PUBLIC PACKAGES HOLDINGS BERHAD
FIRST QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD
ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Unaudited	Unaudited	Unaudited
REVENUE		42,929	41,885	42,929	41,885
OPERATING EXPENSES		(37,168)	(35,670)	(37,168)	(35,670)
OTHER INCOME		249	405	249	405
PROFIT FROM OPERATIONS		6,010	6,620	6,010	6,620
SHARE OF RESULTS OF JOINT VENTURES		(6)	106	(6)	106
FINANCE COSTS		(775)	(623)	(775)	(623)
PROFIT BEFORE TAX	B9	5,229	6,103	5,229	6,103
TAX EXPENSE	B3	(1,299)	(792)	(1,299)	(792)
PROFIT FOR THE PERIOD		3,930	5,311	3,930	5,311
OTHER COMPREHENSIVE INCOME, NET OF TAX:-					
Foreign currency translation differences for foreign operation		(219)	69	(219)	69
Fair value adjustment on available-for-sale financial assets		13	(12)	13	(12)
Total other comprehensive income for the period		(206)	57	(206)	57
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD, ATTRIBUTABLE TO OWNERS OF THE PARENT		3,724	5,368	3,724	5,368
EARNING PER SHARE ATTRIBUTABLE TO OWNER OF THE PARENT					
- Basic (sen)	B8	2.08	2.82	2.08	2.82
- Diluted (sen)	B8	N/A	N/A	N/A	N/A

(The Condensed Consolidated statement of profit or loss and other comprehensive should be read in conjunction with the Annual Financial Report for the year ended 31st December 2017 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 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31/03/2018 RM'000 Unaudited	As at 31/12/2017 RM'000 Audited
ASSETS			
Non Current Assets			
Property, Plant & Equipment		125,296	121,513
Investment Properties	A10	10,715	10,715
Investment in Joint Ventures		22,625	22,631
AFS investments		1,598	1,615
		160,234	156,474
Current Assets			
Inventories		27,847	22,464
Trade and other receivables		42,390	45,866
Tax Recoverable		292	574
Short term funds with a licensed financial institution		33,691	42,784
Cash & Cash Equivalents		18,929	15,629
		123,149	127,317
TOTAL ASSETS		283,383	283,791
LIABILITIES			
Non Current Liabilities			
Borrowings	B5	13,485	14,314
Deferred tax liabilities		8,861	9,086
		22,346	23,400
Current Liabilities			
Trade & Other Payables		15,772	18,846
Borrowings	B5	37,573	37,577
		53,345	56,423
TOTAL LIABILITIES		75,691	79,823
EQUITY			
Share Capital		94,361	94,361
Reserves		113,331	109,607
TOTAL EQUITY		207,692	203,968
TOTAL EQUITY AND LIABILITIES		283,383	283,791
Net Assets per share attributable to owners of the parent (RM)		1.10	1.08 *

* Comparative number of shares was restated to take into account the effect of bonus issue.

(The Condensed Consolidated statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st December 2017 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 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	AFS Reserve RM'000	Foreign Translation Reserve RM'000	Retained Profits RM'000	Total RM'000
At 1January 2018	94,361	-	386	364	1,280	107,577	203,968
Profit for the period	-	-	-	-	-	3,930	3,930
Other comprehensive income, net of income tax	-	-	-	13	(219)	-	(206)
Total comprehensive income for the period	-	-	-	13	(219)	3,930	3,724
At 31 March 2018	94,361	-	386	377	1,061	111,507	207,692
At 1January 2017	54,949	1,295	386	235	1,508	130,006	188,379
Adjustments for effect of Companies Act 2016 (Note a)	1,295	(1,295)	-	-	-	-	-
Profit for the period	-	-	-	-	-	5,311	5,311
Other comprehensive income, net of income tax	-	-	-	(12)	69	-	57
Total comprehensive income for the period	-	-	-	(12)	69	5,311	5,368
At 31 March 2017	56,244	-	386	223	1,577	135,317	193,747

Note a
With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium amounting to RM1,295,000 has been transferred to share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transeferred from share premium accounts within 24 hours after the announcement of New Act. On 18 September 2017, the Company had fully utilised the credit amount by the way of bonus issue of new ordinary shares.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2017 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 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 MONTHS ENDED	
	31/03/2018	31/03/2017
	RM'000	RM'000
	Unaudited	Unaudited
Profit before tax	5,229	6,103
Adjustments for non-cash flow items:-		
Non-cash items	1,808	1,714
Non-operating items	298	262
Operating profit before changes in working capital	7,335	8,079
Changes in working capital		
Net changes in current assets	(1,905)	2,159
Net changes in current liabilities	(3,100)	(1,767)
Cash from operation	2,330	8,471
Dividend received	360	240
Interest paid	(775)	(623)
Tax paid	(1,349)	(859)
Tax refund	108	29
Net Cash Flows From Operating Activities	674	7,258
Investing Activities		
- Acquisition of property, plant and equipment	(5,651)	(5,700)
- Interest received	4	30
- Investment in quoted shares	-	(158)
- Proceed from disposal of property, plant and equipment	123	11
Net Cash Flows Used In Investing Activities	(5,524)	(5,817)
Financing activities		
- Bank borrowings	4,048	231
- Proceed from finance lease	-	4,207
- Proceed from term loans	-	224
- Repayment of finance lease	(1,152)	(1,372)
- Repayment of term loans	(334)	(271)
Net Cash Flows From Financing Activities	2,562	3,019
Effects of exchange rate changes on cash & cash equivalents	1	3
Net Change In Cash & Cash Equivalents	(2,287)	4,463
Cash & Cash Equivalents At Beginning Of Year	51,963	40,572
Effects of exchange rate changes	(111)	28
Cash & Cash Equivalents At End Of Period	49,565	45,063

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st December 2017 and the accompanying explanatory notes attached to the interim financial statements)

NOTES TO THE INTERIM FINANCIAL REPORT

A1. BASIS OF PREPARATION

This 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.

This unaudited condensed consolidated interim financial statement should read in conjuction with the audited financial statements for year ended 31 December 2017. The explanatory notes attached to the interim condensed consolidated financial statements provide an explaination of events and transactions that are significant to an understanding of the changes in finacial position and performance of the Group since the year ended 31 December 2017.

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 2018.

Amendments to MFRS 2 Share-based Payment : Classification and Measurement of Share-based Payment Transactions
MFRS 9 Financial Instruments
MFRS 15 Revenue from Contracts with Customers
Amendments to MFRS 4 Insurance Contracts : Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140 Investment Property : Transfers of Investment Property
Annual Improvements to MFRS standard 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interest in other Entities)
IC Interpretation 22 Foreign Currency Transactions and Advances Consideration

The adoption of the above Standards and Interpretations did not have no significant impact on the financial statements of the Group upon their initial application.

The Group has not elected for early adoption of the relevant new and revised MFRSs, amendments to MFRSs and Interpretations have been issued but not yet effective until future periods.

A3. AUDITED ACCOUNTS

The auditor's report in respect of the financial statements of the Group for financial year ended 31 December 2017 was not subject to any qualification.

A4. 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.

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

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

A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATE

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

A7. DETAILS OF ISSUE, CANCELLATION, REPURCHASE, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

A8. DIVIDEND PAID

There was no dividend paid for the current quarter.

A9. SEGMENTAL INFORMATION

The operations of the Group are organised into the following main business segments:
(i) Trading
(ii) Manufacturing
(iii) Properties
(iv) Investment

The segment information are as follow:-

	Trading RM'000	Manufacturing RM'000	Properties RM'000	Investment RM'000	Consol adjustments RM'000	Total RM'000
Results for the year ended 31 March 2018						
Revenue						
Total sales	1,589	54,824	278	267	(14,029)	42,929
Results						
Profit before tax	(86)	5,010	(37)	187	155	5,229
Tax expense						(1,299)
Profit attributatble to owners of the parent						3,930
Assets						
Segment assets	9,929	198,268	26,697	117,454	(91,882)	260,466
Investment in joint ventures				22,625		22,625
Unallocated corporate assets						292
Total assets						283,383
Liabilities						
Segment liabilities	289	14,227	1,217	39	-	15,772
Unallocated corporate liabilities						59,919
Total liabilities						75,691
Results for the year ended 31 March 2017						
Revenue						
Total sales	3,411	51,575	283	748	(14,132)	41,885
Results						
Profit before tax	668	5,180	(9)	148	116	6,103
Tax expense						(792)
Profit attributatble to owners of the parent						5,311
Assets						
Segment assets	11,403	187,917	19,181	110,820	(90,132)	239,189
Investment in joint ventures				22,297		22,297
Unallocated corporate assets						1,556
Total assets						263,042
Liabilities						
Segment liabilities	519	15,942	289	67	-	16,817
Unallocated corporate liabilities						52,478
Total liabilities						69,295

A10. 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 Group.

A11. SUBSEQUENT EVENTS

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

A12. CHANGES IN THE COMPOSITION OF THE GROUP

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

A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 28 May 2018, the total contingent liabilities is RM173,862,863. This consists of corporate guarantees given by the Company to secure credit facilities granted to our investments.

A14. RELATED PARTY DISCLOSURE

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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	RM'000	RM'000	RM'000	RM'000
Sales to a related party				
- Denson SCM Sdn. Bhd.	-	282	-	282
Management fee income received from a related party				
- Pearl Island Resort Development Sdn. Bhd.	-	3	-	3
Rental of properties for staff accomodation and office lot				
- Fame Pack Holdings Sdn. Bhd.	62	67	62	67
- Koay Teng Liang	14	14	14	14
- Ooi Siew Hong	1	1	1	1
- Koay Teng Kheong	6	6	6	6
Rental of equipment				
- Koay Boon Pee Holding Sdn. Bhd.	103	93	103	93
Commission				
- Denson SCM Sdn. Bhd.	-	112	-	112

Related party relationship:

Denson SCM Sdn. Bhd.	:	A 100% owned sub-subsidiary of Koay Boon Pee Holding Sdn. Bhd.
Pearl Island Resort Development Sdn. Bhd.	:	A company in which the director of the Company, namely Messrs. Koay Chiew Poh is director of the Company.
Fame Pack Holdings Sdn. Bhd.	:	A substantial shareholder of the Company and connected to Mr. Koay Chiew Poh.
Koay Boon Pee Holding Sdn. Bhd.	:	A company connected to Koay Chiew Poh, Koay Chiew Kang and Koay Chue Beng.

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

A15. CAPITAL COMMITMENTS

The amount of commitments not provided for in the interim financial statements for the current quarter as follows:

	RM'000
Approved and contracted for :-	46,202

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B1. REVIEW OF GROUP PERFORMANCE AND CURRENT YEAR PROSPECTS

a) Overall Review of Group's Financial Performance

Table 1: Financial review for current quarter and financial year to date

	3 MONTHS ENDED			
	31/3/2018	31/3/2017	Variance	
	RM'000	RM'000	RM'000	%
Revenue	42,929	41,885	1,044	2
Operating Profit	6,010	6,620	-610	(9)
Profit Before Interest and Tax	6,004	6,726	-722	(11)
Profit Before Tax	5,229	6,103	-874	(14)
Profit After Tax	3,930	5,311	-1,381	(26)

The group recorded a revenue of RM42.929mil and profit before tax of RM5.229mil in the current quarter ended 31 March 2018. As compared to preceeding year corresponding quarter of 31 March 2017, the revenue increased by RM 1.044mil. Nevertheless, profit before tax was decreased by RM0.874mil.

Table 2: Financial review of current quarter compared with immediate preceeding quarter

	Current Quarter 31/3/2018	Immediate Preceeding Quarter 31/12/2017	Variance	
	RM'000	RM'000	RM'000	%
Revenue	42,929	45,035	-2,106	(5)
Operating Profit	6,010	6,413	-403	(6)
Profit Before Interest and Tax	6,004	6,353	-349	(5)
Profit Before Tax	5,229	5,624	-395	(7)
Profit After Tax	3,930	3,613	317	9

For the quarter under review, the Group recorded a revenue of RM42.929mil and a profit before tax of RM5.229mil as compared to revenue of RM45.035mil and profit before tax of RM5.624mil in the immediate preceeding quarter. Profit before taxation decreased in tandom with decrease in sales during the quarter. The dropped in revenue was due to drop in number of working days during this quarter.

b) Segmental Analysis

	Jan-Mar 2018 RM'000	Jan-Mar 2017 RM'000
Revenue		
- Manufacturing	41,034	38,139
- Trading	1,570	3,410
- Properties	123	128
- Investment	202	208
Total	42,929	41,885
Profit/(Loss) before tax		
- Manufacturing	5,327	5,815
- Trading	(86)	671
- Properties	(128)	(96)
- Investment	116	(287)
Total	5,229	6,103

Manufacturing

For manufacturing, the revenue for current quarter slightly increased by RM2.895mil or 7.59% as compared to corresponding period in previous year. Nevertheless, the profit before taxation decreased from RM5.815mil to RM5.327mil compared to corresponding period in previous year. The dropped in profit before taxation was mainly due to losses in foreign currency recognised during the period. Besides, changes in government policy on foreign workers levy treatment had also impacted bottom line of the Group.

Trading

The revenue for current quarter decreased by RM1.840mil or 53.96% as compared to corresponding period in previous year. At the same time, the profit before tax for trading divison was decrease from profit of RM0.671mil to loss of RM0.086mil compared to corresponding period in previous year. Decrease in profit before taxation was mainly due to lower in demand.

Properties

Loss before tax increased from loss of RM0.096mil to RM0.128mil compared to corresponding period in previous year. The increase in loss before tax was mainly due to increase in operating and other expenses.

Investment

Bottom line of this division improved from loss of RM0.287mil to profit of RM0.116mil. The improvement in profit before tax was mainly due to reduce in operating cost.

c) Prospects

We continue to expect 2018 to be very challenging year. However, we will continue to strengthen our market position and expand customer base amidst the continuous competition and challenges faced. Our effort in enhancing operational efficiency and effectiveness by putting in place cost control measures will be continued.

Barring unforseen circumstances, we foresee a reasonable performance of the Group for the year ahead.

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	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	RM'000	RM'000	RM'000	RM'000
Profit before tax	5,229	6,103	5,229	6,103
Current year taxation :-				
Income tax	1,525	1,202	1,525	1,202
Deferred tax	(226)	(410)	(226)	(410)
	1,299	792	1,299	792

The effective tax rate of the Group was higher than statutory tax rate due to non-allowable expenses and additional tax imposed by Inland Revenue Board.

B4. STATUS OF CORPORATE PROPOSALS

There were no other coporate proposals announced or outstanding as at the date of this report.

B5. BANK BORROWINGS AND DEBT SECURITIES

The borrowings as at 31 March 2018 are as follows:

	Current Liabilities RM'000	Non-current Liabilities RM'000	Total RM'000
Secured			
- Bank overdrafts	2,850	-	2,850
- Bill payables	29,930	-	29,930
- Hire Purchases	4,540	7,744	12,284
- Term Loans	253	5,741	5,994
	37,573	13,485	51,058

The borrowings are secured by way of:

(i) legal charge over the land and building and plant and machinery of certain subsidiaries;
(ii) pledged of fixed deposits of certain subsidiaries;
(iii) negative pledge;
(iv) facility agreement;
(v) joint and several guarantee of certain subsidiaries; and
(vi) corporate guarantees of the Company.

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 diving the net profit for the year by weighted average number of ordinary shares in issue during the period.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Net profit for the period (RM'000)	3,930	5,311	3,930	5,311
Weighted average number of ordinary shares in issue (RM'000)	188,624	188,393 *	188,624	188,393 *
Basic earnings per share (sen)	2.08	2.82 *	2.08	2.82 *
Diluted earnings 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.

* Comparative number of shares was restated to take into account the effect of bonus issue.

B9. PROFIT BEFORE TAXATION

	3 MONTHS ENDED		3 MONTHS ENDED	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Profit before taxation is arrived	RM'000	RM'000	RM'000	RM'000
a) After Charging				
Depreciation	1,808	1,713	1,808	1,713
Impairment loss on receivables	15	-	15	-
Interest expense	775	623	775	623
Loss on foreign exchange - realised	503	103	503	103
Rental of equipment and machinery	158	144	158	144
Rental of premises	161	152	161	152
b) After Crediting				
Interest income	4	30	4	30
Gain on foreign exchange - realised	139	344	139	344
Gain on disposal of property, plant and equipment	63	5	63	5
Lease rental income	49	68	49	68
Rental income	131	140	131	140
Dividend income	360	240	360	240

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 financial year ended 31 December 2017.

B10. REALISED AND UNREALISED RETAINED EARNING

	GROUP	
	31/03/2018	31/03/2017
	RM'000	RM'000
Total retained earning of Public Packages Holdings Berhad and its subsidiaries		
- Realised	132,760	152,433
- Unrealised	(8,861)	(9,831)
	123,899	142,602
Total share of retained earning from joint ventures:		
- Realised	3,513	3,185
	127,412	145,787
Less: Consolidation adjustments	(15,905)	(10,470)
Total retained earning	111,507	135,317

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT QUARTER ENDED 31/03/2018 RM'000	CORRESPONDING QUARTER ENDED 31/03/2017 RM'000	CURRENT YEAR TO DATE ENDED 31/03/2018 RM'000	CORRESPONDING YEAR TO DATE ENDED 31/03/2017 RM'000
1.	Revenue	42,929	41,885	42,929	41,885
2.	Profit / (loss) before tax	5,229	6,103	5,229	6,103
3.	Profit / (loss) for the period	3,930	5,311	3,930	5,311
4.	Profit / (loss) attributable to ordinary equity holders of the parent	3,930	5,311	3,930	5,311
5.	Basic earnings / (loss) per share (sen)	2.08	2.82	2.08	2.82
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)	1.10	1.08

Part A3: Additional Information

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT QUARTER ENDED 31/03/2018 RM'000	CORRESPONDING QUARTER ENDED 31/03/2017 RM'000	CURRENT YEAR TO DATE ENDED 31/03/2018 RM'000	CORRESPONDING YEAR TO DATE ENDED 31/03/2017 RM'000
1.	Profit from the operation	6,010	6,620	6,010	6,620
2.	Gross interest income	4	30	4	30
3.	Gross interest expenses	775	623	775	623