



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st quarter ended 31 March 2004

NOTES TO THE QUARTERLY REPORT

PART A - EXPLANATORY NOTES PERSUANT TO MASB 26

1. Basis of Preparation and Significant Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with MASB 26 - Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2003.

2. Audit Report

The audit report of the financial statements for the year ended 31 December 2003 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The operations of the Company for the financial period under review had not been materially affected by any seasonal or cyclical factors.

4. Unusual Items

There were no items during this quarter affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence except as otherwise noted in this report.

5. Changes in Estimate

There were no changes in estimates of amounts reported in prior quarter of the current or prior financial year which have a material effect in the current quarter.

6. Debt and Equity Securities

There were no share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares, issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

7. Dividends Paid

No dividend was paid during the quarter under review.

8. Segmental Analysis

There is no segmental analysis prepared as the Company is principally engaged in the manufacturing of printed and laminated flexible light packaging materials and the operations are predominantly carried out in Malaysia.

9. Valuations of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

10. Subsequent Events

There were no material events subsequent to 31 March 2004 that have not been reflected in the financial statements for the quarter under review.

11. Changes in the Composition of the Company

There were no changes in the composition of the Company for the current quarter and financial year-to-date.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st quarter ended 31 March 2004

NOTES TO THE QUARTERLY REPORT

12. Contingent Liabilities

There were no contingent liabilities as at the date of this quarterly report.

13. Capital Commitments

There were no capital commitments as at the date of this quarterly report.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st quarter ended 31 March 2004

NOTES TO THE QUARTERLY REPORT

PART B - EXPLANATORY NOTES PERSUANT TO CHAPTER 9 PART K OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA

14. Performance Review

Turnover for the quarter under review was RM13.5 million as against RM13.4 million of the previous corresponding quarter, representing an increase of RM0.1million or 0.7%. The Company registered a pre-tax loss of RM119,000 during the quarter as against a pre-tax loss of RM40,000 in the corresponding quarter. The increased loss was mainly due to lower gross profit margin as a result of increased overhead costs.

15. Material Changes in Quarterly Result compared to the Result of the Immediate Preceding Quarter

Turnover for the quarter under review was higher at RM13.5 million as against RM13.2 million in the last quarter, representing a increase of RM0.3mil or 2.3%. The Company registered a loss after tax of RM119,000 for the quarter under review as compared to a profit of RM532,000 as reported in the previous quarter due to reversal of tax over provided in prior years and recognition of the deferred tax assets resulted from unutilised allowances in last quarter.

16. Current Year Prospects

The Directors are of the opinion that the performance of the coming quarter is likely to be similar to the result of the 1st quarter due to increase in the raw material prices and overhead costs.

17. Profit Forecast or Profit Guarantee

Not applicable for the quarter under review.

18. Taxation

There is no tax charge for the current quarter and current year-to-date due to losses incurred in operations.

19. Profits/(loss) on Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

20. Quoted Securities

There is no quoted securities nor were there any purchases or disposals of quoted securities for the current quarter and financial year-to-date.

21. Status of Corporate Proposals

There were no corporate proposals announced as at date of the report.

22. Borrowings and Debt Securities

The company has unsecured short term borrowings of USD400,000 and bankers acceptance of RM350,000 as at 31 March 2004.

23. Financial Instruments with Off Balance Sheet Risk

There were no financial instruments with off balance sheet risk as at the date of this quarterly report.

24. Material Litigation

There were no pending material litigation as at the date of this quarterly report.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 1st quarter ended 31 March 2004

NOTES TO THE QUARTERLY REPORT

25. Dividend Payable

The directors do not recommend any dividend for the quarter under review.

26. Earnings Per Share

(a) Basic Earnings Per Share

The basic earnings per shares for 2004 are calculated by dividing the net loss for the period under review by the number of ordinary shares in issue of 42,042,824 shares of RM1.00 each during the said financial period.

The basic earnings per shares for 2003 are calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue of 35,212,037 during the financial year, adjusted retrospectively as a result of the rights and bonus issues completed in October 2003.

(b) Diluted Earnings Per Share

Not applicable.

By Order of the Board

TAY HOW SENG
Chairman

Kuala Lumpur, Malaysia
25 May 2004