

PUBLIC PACKAGES HOLDINGS BERHAD
THIRD QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2009
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2009 RM'000 Unaudited	30/09/2008 RM'000 Unaudited	30/09/2009 RM'000 Unaudited	30/09/2008 RM'000 Unaudited
OPERATING REVENUE	33,421	44,642	96,873	125,769
OPERATING EXPENSES	(30,211)	(42,625)	(89,233)	(119,427)
OTHER OPERATING INCOME / (EXPENSE)	450	25	1,066	(177)
PROFIT FROM OPERATIONS	<u>3,660</u>	<u>2,042</u>	<u>8,706</u>	<u>6,165</u>
FINANCE COSTS	(451)	(894)	(1,543)	(2,751)
INVESTING RESULTS				
- Share of profit of joint venture	175	225	672	224
- Others	12	16	28	35
PROFIT BEFORE TAX	<u>3,396</u>	<u>1,389</u>	<u>7,863</u>	<u>3,673</u>
INCOME TAX EXPENSE	(453)	(263)	(1,862)	(847)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	<u>2,943</u>	<u>1,126</u>	<u>6,001</u>	<u>2,826</u>
EARNINGS PER SHARE				
- Basic (sen)	<u>2.68</u>	<u>1.02</u>	<u>5.46</u>	<u>2.57</u>
- Diluted (sen)	<u>2.68</u>	<u>1.02</u>	<u>5.46</u>	<u>2.57</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30/09/2009 RM'000 Unaudited	As at 31/12/2008 RM'000 Audited
ASSETS		
Non Current Assets		
Property, Plant & Equipment	67,398	66,640
Investment Properties	7,212	7,212
Prepaid Lease Payment	10,430	10,622
Goodwill	675	675
Investments in Joint Venture	14,840	14,298
Other Investments	191	776
Development Properties	19,917	22,253
	120,663	122,476
Current Assets		
Inventories	13,299	20,436
Debtors	35,658	37,301
Tax Recoverable	1,131	1,966
Cash & Cash Equivalents	8,726	7,043
	58,814	66,746
TOTAL ASSETS	179,477	189,222
LIABILITIES		
Non Current Liabilities		
Borrowings	11,675	8,187
Deferred tax liabilities	11,154	11,242
	22,829	19,429
Current Liabilities		
Trade & Other Creditors	13,433	16,559
Borrowings	37,696	54,009
	51,129	70,568
TOTAL LIABILITIES	73,958	89,997
EQUITY		
Share Capital	54,949	54,949
Reserves	50,570	44,276
Equity attributable to equity holders of the parent	105,519	99,225
Minority interest	-	-
TOTAL EQUITY	105,519	99,225
TOTAL EQUITY AND LIABILITIES	179,477	189,222
Net Assets per share attributable to equity holders of the company (RM)	0.96	0.90

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 MONTHS ENDED	
	30/09/2009 RM'000 Unaudited	30/09/2008 RM'000 Unaudited
Profit before tax	7,863	3,673
Adjustments for non-cash flow items:-		
Non-cash items	4,644	3,632
Non-operating items	(2,696)	22
Operating profit before changes in working capital	9,811	7,327
Changes in working capital		
Net changes in current assets	8,268	(5,463)
Net changes in current liabilities	(3,125)	7,425
Cash from operation	14,954	9,289
Dividend received	14	-
Tax paid	(927)	(502)
Tax refunded	183	-
Net Cash Flows From Operating Activities	14,224	8,787
Investing Activities		
- Other investments	255	(993)
Net Cash Flows From/(Used In) Investing Activities	255	(993)
Financing activities		
- Net of bank borrowings	(5,030)	(10,735)
- Dividends paid	-	-
Net Cash Flows Used in Financing Activities	(5,030)	(10,735)
Effects of exchange rate changes on cash & cash equivalents	13	22
Net Change In Cash & Cash Equivalents	9,462	(2,919)
Cash & Cash Equivalents At Beginning Of Year	(4,558)	(2,481)
Effects of exchange rate changes	16	(106)
Cash & Cash Equivalents At End Of Period	4,920	(5,506)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008 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	Non- Distributable RM'000	Distributable Reserves RM'000	Total RM'000	Minority interest RM'000	Total Equity RM'000
At 1 January 2008	54,949	23,061	22,325	100,335	-	100,335
Movements during the period	-	(5,093)	2,826	(2,267)	-	(2,267)
At 30 September 2008	<u>54,949</u>	<u>17,968</u>	<u>25,151</u>	<u>98,068</u>	<u>-</u>	<u>98,068</u>
At 1 January 2009	54,949	17,961	26,315	99,225	-	99,225
Transfer from revaluation reserve	-	(969)	969	-	-	-
Transfer to deferred tax	-	250	-	250	-	250
Movements during the period	-	43	6,001	6,044	-	6,044
At 30 September 2009	<u>54,949</u>	<u>17,285</u>	<u>33,285</u>	<u>105,519</u>	<u>-</u>	<u>105,519</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

PUBLIC PACKAGES HOLDINGS BERHAD
THIRD QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2009

NOTES TO THE INTERIM FINANCIAL REPORT

A1. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The interim financial statements have been prepared under the historical cost convention.

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 and should be read in conjunction with the Group's financial statement.

The interim financial statements should be read in conjunction with annual financial statements for the financial year ended 31st December 2008. 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 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2008. The following Financial Reporting Standards ("FRS"), amendments to FRSs and IC Interpretations have been issued by the MASB but are not yet effective and have not been applied by the Group:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments : Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
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 7	Financial Instrument : Disclosure
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Change in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate
Amendment to FRS 128	Investment in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interests in Joint Venture
Amendment to FRS 132	Financial Instruments : Disclosure and Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments : Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives

All the new FRSs, amendments to FRSs and IC Interpretations above are effective from 1 January 2010 with the exception of FRS 8, which is effective from 1 July 2009.

A2. AUDITED ACCOUNTS

The auditor's report in respect of the financial statements of the Group for the financial year ended 31 December 2008 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 slowly 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 and financial period to date.

A5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATE

There were no material changes in the estimates of amounts, which give a material effect in the current quarter and financial period to date.

A6. 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 financial period ended 30th September 2009.

A7. DIVIDEND PAID

There was no dividend paid for the financial period ended 30th September 2009.

A8. SEGMENTAL INFORMATION

Analysis by industry segment

	Revenue (RM'000)	Profit / (loss) before tax (RM'000)
Trading	18,235	1,874
Manufacturing	78,268	7,947
Properties	370	(535)
Investment holdings	-	(1,423)
	<u>96,873</u>	<u>7,863</u>

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

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the group in the current quarter and financial period to date.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 20 November 2009, the total contingent liabilities is RM99,294,941. This consists of corporate guarantees given by the Company to secure credit facilities granted to our investments.

A13. CAPITAL COMMITMENTS

Approved and Contracted for :	RM '000
Machinery	<u>485</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS**B1. PERFORMANCE REVIEW**

The turnover of the Group for current quarter of RM33.421m decreased by RM11.221m (25.14%) when compared to corresponding quarter of last year.

The Group has recorded a profit before taxation of RM3.396m when compared to a profit of RM1.389m in corresponding quarter of last year.

B2. COMMENT ON ANY MATERIAL CHANGE IN PROFIT BEFORE TAX FOR THE QUARTER REPORTED AS COMPARED WITH THE PRECEDING QUARTER

The Group recorded sales revenue of RM33.421m for the current quarter as compare to RM31.884m in preceeding quarter, showing an increase of 4.82%.

The Group has recorded a profit before taxation of RM3.396m for current quarter when compared with RM3.245m in preceeding quarter, showing an increase of 4.65%.

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 year 2009.

B4. 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.

B5. INCOME TAX

	3 MONTHS ended 30/09/2009 RM'000	3 MONTHS ended 30/09/2008 RM'000	9 MONTHS ended 30/09/2009 RM'000	9 MONTHS ended 30/09/2008 RM'000
Profit before tax	3,396	1,389	7,863	3,673
Current year taxation :-				
Income tax	618	202	1,700	733
Deferred tax	(165)	61	162	114
	<u>453</u>	<u>263</u>	<u>1,862</u>	<u>847</u>
Effective tax rate (%)	13.34	18.93	23.68	23.06

The statutory tax rate was reduced to 25% from the previous year's rate of 26% effective in the current year of assessment. The statutory tax rate remain as 25% in subsequent years. The computation of deferred tax has reflected these changes.

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

During the period under review, the company sold one of its freehold land with a net gain on disposal of RM0.415 million.

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) Investments in quoted securities as at 30 September 2009.

	RM ('000)
Total investment at cost	817
Total investment at carrying value/book value (after provision for diminution in value)	191
Total investment at market value at end of reporting period	379

B8. STATUS OF CORPORATE PROPOSALS

There is no corporate proposal announced but not completed as at 20 November 2009.

B9. BANK BORROWINGS

	Secured RM('000)	Unsecured RM('000)	Total RM('000)
Short - term	-	37,696	37,696
Long - term	965	10,710	11,675
	<u>965</u>	<u>48,406</u>	<u>49,371</u>

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any off balance sheet financial instruments as at 20 November 2009, except for the forward foreign exchange contracts which have been entered into by the Group to hedge its foreign currency payables. Foreign currency forward contracts are entered into by the Group in currencies other than their functional currency to manage exposure on fluctuations in foreign rates on specific transactions.

The contracted amount not recognised in the balance sheet are as follows :-

Financial Instruments (matured within 6 months)	Contract Amount (USD)	Equivalent Amount (RM)
Foreign exchange contract	1,100,675	3,817,407

The instrument above is viewed as a risk management tool by the Group and is not used for trading and speculative purposes. The gain and losses on foreign exchange are recognised in the income statement upon realisation.

B11. MATERIAL LITIGATION

A civil suit had been filed by the subsidiary, Public Packages Sdn Bhd against Flextronics Technology (Penang) Sdn Bhd. (formerly known as Soletron Technology Sdn Bhd) during the year for the outstanding amount of RM1,797,634.80. The case is now postpone for hearing on 5 February 2010.

B12. DIVIDENDS PAYABLE

The Board of Directors does not recommend any dividend payment for the period ended 30 September 2009.

B13. EARNING PER SHARE

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
(a) Basic				
Net profit for the period (RM'000)	2,943	1,126	6,001	2,826
Weighted average number of ordinary shares in issue ('000)	109,896	109,896	109,896	109,896
Basic earnings per share (sen)	<u>2.68</u>	<u>1.02</u>	<u>5.46</u>	<u>2.57</u>
(b) Diluted				
Net profit for the period (RM'000)	2,943	1,126	6,001	2,826
Weighted average number of ordinary shares in issue ('000)	109,896	109,896	109,896	109,896
Adjustment for share options ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	109,896	109,896	109,896	109,896
Diluted earnings per share (sen)	<u>2.68</u>	<u>1.02</u>	<u>5.46</u>	<u>2.57</u>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 30/09/2009 RM'000	CORRESPONDING QUARTER ENDED 30/09/2008 RM'000	CURRENT YEAR TO DATE ENDED 30/09/2009 RM'000	CORRESPONDING YEAR TO DATE ENDED 30/09/2008 RM'000
1. Revenue	33,421	44,642	96,873	125,769
2. Profit / (loss) before tax	3,396	1,389	7,863	3,673
3. Profit / (loss) for the period	2,943	1,126	6,001	2,826
4. Profit / (loss) attributable to ordinary equity holders of the parent	2,943	1,126	6,001	2,826
5. Basic earnings / (loss) per share (sen)	2.68	1.02	5.46	2.57
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)		0.96		0.90

Part A3: Additional Information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 30/09/2009 RM'000	CORRESPONDING QUARTER ENDED 30/09/2008 RM'000	CURRENT YEAR TO DATE ENDED 30/09/2009 RM'000	CORRESPONDING YEAR TO DATE ENDED 30/09/2008 RM'000
1. Profit from the operation	3,660	2,042	8,706	6,165
2. Gross interest income	0	59	1	68
3. Gross interest expenses	451	894	1,543	2,751