MALAYSIA PACKAGING INDUSTRY BHD

Laporan Tahunan

2000

Annual Report

二〇〇〇

常年報告

大馬包裝工業有限公司

MALAYSIA PACKAGING INDUSTRY BERHAD

Company No. 22265-U

(Incorporated in Malaysia)

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MALAYSIA PACKAGING INDUSTRY BERHAD

Company No. 22265-U

(Incorporated in Malaysia)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of the Company will be held at 6 1/2 Miles, Simpang Salak South Baru, (Lot 3, Jalan Kuchai Lama), 58200 Kuala Lumpur on Tuesday, 5th June 2001 at 3.00 p.m. for the following purposes:-

1. To receive and adopt the Report of the Directors and the Accounts for the year ended 31st December 2000 and the Report of the Auditors thereon. **RESOLUTION 1**

2. To approve the declaration of a first and final tax exempt dividend of 2% for the year ended 31st December 2000. **RESOLUTION 2**

3. To approve the payment of Directors' Fees. **RESOLUTION 3**

4. To re-elect directors:

   (i) In accordance with Article 87 of the Company's Articles of Association, Dato' Ahmad Badri Bin Mohamed Basir retires by rotation and, being eligible, offers himself for re-election. **RESOLUTION 4**

   (ii) In accordance with Article 89 of the Company's Articles of Association, the following directors retire and being eligible, offer themselves for re-election:

   (a) Mr. Katsuyuki Inoue **RESOLUTION 5**
   (b) Mr. Hiroyuki Sugae **RESOLUTION 6**

5. To pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965:-

   (i) That pursuant to Section 129(6) of the Companies Act, 1965, Mr. Tay How Seng be and is hereby re-appointed a director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company. **RESOLUTION 7**

   (ii) That pursuant to Section 129(6) of the Companies Act, 1965, Dato' Haji Mohd. Bakri Bin Abdul Rais be and is hereby re-appointed a director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company. **RESOLUTION 8**

6. To appoint Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **RESOLUTION 9**

7. To transact any other ordinary business of which due notice shall have been given.

MALAYSIA PACKAGING INDUSTRY BERHAD

Company No. 22265-U

(Incorporated in Malaysia)

NOTICE IS ALSO HEREBY GIVEN that the First and Final Tax Exempt Dividend of 2%, if approved, will be paid on 18th July 2001 to depositors registered in the Record of Depositors at the close of business on 9th July 2001.

A depositor shall qualify for the entitlement only in respect of:-

a) Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 9th July 2001 in respect of ordinary transfers;

b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

Winnie Chok
Secretary

Kuala Lumpur
17th May 2001

Notes:

1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

2) If the appointer is a corporation, the proxy should be executed under its common seal or under the hand of an officer or attorney duly authorised.

3) The instrument appointing a proxy must be deposited at the office of Bina Management (M) Sdn. Bhd., Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

KiMs
KACANG MENGLEMBU
Julie's
Wheat Crackers
B&W
INSTANT
CNI-MILK TEA
3-in-1
PENAMBAH PERISA
AJI-NO-MOTO
Brahim's
Instant Chef
KUAH MASAK LEMAK
GILI PADI
Bakuteh
AYAMAS
Vege
ASSORTMENT
Vege
Kit Kat
MALTIS

CORPORATE INFORMATION

Directors

Tay How Seng (Chairman and Managing Director)
Dato' Haji Mohd. Bakri bin Abdul Rais
Dato' Ahmad Badri bin Mohamed Basir
Kazumitsu Tanabe
Katsuyuki Inoue
Hiroyuki Sugae
Minoru Iseda
Dr. Goh Chin Siew
Peony Lye

Bankers

Bank of Tokyo – Mitsubishi (Malaysia) Berhad
Malayan Banking Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

Auditors

Arthur Andersen & Co.

Solicitors

Tee, Tan & Partners

Company Secretary

Winnie Chok Kwee Wah (MACS 00550)

Registered Office

6 1/2 Miles, Simpang Salak South Baru
(Lot 3, Jalan Kuchai Lama)
58200 Kuala Lumpur.
P.O. Box 11145, 50736 Kuala Lumpur.
Telephone : 03 – 7983 1877
Facsimile : 03 – 7981 3198

Registrars

Bina Management (M) Sdn. Bhd.,
Lot 10, The Highway Centre,
Jalan 51/205, 46050 Petaling Jaya,
Selangor Darul Ehsan.
Telephone : 03 – 7784 3922
Facsimile : 03 – 7784 1988

MALAYSIA PACKAGING INDUSTRY BERHAD

Company No. 22265-U

(Incorporated in Malaysia)

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present to the shareholders the Annual Report of the Company for the year ended 31st December 2000.

COMPANY PERFORMANCE

In 2000, the Company recorded an after tax profit of RM1.43m compared with RM2.34m in 1999. Sales Turnover increased marginally by 2.56% to RM55.75m compared with RM54.36m previously.

The higher tax charges amounting RM0.954m as against RM0.431m in 1999 together with production cost increases and facilities improvement affected the Company's performance.

The Company achieved another significant milestone in year 2000 with the certification of its Environmental Management System to ISO 14001 by SIRIM.

DIVIDEND

The Directors are recommending the payment of a first and final tax exempt dividend of 2% for the year.

PROSPECT

The slowdown in the global economy is expected to yield more intense competition. However, barring unforeseen circumstances, the Company expects to maintain its current performance.

DIRECTORATE

The year under review saw changes to the Board with the resignation of Mr. Yasushi Akasaka and Mr Shinichi Matsumoto and the appointment of Mr. Katsuyuki Inoue and Mr. Hiroyuki Sugae. The Board wishes to record its appreciation and thanks to both Mr. Y. Akasaka and Mr. S. Matsumoto and at the same time welcome their successors, Mr. K. Inoue and Mr. H. Sugae.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our sincere appreciation to our valued customers, business associates and shareholders for their confidence and continued support. I would also like to thank all our employees for their hard work and dedication during the year.

TAY HOW SENG
CHAIRMAN
28th April, 2001

MALAYSIA PACKAGING INDUSTRY BERHAD

Company No. 22265-U

(Incorporated in Malaysia)

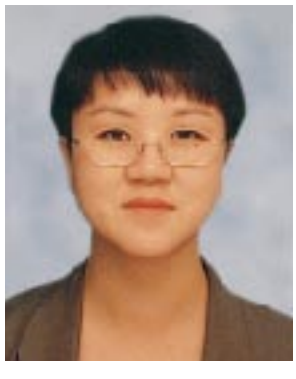
BOARD OF DIRECTORS

Tay How Seng

Dato' Haji Mohd. Bakri Bin Abdul Rais

Dato' Ahmad Badri Bin Mohamed Basir

Kazumitsu Tanabe



Peony Lye

Dr. Goh Chin Siew

Minoru Iseda

Katsuyuki Inoue

Hiroyuki Sugae

AUDIT COMMITTEE

1.	Dr. Goh Chin Siew	–	Independent Non Executive Director (Chairman)
2.	Peony Lye	–	Independent Non Executive Director
3.	Dato' Haji Mohd. Bakri Bin Abdul Rais	–	Independent Non Executive Director
4.	Dato' Ahmad Badri Bin Mohamed Basir	–	Independent Non Executive Director
5.	Katsuyuki Inoue	–	Non Executive Director

TERMS OF REFERENCE

CONSTITUTION

The Board hereby resolves to establish a Committee of the Board to be known as the Audit Committee.

MEMBERSHIP

The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than 3 members of which majority shall be independent non-executive directors. A quorum shall be 2 members.

The Chairman of the Committee shall be appointed by the Board.

ATTENDANCE AT MEETINGS

The finance director and a representative of the external auditors shall normally attend meetings. However at least once a year the Committee shall meet with the external auditors without any executive board member present.

The Company secretary shall be the secretary of the Committee.

FREQUENCY OF MEETING

Meetings shall be held not less than two times a year. The external auditors may request a meeting if they consider that one is necessary.

AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of references. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

FUNCTIONS

1. Review with the External Auditor:

   a) the audit plan.

   b) the evaluation of internal accounts.

   c) the audit reports.

   d) the Company's accounting policies and reporting requirement.

2. Review the annual financial statements and reports prior to submission to the Board of Directors.

3. Review the assistance given by the Company officers to the External Auditors.

4. Recommend the appointment of the External Auditors.

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December, 2000.

PRINCIPAL ACTIVITY

The principal activity of the Company is the manufacture of flexible packaging materials.

There has been no significant change in this activity during the financial year.

RESULTS	RM
Net profit for the year	1,426,241

DIVIDENDS

Since the end of the previous financial year, the Company paid a tax exempt dividend of 2% amounting to RM420,428 in respect of the previous financial year. The directors recommend the first and final tax exempt dividend of 2% amounting to RM420,428 in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the income statement and balance sheet were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would require any debts to be written off or render the amount of provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statement and balance sheet were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made.

DIRECTORS

The directors who served since the date of the last report are:

Tay How Seng
Dato' Haji Mohd. Bakri bin Abdul Rais
Dr. Goh Chin Siew
Peony Lye
Minoru Iseda
Dato' Ahmad Badri bin Mohamed Basir
Kazumitsu Tanabe
Katsuyuki Inoue (appointed on 3 July, 2000)
Hiroyuki Sugae (appointed on 3 July, 2000)
Shinichi Matsumoto (resigned on 1 July, 2000)
Yasushi Akasaka (resigned on 1 July, 2000)

In accordance with the Company's Articles of Association, Dato' Ahmad Badri bin Mohamed Basir, Katsuyuki Inoue and Hiroyuki Sugae retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Tay How Seng and Dato' Haji Mohd. Bakri bin Abdul Rais retire pursuant to Section 129 of the Companies Act, 1965 and a resolution is being proposed for their re-appointment as directors under the provision of Section 129(6) of the said Act to hold office until the conclusion of the next Annual General Meeting of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	1 January, 2000	Bought	Sold	31 December, 2000
Tay How Seng	1,000,000	–	–	1,000,000
Dato' Haji Mohd. Bakri bin Abdul Rais	500	–	–	500

None of the other directors in office at the end of the financial year had any interest in shares in the Company during the financial year.

NUMBER OF EMPLOYEES AND REGISTERED OFFICE

The number of employees in the Company at the end of the year was 246 (1999 : 236). The registered office of the Company is located at 6½ miles, Simpang Salak South Baru, (Lot 3, Jalan Kuchai Lama), 58200 Kuala Lumpur.

AUDITORS

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

Signed on behalf of the Board
in accordance with a resolution
of the directors

TAY HOW SENG

KAZUMITSU TANABE

Kuala Lumpur
Dated: 23rd April 2001

MALAYSIA PACKAGING INDUSTRY BERHAD

Company No. 22265-U

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, TAY HOW SENG and KAZUMITSU TANABE, being two of the directors of MALAYSIA PACKAGING INDUSTRY BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 17 to 30 give a true and fair view of the state of affairs of the Company as at 31 December, 2000 and of its results and cash flows for the year then ended, and have been properly drawn up in accordance with applicable approved accounting standards in Malaysia.

Signed on behalf of the Board
in accordance with a resolution
of the directors

TAY HOW SENG

KAZUMITSU TANABE

Kuala Lumpur
Dated: 23rd April 2001

STATUTORY DECLARATION

I, KAZUMITSU TANABE, the director primarily responsible for the financial management of MALAYSIA PACKAGING INDUSTRY BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 17 to 30 are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed KAZUMITSU TANABE at)
Kuala Lumpur in Wilayah Persekutuan)
on) KAZUMITSU TANABE

Before me

Commissioner for Oaths
No. W145
ONG KAH CHONG, AMN

AUDITORS' REPORT

To the Shareholders of
MALAYSIA PACKAGING INDUSTRY BERHAD

We have audited the financial statements set out on pages 17 to 30. The financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia and give a true and fair view of:

   (i) the state of affairs of the Company as at 31 December, 2000 and of the results and cash flows of the Company for the year then ended; and

   (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements;

(b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Arthur Andersen & Co.
No. AF 0103
Public Accountants

Adrian Tsen Keng Yam
No. 1314/05/02(J)
Partner of the Firm

Dated: 23rd April 2001

MALAYSIA PACKAGING INDUSTRY BERHAD

Company No. 22265-U

(Incorporated in Malaysia)

BALANCE SHEET

31 DECEMBER, 2000

	Note	2000 RM	1999 RM
CURRENT ASSETS			
Cash and bank balances		1,187,516	1,541,669
Fixed deposits with a licensed bank		–	500,000
Trade debtors	3	14,349,021	15,323,062
Other debtors and prepayments		147,492	110,072
Stocks	4	8,243,916	7,720,644
		23,927,945	25,195,447
CURRENT LIABILITIES			
Short term borrowings	5	4,940,000	8,360,000
Trade creditors	6	4,710,590	5,253,864
Other creditors and accruals		2,134,680	1,773,461
Taxation		256,832	–
Proposed dividend		420,428	420,428
		12,462,530	15,807,753
NET CURRENT ASSETS		11,465,415	9,387,694
FIXED ASSETS	7	21,182,846	21,724,754
DEFERRED TAXATION	8	(830,000)	(300,000)
		31,818,261	30,812,448
SHAREHOLDERS' FUNDS			
Share capital	9	21,021,412	21,021,412
Reserves		10,796,849	9,791,036
		31,818,261	30,812,448

The accompanying notes are an integral part of this balance sheet.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER, 2000

	Note	2000 RM	1999 RM
Revenue	10	55,752,645	54,360,968
Other operating income	11	72,248	20,252
Changes in stocks of work in progress and finished goods		19,178	609,235
Consumables and raw materials		(31,586,737)	(31,231,888)
Staff costs	12	(8,864,685)	(8,398,904)
Depreciation		(2,969,133)	(2,977,279)
Other operating expenses	13	(9,480,411)	(9,048,580)
Profit from operations		2,943,105	3,333,804
Finance costs	14	(562,864)	(560,972)
Profit before taxation		2,380,241	2,772,832
Taxation	15	(954,000)	(430,569)
Net profit for the year		1,426,241	2,342,263)
Earnings per share	16	6.8 sen	11.1 sen

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2000

	Share capital RM	Capital reserves RM	Unappropriated profits RM	Total RM
At 1.1.99	21,021,412	64,979	7,804,222	28,890,613
Net profit for the year	–	–	2,342,263	2,342,263
Dividends (Note 17)	–	–	(420,428)	(420,428)
At 31.12.99	21,021,412	64,979	9,726,057	30,812,448
Net profit for the year	–	–	1,426,241	1,426,241
Dividends (Note 17)	–	–	(420,428)	(420,428)
At 31.12.00	21,021,412	64,979	10,731,870	31,818,261

The accompanying notes are an integral part of this statement.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER, 2000

	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,380,241	2,772,832
Adjustments for:		
Depreciation	2,969,133	2,977,279
Gain on sale of fixed assets	(14,981)	(4,089)
Fixed assets written off	263,398	–
Stocks written off	191,802	–
Provision for doubtful debts	90,000	220,000
Interest income	(28,667)	(10,508)
Interest expenses	379,323	394,520
Operating profit before working capital changes	6,230,249	6,350,034
Decrease in debtors	846,621	578,926
Increase in stocks	(715,074)	(3,336,609)
(Decrease)/increase in creditors	(182,055)	220,740
Cash generated from operations	6,179,741	3,813,091
Interest paid	(379,323)	(394,520)
Income tax paid	(167,168)	(182,364)
Net cash generated from operating activities	5,633,250	3,236,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,695,642)	(1,314,998)
Proceeds from sale of fixed assets	20,000	138,400
Interest received	28,667	10,508
Net cash used in investing activities	(2,646,975)	(1,166,090)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(3,420,000)	(1,520,000)
Dividend paid	(420,428)	(420,428)
Net cash used in financing activities	(3,840,428)	(1,940,428)

	2000 RM	1999 RM
Net (decrease)/increase in cash and cash equivalents	(854,153)	129,689
Cash and cash equivalents at beginning of year	2,041,669	1,911,980
Cash and cash equivalents at end of year	1,187,516	2,041,669
Cash and cash equivalents comprise:		
Cash and bank balances	1,187,516	1,541,669
Fixed deposits with a licensed bank	–	500,000
	1,187,516	2,041,669

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER, 2000

1. PRINCIPAL ACTIVITY

The principal activity of the Company is the manufacture of flexible packaging materials.

There has been no significant change in this activity during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of the long term leasehold land and buildings and comply with applicable approved accounting standards in Malaysia.

(b) Currency Conversion and Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences are taken to the income statement.

The exchange rates ruling at balance sheet date used are as follows:

	2000	1999
Japanese Yen	0.0332	0.0372
Singapore Dollars	2.2000	2.2800
US Dollars	3.8000	3.8000

(c) Fixed Assets and Depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment loss.

Leasehold land is depreciated over the period of the lease. Depreciation of other fixed assets is provided on a straight line basis calculated to write off the cost or valuation of each asset over its estimated useful life.

The principal annual rates of depreciation are:

Long term leasehold land	Over 70 – 77 years
Factory and office buildings	2% – 10%
Plant and equipment	10%
Furniture, fixtures, fittings and motor vehicles	7.5% – 20%

Freehold land and leasehold properties of the Company have not been revalued since they were first revalued in 1990. The directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of International Accounting Standard 16 (Revised) : Property, Plant and Equipment adopted by the Malaysian Accounting Standards Board, these assets continue to be stated at their 1990 valuation less accumulated depreciation.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Work-in-progress and finished goods include where appropriate direct materials, direct labour and production overheads.

(e) Deferred Taxation

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks and deposits at call.

(g) Revenue Recognition

Sales are recognised net of discounts when transfer of risks and rewards has been completed.

(h) Debtors

Known bad debts are written off and specific provisions are made for all debts which are considered doubtful. In addition, a general provision for doubtful debts is also made.

3. TRADE DEBTORS

	2000 RM	1999 RM
Trade debtors	15,559,834	16,443,875
Provision for doubtful debts	(1,210,813)	(1,120,813)
	14,349,021	15,323,062

Included in trade debtors is an amount due from Ajinomoto (Malaysia) Berhad, a corporate shareholder, and Malaysia Ve-Tsin Manufacturing Co. Bhd., a corporate shareholder, amounting to RM669,558 (1999 : RM324,648) and RM4,941 (1999 : RM16,595) respectively.

4. STOCKS

	2000 RM	1999 RM
Raw materials	5,905,114	5,401,020
Work-in-progress	915,625	824,535
Finished goods	1,423,177	1,495,089
	8,243,916	7,720,644

5. SHORT TERM BORROWINGS

The short term borrowings relate to a term loan that bears interest at 6.92% (1999 : 3.30% – 3.72%) per annum and is repayable on 18 May 2001.

6. TRADE CREDITORS

Included in trade creditors is an amount of RM85,985 (1999 : RM77,803) due to Malaysia Ve-Tsin Manufacturing Co. Bhd., a corporate shareholder.

7. FIXED ASSETS

	Land and buildings RM	Furniture, fixtures and fittings RM	Motor vehicles RM	Plant and equipment RM	Total RM
Cost / Valuation					
At 1.1.00	11,757,038	2,804,155	1,680,440	34,080,456	50,322,089
Additions	–	307,516	162,292	2,225,834	2,695,642
Disposals	–	(1,250)	(76,565)	–	(77,815)
Written off	–	(31,722)	–	(452,223)	(483,945)
At 31.12.00	11,757,038	3,078,699	1,766,167	35,854,067	52,455,971
Representing:					
At cost	8,157,038	3,078,699	1,766,167	35,854,067	48,855,971
At valuation	3,600,000	–	–	–	3,600,000
	11,757,038	3,078,699	1,766,167	35,854,067	52,455,971
Accumulated Depreciation					
At 1.1.00	1,440,982	2,036,296	1,005,779	24,114,278	28,597,335
Additions	219,317	169,351	260,437	2,320,028	2,969,133
Disposal	–	(461)	(72,335)	–	(72,796)
Written off	–	(12,387)	–	(208,160)	(220,547)
At 31.12.00	1,660,299	2,192,799	1,193,881	26,226,146	31,273,125
Representing:					
At cost	1,022,585	2,192,799	1,193,881	26,226,146	30,635,411
At valuation	637,714	–	–	–	637,714
	1,660,299	2,192,799	1,193,881	26,226,146	31,273,125
Net Book Value					
At 31.12.00					
At cost	7,134,453	885,900	572,286	9,627,921	18,220,560
At valuation	2,962,286	–	–	–	2,962,286
	10,096,739	885,900	572,286	9,627,921	21,182,846
At 31.12.99					
At cost	7,295,796	767,859	674,661	9,966,178	18,704,494
At valuation	3,020,260	–	–	–	3,020,260
	10,316,056	767,859	674,661	9,966,178	21,724,754
Depreciation charge for 1999	222,474	150,774	269,931	2,334,100	2,977,279

(a) Included in the above are the following fixed assets which have been fully depreciated but are still in use:

	2000 RM	1999 RM
At cost:		
Plant and equipment	11,157,260	10,644,248
Furniture, fixtures, fittings and motor vehicles	1,863,775	1,859,296
	13,021,035	12,503,544

(b) The long term leasehold land, factory and office buildings were revalued in 1990 as approved by the relevant authorities and based on an independent professional valuation on the existing use basis. The surplus arising from the revaluation has been transferred to the capital reserves account.

(c) Had the revalued fixed assets been carried at historical cost less accumulated depreciation, the net book value of each class of fixed assets that would have been included in the financial statements as at 31 December, 2000 would be as follows:

	2000 RM	1999 RM
Long term leasehold land	326,288	331,232
Buildings	664,901	689,623

8. DEFERRED TAXATION

		2000 RM	1999 RM
(a)	At 1 January	300,000	–
	Transfer from income statement	530,000	300,000
	At 31 December	830,000	300,000

	2000 RM	1999 RM
(b) Deferred taxation is in respect of the following:		
Timing differences between depreciation and corresponding capital allowances	6,439,000	7,434,000
Timing differences on provisions	(3,475,000)	(4,220,000)
Unutilised investment allowances carried forward	–	(2,143,000)
Net amount of all timing differences	2,964,000	1,071,000

Deferred taxation is not provided on the surplus arising from the revaluation of leasehold land and building as it is not the intention of the directors to dispose these properties.

9. SHARE CAPITAL

	2000 RM	1999 RM
Ordinary shares of RM1 each:		
Authorised	38,000,000	38,000,000
Issued and fully paid	21,021,412	21,021,412

10. REVENUE

Revenue represents the invoiced value of sales net of sales tax and less returns.

11. OTHER OPERATING INCOME

	2000 RM	1999 RM
Included in other operating income are the followings:		
Gain on sales of fixed assets	14,981	4,089
Interest income	28,667	10,508

12. STAFF COSTS

	2000 RM	1999 RM
Included in staff costs are the following expenses:		
Directors' remuneration		
– fees	72,000	72,000
– salaries and other emoluments	1,318,654	1,461,172

The estimated monetary value of other benefits for the year not included in the above received by certain directors were RM56,990 (1999 : RM73,134).

13. OTHER OPERATING EXPENSES

	2000 RM	1999 RM
Included in other operating expenses are the following expenses:		
Auditors' remuneration	19,000	16,000
Provision for doubtful debts, net of recoveries	90,000	220,000
Loss on foreign exchange	119,657	95,028
Fixed assets written off	263,398	–
Stocks written off	191,802	–

14. FINANCE COSTS

Included in finance costs is interest expense amounting to RM379,323 (1999 : RM394,520).

15. TAXATION

	2000 RM	1999 RM
Current year's provision	424,000	–
Taxation underprovided in respect of prior years	–	130,569
Deferred taxation	530,000	300,000
	954,000	430,569

Tax savings arising as a result of utilisation of unutilised reinvestment allowances brought forward amount to RM160,000 (1999 : RM1,374,000).

The Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of its entire retained profits as at 31 December, 2000.

16. EARNINGS PER SHARE

The earnings per share is calculated by dividing the profit after taxation of RM1,426,241 (1999 : RM2,342,263) by the number of ordinary shares in issue of 21,021,412 (1999 : 21,021,412) shares of RM1.00 each.

17. DIVIDENDS

	Amount		Dividend per share	
	2000 RM	1999 RM	2000 Sen	1999 Sen
Ordinary tax exempt dividends of 2% (1999: 2%)	420,428	420,428	2.0	2.0

18. SIGNIFICANT RELATED PARTY DISCLOSURES

	2000 RM	1999 RM
Sales of finished goods to Ajinomoto (Malaysia) Berhad, a corporate shareholder	2,699,362	1,860,618
Sales of finished goods to Malaysia Ve-Tsin Manufacturing Co. Bhd., a corporate shareholder	23,082	45,120
Rental expense charged by Malaysia Ve-Tsin Manufacturing Co. Bhd., a corporate shareholder	404,763	353,396
Miscellaneous operating expenses paid to Malaysia Ve-Tsin Manufacturing Co. Bhd., a corporate shareholder	131,305	126,772
Management fee for services rendered by a director paid to Ajinomoto Co., Inc., a corporate shareholder	195,252	195,252
Purchase of fixed assets and consumables from Fix-On Concept Sdn. Bhd., a company in which an officer is a substantial shareholder	143,153	–

19. CAPITAL COMMITMENTS

	2000 RM	1999 RM
Contracted but not provided for	103,000	–

20. COMPARATIVE FIGURES

The presentation of the financial statements for the current year has been changed to adopt the format as prescribed by Malaysian Accounting Standards Board Standard 1 : Presentation of Financial Statements. Comparative figures have been reclassified to conform with this presentation, where necessary.

21. CURRENCY

All amounts are stated in Ringgit Malaysia.

PROPERTIES
As at 31 December 2000

	Location	Description	Existing Use	Area (Sq. Ft)	Tenure (Expiry Date)	Approximate Age of Building (Years)	Net Book Value (RM)
1.	Part of Lot L. O. No. 3 in the Mukim of Kuala Lumpur and registered under provisional title No. Q.T. (R) 5621 Jalan Kuchai Lama, Petaling 58200 Kuala Lumpur.	Industrial land with a single-storey factory and three-storey office premises	Office and Factory	93,778	Leasehold (31.07.2066)	26	10,005,486
2.	Lot 90D, 74-2A, Jalan 2/116B Kuchai Entrepreneurs Park 58200 Kuala Lumpur	Apartment on 2nd Floor of three-storey shop cum apartment building	Staff quarters	870	Leasehold (23.06.2081)	11	41,490
3.	Lot 95F, 3-3A, Jalan 2/116B Kuchai Entrepreneurs Park 58200 Kuala Lumpur	Apartment on 3rd Floor of three-storey shop cum apartment building	Staff quarters	932	Leasehold (23.06.2081)	11	49,763

MALAYSIA PACKAGING INDUSTRY BERHAD

Company No. 22265-U

(Incorporated in Malaysia)

ANALYSIS OF SHAREHOLDINGS

As at 9 April 2001

Class of shares : RM1.00 Ordinary Share
Voting rights : 1 Vote per Ordinary Share

Distribution of Shareholdings

Range	No. of Shareholders	%	No. of Shares	%
1 – 1,000	1,005	53.04	935,450	4.45
1,001 – 5,000	705	37.20	1,908,675	9.08
5,001 – 10,000	98	5.17	790,600	3.76
10,001 & ABOVE	87	4.59	17,386,687	82.71
TOTAL	1,895	100.00	21,021,412	100.00

20 Largest Shareholders

	Name	No. of shares	%
1.	Malaysia Ve-Tsin Manufacturing Co. Bhd	4,204,284	20.00
2.	Dainippon Ink & Chemicals Incorporated	3,153,212	15.00
3.	Ajinomoto Co., Inc.	2,102,141	10.00
4.	Ajinomoto (Malaysia) Berhad	2,102,140	10.00
5.	Ace Package Co. Ltd.	1,051,070	5.00
6.	Tay How Seng	1,000,000	4.76
7.	Cartaban Nominees (Asing) Sdn Bhd *Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken Ag*	700,000	3.33
8.	Lee Chuat Chong @ Lee Huan Chong	340,000	1.62
9.	HDM Nominees (Asing) Sdn Bhd *Vickers Ballas & Company Pte Ltd for Ettrick Company Limited*	326,052	1.55
10.	Dato' Teo Soo Cheng	133,000	0.63
11.	Ng Hin Kwee	133,000	0.63
12.	Tasec Nominees (Asing) Sdn Bhd *Meespierson Asia Limited for Savern Finance Limited*	110,000	0.52
13.	Mah King Woon Sendirian Berhad	96,000	0.46
14.	Loh Suit Tsing @ Loh Chwee Ngan	85,500	0.41
15.	Chong Kim Fatt	84,000	0.40
16.	Mayban Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Kah Loon (Rem 107-Margin)*	84,000	0.40
17.	Yap Qwee Beng	68,000	0.32
18.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tiong Kiong Choon (T181)*	63,000	0.30
19.	Soh Poh Yen	57,000	0.27
20.	Ling Choay Hua @ Ling Chong Hua	52,000	0.25
		15,944,399	75.85

Substantial Shareholders

	Name	No. of shares	%
1.	Malaysia Ve-Tsin Manufacturing Co. Bhd	4,204,284	20.00
2.	Dainippon Ink & Chemicals Incorporated	3,153,212	15.00
3.	Ajinomoto Co., Inc.	2,102,141	10.00
4.	Ajinomoto (Malaysia) Berhad	2,102,140	10.00
5.	Ace Package Co. Ltd.	1,051,070	5.00
6.	Tay How Seng	1,000,000	4.76
7.	Cartaban Nominees (Asing) Sdn Bhd *Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken Ag*	700,000	3.33
		14,312,847	68.09

DIRECTORS' SHAREHOLDINGS

As at 21 January, 2001

	Name	No. of Ordinary Shares of RM1.00 each
1.	Tay How Seng	1,000,000
2.	Dato' Haji Mohd. Bakri bin Abdul Rais	500
3.	Dato' Ahmad Badri bin Mohamed Basir	NIL
4.	Kazumitsu Tanabe	NIL
5.	Katsuyuki Inoue	NIL
6.	Hiroyuki Sugae	NIL
7.	Minoru Iseda	NIL
8.	Dr. Goh Chin Siew	NIL
9.	Peony Lye	NIL

MALAYSIA PACKAGING INDUSTRY BERHAD

Company No. 22265-U

(Incorporated in Malaysia)

No. of Shares Held	

FORM OF PROXY

I/We, ...

of . . . . . .

being a member/members of MALAYSIA PACKAGING INDUSTRY BERHAD, hereby appoint . . . . . .

. . . . . .

of . . . . . .

or failing him . . . . . .

of . . . . . .

as my/our proxy to vote for me/us and on my/our behalf at the TWENTY-SIXTH ANNUAL GENERAL MEETING of the Company to be held at 6 1/2 Miles, Simpang Salak South Baru, (Lot 3, Jalan Kuchai Lama), 58200 Kuala Lumpur on Tuesday, 5th June 2001 at 3.00 p.m. and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy will vote as he thinks fit or abstain from voting):-

No.		For	Against
1.	Adoption of the Report of the Directors and the Accounts for the year ended 31-12-2000 and the Report of the Auditors thereon.		
2.	Declaration of a first and final tax exempt dividend of 2%.		
3.	Approval of Directors' Fees		
4.	Re-election of Dato' Ahmad Badri Bin Mohamed Basir as director		
5.	Re-election of Mr. Katsuyuki Inoue as director		
6.	Re-election of Mr. Hiroyuki Sugae as director		
7.	Re-appointment of Mr. Tay How Seng as director		
8.	Re-appointment of Dato' Hj Mohd Bakri Bin Abdul Rais as director		
9.	Appointment of Auditors		

Dated this ..... day of ..... 2001.

.....
Signature

NOTES:

An instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing and in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

This proxy must be deposited at the office of Bina Management (M) Sdn. Bhd., Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight hours before the time appointed for holding the meeting.