



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)  
Quarterly Report for the 4th quarter ended 31 December 2004**

**NOTES TO THE QUARTERLY REPORT**

**PART A - EXPLANATORY NOTES PURSUANT 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.

The same accounting policies and methods of computation are adopted in the interim financial statements as those used in the preparation of the most recent annual financial statements for the 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**

12 months ended  
31/12/2004  
RM'000

Ordinary first and final tax exempt dividend of 1.5% in respect of the financial year ended 31 December 2003 paid on 16 July 2004.

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**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.



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**10. Subsequent Events**

There were no material events subsequent to 31 December 2004 that have not been reflected in the financial statements for the financial year ended 31 December 2004.

**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.

**12. Contingent Liabilities**

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

**13. Capital Commitments**

The amount of commitments not provided for in the interim financial statements as at 31 December 2004 is as follows :

	RM'000
Approved and contracted for :	
Property, plant and equipment	3,884

**14. Prior Year Adjustment**

Pursuant to the computerisation of the Company's inventories system in the prior year, there were inadvertent data transfer and computational errors within the "work-in-progress" module resulting in an overstatement of work-in-progress of the Company. The above have the following effects on the interim financial statements:

	2004 RM'000	2003 RM'000		
Effects on retained profits:				
At 1 January, as previously stated	2,370	13,122		
Adjustment	(945)	-		
At 1 January, as restated	1,425	13,122		
			3 months ended	12 months ended
	31/12/2004	31/12/2003	31/12/2004	31/12/2003
	RM'000	RM'000	RM'000	RM'000
Effects on net (loss)/profit for the period :				
Net (loss)/profit before adjustment	(1,491)	532	(2,170)	179
Adjustment	-	(275)	-	(945)
Net (loss)/profit for the period	(1,491)	257	(2,170)	(766)

The comparative amount for inventories for the Company as at 31 December 2003 has been restated as follows:

	Previously stated RM'000	Adjustment RM'000	Restated RM'000
Inventories	7,963	(945)	7,018



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

**15. Performance Review**

Turnover for the quarter under review was RM16.7 million as against RM13.2 million of the previous corresponding period, representing an increase of RM3.5 million or 26.5%. The Company registered a pre-tax loss of RM1,673,000 during the quarter as against a pre-tax loss of RM1,204,000 in the corresponding period. The increase in loss was mainly due to inventories amounted to RM856k was written off during the quarter under review.

**16. Material Changes in Quarterly Results compared to the Results of the Immediate Preceding Quarter**

The turnover for the quarter under review was lower at RM16.7 million as against RM18.9 million in the last quarter, representing a reduction of RM2.2 million or 11.6%. The Company registered a pre-tax loss of RM1,673,000 for the quarter under review as compared to a pre-tax loss of RM33,000 in the previous quarter. The increase in pre-tax loss was mainly due to reduction in sales volume and write off of inventories in current quarter.

**17. Current Year Prospects**

As the Company is currently planning to explore overseas market and at the same time increase its production capacity in 2005, the Directors are optimistic that the Company will perform better in the coming year.

**18. Profit Forecast or Profit Guarantee**

Not applicable for the quarter under review.

**19. Taxation**

There is no provision for taxation in the current quarter and current financial year as the Company have sufficient unabsorbed capital allowances brought forward to set off against its tax liabilities.

**20. 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.

**21. 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.

**22. Status of Corporate Proposals**

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

**23. Borrowings and Debt Securities**

The company has bankers acceptance of RM2.3mil and a hire purchase of RM92k as at 31 December 2004.

**24. 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.



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**25. Material Litigation**

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

**26. Dividend Payable**

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

**27. Earnings Per Share**

*(a) Basic Earnings Per Share*

The basic earnings per share are calculated by dividing the net profit/(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.

*(b) Diluted Earnings Per Share*

Not applicable.

By Order of the Board

OSAMU SEKIGUCHI  
Managing Director

Kuala Lumpur, Malaysia  
22 February 2005