>1.39</u>	<u>0.67</u>
- Diluted (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31/3/2013 RM'000 Unaudited	As at 31/12/2012 RM'000 Audited
<b>ASSETS</b>		
Non Current Assets		
Property, Plant & Equipment	86,116	82,662
Investment Properties	11,464	11,445
Goodwill	675	675
Investments in Joint Venture	15,129	14,812
AFS investments	394	393
Development Properties	20,218	20,218
	133,996	130,205
Current Assets		
Inventories	19,248	19,343
Trade and other receivables	33,739	36,583
Tax Recoverable	1,612	1,424
Short term funds with a licensed financial institution	9,355	6,610
Cash & Cash Equivalents	6,747	12,175
	70,701	76,135
<b>TOTAL ASSETS</b>	<b>204,697</b>	<b>206,340</b>
<b>LIABILITIES</b>		
Non Current Liabilities		
Borrowings	11,401	8,656
Deferred tax liabilities	10,448	10,528
	21,849	19,184
Current Liabilities		
Trade & Other Payables	11,720	13,467
Borrowings	35,936	40,029
Government Grants	27	29
	47,683	53,525
<b>TOTAL LIABILITIES</b>	<b>69,532</b>	<b>72,709</b>
<b>EQUITY</b>		
Share Capital	54,949	54,949
Reserves	80,216	78,682
Equity attributable to owners of the parent	135,165	133,631
Minority interest	-	-
<b>TOTAL EQUITY</b>	<b>135,165</b>	<b>133,631</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>204,697</b>	<b>206,340</b>
Net Assets per share attributable to owners of the parent (RM)	1.23	1.22

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<b>Share Capital</b> RM'000	<b>Share Premium</b> RM'000	<b>Revaluation Reserve</b> RM'000	<b>AFS Reserve</b> RM'000	<b>Currency Translation Reserve</b> RM'000	<b>Accumulated profit carried forward</b> RM'000	<b>Total</b> RM'000
<b>At 1 January 2012</b>	54,949	1,295	386	208	1	62,472	119,311
Total comprehensive income/ (loss) for the period	-	-	-	(1)	35	731	765
<b>At 31 March 2012</b>	54,949	1,295	386	207	36	63,203	120,076
<b>At 1 January 2013</b>	54,949	1,295	386	203	108	76,690	133,631
Total comprehensive income/ (loss) for the period	-	-	-	1	10	1,523	1,534
<b>At 31 March 2013</b>	54,949	1,295	386	204	118	78,213	135,165

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 MONTHS ENDED</b>	
	<b>31/3/2013</b>	<b>31/3/2012</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Profit before tax	2,130	1,071
Adjustments for non-cash flow items:-		
Non-cash items	2,213	1,289
Non-operating items	164	588
Operating profit before changes in working capital	4,507	2,948
Changes in working capital		
Net changes in current assets	1,069	1,496
Net changes in current liabilities	(855)	2,618
Cash from operation	4,721	7,062
Interest paid	(600)	(664)
Tax paid	(907)	(400)
Tax refund	33	-
Net Cash Flows From Operating Activities	3,247	5,998
Investing Activities		
- Acquisition of property, plant and equipment	(4,706)	(1,061)
- Interest received	97	-
- Dividend received	47	-
- Proceed from disposal of property, plant and equipment	2	-
Net Cash Flows Used In Investing Activities	(4,560)	(1,061)
Financing activities		
- Net of bank borrowings	1,669	(9,637)
Net Cash Flows From / (Used in) Financing Activities	1,669	(9,637)
Effects of exchange rate changes on cash & cash equivalents	-	(1)
Net Change In Cash & Cash Equivalents	356	(4,701)
Cash & Cash Equivalents At Beginning Of Year	12,702	5,362
Effects of exchange rate changes	(9)	(4)
Cash & Cash Equivalents At End Of Period	13,049	657

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012 and the accompanying explanatory notes attached to the interim financial statements)

**PUBLIC PACKAGES HOLDINGS BERHAD**  
**FIRST QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD**  
**ENDED 31 MARCH 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134")**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These unaudited condensed consolidated interim financial statement should read in conjunction with the audited financial statements for year ended 31 December 2012. The explanatory notes attached to the interim condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 December 2012.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The Group adopted the following new and amended FRS and IC Interpretations mandatory for annual periods beginning on or after 1 January 2013.

Effective for financial periods beginning on or after 1 July 2012

Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
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Effective for financial periods beginning on or after 1 January 2013

MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendment to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendment to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Liabilities
Amendment to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendment to MFRS 11	Joint Arrangements: Transition Guidance
Amendment to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income
Amendment to MFRS 116	Property, plant and Equipment
Amendment to MFRS 132	Presentation of Items of Other Comprehensive Income
Amendment to MFRS 134	Interim Financial Reporting

The adoption of the above Standards and Interpretations will have no significant impact on the financial statements of the Group upon their initial application.

**A3. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Amendments to MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
Amendments to MFRS 10, 12 & 127	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

**A4. AUDITED ACCOUNTS**

The auditor's report in respect of the financial statements of the Group for the financial year ended 31 December 2012 was not subject to any qualification.

**A5. 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 slowly pick up again during the year.

**A6. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

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

#### A7. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATE

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

#### A8. DETAILS OF ISSUE, CANCELLATION, REPURCHASE, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

#### A9. DIVIDEND PAID

There was no dividend paid for the current quarter.

#### A10. SEGMENTAL INFORMATION

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

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

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

##### Results for the year ended 31 March 2013

	Trading RM'000	Manufacturing RM'000	Properties RM'000	Investment RM'000	Consol adjustment RM'000	Total RM'000
<b>Revenue</b>						
Total sales	7,483	35,092	296	499	(10,651)	32,719
<b>Results</b>						
Profit before tax	389	1,389	(24)	27	349	2,130
Tax expense						(607)
Profit attributable to owners of the parent						1,523
<b>Assets</b>						
Segment assets	17,889	138,619	11,797	106,885	(87,234)	187,956
Investment in joint venture				15,129		15,129
Unallocated corporate assets						1,612
Total assets						204,697
<b>Liabilities</b>						
Segment liabilities	1,251	10,009	167	293	-	11,720
Unallocated corporate liabilities						57,812
Total liabilities						69,532

##### Results for the year ended 31 March 2012

	Trading RM'000	Manufacturing RM'000	Properties RM'000	Investment RM'000	Consol adjustment RM'000	Total RM'000
<b>Revenue</b>						
Total sales	7,187	36,261	246	496	(11,276)	32,914
<b>Results</b>						
Profit before tax	221	752	(41)	19	120	1,071
Tax expense						(340)
Profit attributable to owners of the parent						731
<b>Assets</b>						
Segment assets	13,277	141,991	7,234	93,809	(78,351)	177,960
Investment in joint venture				16,423		16,423
Unallocated corporate assets						1,068
Total assets						195,451
<b>Liabilities</b>						
Segment liabilities	921	13,841	791	1,372	-	16,925
Unallocated corporate liabilities						58,451
Total liabilities						75,376

#### A11. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of investment properties has been brought forward without any amendments from the previous Audited Financial Statement of the

#### A12. SUBSEQUENT EVENTS

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

#### A13. CHANGES IN THE COMPOSITION OF THE GROUP

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

#### A14. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 27 May 2013, the total contingent liabilities is RM99,486,458. This consists of corporate guarantees given by the Company to secure credit facilities granted to our investments.

#### A15. CAPITAL COMMITMENTS

Capital commitments in respect of purchase of property, plant and equipment :-	RM '000
Authorised and contracted for	<u>4,176</u>

#### A16. RELATED PARTY DISCLOSURE

The following table show the transaction which had been entered into with related parties:

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
	RM'000	RM'000	RM'000	RM'000
Sales to related party				
- City Packaging Industry Sdn. Bhd.	17	8	17	8
Purchases from related parties				
- PPH Multimedia Network Sdn. Bhd.	-	1	-	1
Rental of properties for staff accomodation and office lot				
- Fame Pack Holdings Sdn. Bhd.	62	62	62	62

#### **Related party relationship:**

City Packaging Industry Sdn. Bhd.	:	A company in which person connected to certain directors of the Company, namely Messrs. Koay Chiew Poh, Koay Chue Beng, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong, has substaintial financial interest.
PPH Multimedia Network Sdn. Bhd.	:	A company in which a director of the Company Mr. Koay Teng Liang and person connected to certain directors of the Company, namely Messrs Koay Chiew Poh, Koay Chue Beng, Koay Chiew Kang and Koay Teng Kheong has substaintail financial interest.
Fame Pack Holdings Sdn. Bhd.	:	A substantial shareholder of the Company and connected to Mr. Koay Chiew Poh.

The transactions above has been approved by the shareholders in the previous Annual General Meeting. All the terms and conditions for the above transactions are based on normal commercial terms.

## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

### B1. REVIEW OF GROUP PERFORMANCE AND CURRENT YEAR PROSPECTS

	Jan - Mar 2013	Jan - Mar 2012	Oct - Dec 2012
	RM'000	RM'000	RM'000
<i>Revenue</i>			
- Trading	7,096	6,728	8,334
- Manufacturing	25,387	26,047	25,539
- Properties	189	139	141
- Investment	47	-	18
Total	32,719	32,914	34,032
<i>Profit before tax</i>			
- Trading	434	267	846
- Manufacturing	1,867	1,264	2,041
- Properties	(63)	(81)	(109)
- Investment	(108)	(379)	(30)
Total	2,130	1,071	2,748

#### a) Comparison with corresponding period in previous year

The Group recorded a revenue of RM32.719mil and a profit before tax of RM2.130mil in the current quarter ended 31 March 2013. The revenue was decreased by RM0.195mil or 0.59% compared with preceeding year corresponding quarter. However profit before tax was increased by RM1.059mil or 98.88% when compared with profit before tax of RM1.071mil in the preceeding year corresponding quarter.

#### Manufacturing

For Manufacturing, the revenue for current quarter was decreased by RM0.660mil or 2.53% as compared to corresponding period in previous year. The decrease in sales volume was due to lower market demand. However, the profit before tax for the current quarter was increased by RM0.603mil or 47.71% compared to corresponding period in previous year. The significant increase in bottom line of manufacturing division was mainly attributable from more favourable sales mix, improvement in operating efficiency and wastage control.

#### Trading

The revenue for current quarter increased by RM0.368mil or 5.47% as compared to corresponding period in previous year. The profit before tax for trading division was also increase from RM0.267mil to RM0.434mil in previous corresponding quarter, which was increased by RM0.167mil or 62.55% . The increase mainly due from steady outsource from existing customers and lowers material cost.

#### Investment

Loss before tax of investment division was reduced from RM0.379mil to RM0.108mil which was RM0.271mil or 71.50% when compared to corresponding period in previous year. The drop in loss before tax was mainly due to increase in share of profit from jointly controlled entities of RM0.317mil when compared to profit of RM0.098mil in corresponding period in previous year.

#### Properties

Properties division recorded a loss before taxation of RM0.063mil compare to loss of RM0.081mil in corresponding preceeding period. The improvement in loss before tax was due to increase in rental income and reduction in operational and other costs.

#### b) Comparison with preceeding quarter

For the quarter under review, the Group recorded a revenue of RM32.719mil and a profit before tax of RM2.130mil as compared to revenue of RM34.032mil and a profit before tax of RM2.748mil in the immediate preceeding quarter, showing decrease of RM1.313mil or 3.86% and RM0.618mil or 22.49% respectively. The lower performance was mainly due to the reasons as disclosed above.

### B2. EXPLANATORY NOTES ON VARIANCE WITH PROFIT FORECASTS AND/OR PROFIT GUARANTEE

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



**B3. TAX EXPENSE**

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
	RM'000	RM'000	RM'000	RM'000
Profit before tax	2,130	1,071	2,130	1,071
Current year taxation :-				
Income tax	689	453	689	453
Deferred tax	(82)	(113)	(82)	(113)
	<u>607</u>	<u>340</u>	<u>607</u>	<u>340</u>

Income tax is calculated at Malaysia statutory tax rate of 25% of the estimated assessable profit for the period.

The Group's effective tax rate for the year is above the statutory tax rate of 25% in Malaysia mainly due to non-taxable expenses.

**B4. STATUS OF CORPORATE PROPOSALS**

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

**B5. BANK BORROWINGS AND DEBT SECURITIES**

	Unsecured RM'000
Current	35,936
Non-current	<u>11,401</u>
	<u>47,337</u>

**B6. MATERIAL LITIGATION**

There is no pending material litigation at the date of issuance of this report.

**B7. DIVIDENDS**

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

**B8. EARNING PER SHARE**

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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
Net profit for the period (RM'000)	1,523	731	1,523	731
Weighted average number of ordinary shares in issue ('000)	109,896	109,896	109,896	109,896
Basic earnings per share (sen)	<u>1.39</u>	<u>0.67</u>	<u>1.39</u>	<u>0.67</u>
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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

**B9. PROFIT BEFORE TAXATION**

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived				
a) After Charging				
Depreciation	1,233	1,277	1,233	1,277
Impairment loss on receivables	182	-	182	-
Loss on foreign exchange - realised	51	101	51	101
Interest expense	600	664	600	664
Rental of equipment and machinery	5	12	5	12
Rental of premises	170	289	170	289
b) After Crediting				
Interest income	1	1	1	1
Gain on foreign exchange - realised	16	13	16	13
Gain on disposal of property, plant and equipment	2	-	2	-
Lease rental income	63	65	63	65
Rental income	198	148	198	148
Dividend income	47	-	47	-

Other than above items, there were no impairment of assets, provision and write off of inventories, gain or loss on disposal of quoted and unquoted investments or properties, gain or loss on derivatives and exceptional items for the current quarter and fi

**B10. REALISED AND UNREALISED RETAINED EARNING**

	GROUP	
	31/3/2013	31/3/2012
	RM'000	RM'000
Total retained earning of Public Packages Holding Berhad and its subsidiaries		
- Realised	92,555	78,567
- Unrealised	(10,785)	(10,749)
	<u>81,770</u>	<u>67,818</u>
Total share of retained earning from joint ventures:		
- Realised	<u>5,817</u>	<u>7,112</u>
	87,587	74,930
Less: Consolidation adjustments	(9,374)	(11,727)
Total retained earning	<u>78,213</u>	<u>63,203</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in th directive of Bursa Securities and should not be applied for any other purposes.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31/3/2013 RM'000	CORRESPONDING QUARTER ENDED 31/3/2012 RM'000	CURRENT YEAR TO DATE ENDED 31/3/2013 RM'000	CORRESPONDING YEAR TO DATE ENDED 31/3/2012 RM'000
1. Revenue	32,719	32,914	32,719	32,914
2. Profit / (loss) before tax	2,130	1,071	2,130	1,071
3. Profit / (loss) for the period	1,523	731	1,523	731
4. Profit / (loss) attributable to ordinary equity holders of the parent	1,523	731	1,523	731
5. Basic earnings / (loss) per share (sen)	1.39	0.67	1.39	0.67
6. Proposed / declared dividend per share (sen)	-	-	-	-

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)		1.23		1.22
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Part A3: Additional Information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31/3/2013 RM'000	CORRESPONDING QUARTER ENDED 31/3/2012 RM'000	CURRENT YEAR TO DATE ENDED 31/3/2013 RM'000	CORRESPONDING YEAR TO DATE ENDED 31/3/2012 RM'000
1. Profit from the operation	2,413	1,637	2,413	1,637
2. Gross interest income	1	1	1	1
3. Gross interest expenses	600	664	600	664