



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 March 2007**

**CONDENSED INCOME STATEMENTS**  
*(The figures have not been audited)*

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2007 RM'000	Preceding Year Corresponding Quarter 31/03/2006 RM'000	Current Year To date 31/03/2007 RM'000	Preceding Year Corresponding Period 31/03/2006 RM'000
Revenue	17,351	15,872	17,351	15,872
Other operating income	466	709	466	709
Operating expenses	(18,269)	(17,048)	(18,269)	(17,048)
Loss from operations	(452)	(467)	(452)	(467)
Finance cost	(135)	(151)	(135)	(151)
Loss before taxation	(587)	(618)	(587)	(618)
Taxation	-	-	-	-
Net loss for the period	(587)	(618)	(587)	(618)
Loss per share (sen) :				
- Basic	(1.40)	(1.47)	(1.40)	(1.47)
- Diluted	-	-	-	-

The Condensed Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 March 2007**

**CONDENSED BALANCE SHEETS**

	<b>Unaudited</b>	<b>Audited</b>
	AS AT END OF CURRENT QUARTER 31/03/2007 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2006 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	29,414	29,785
Prepaid lease payments	2,236	2,245
	<b>31,650</b>	<b>32,030</b>
<b>CURRENT ASSETS</b>		
Inventories	8,581	8,278
Trade receivables	17,292	15,726
Other receivables	460	218
Tax recoverable	240	240
Cash and bank balances	1,418	1,438
	<b>27,991</b>	<b>25,900</b>
<b>CURRENT LIABILITIES</b>		
Provisions for liabilities	271	261
Short term borrowings	7,173	6,964
Trade payables	12,535	9,789
Other payables	2,436	2,271
	<b>22,415</b>	<b>19,285</b>
<b>NET CURRENT ASSETS</b>	<b>5,576</b>	<b>6,615</b>
	<b>37,226</b>	<b>38,645</b>
<b>CAPITAL AND RESERVES</b>		
Share Capital	42,043	42,043
Capital reserves	65	65
Accumulated losses	(8,257)	(7,670)
Shareholders' equity	<b>33,851</b>	<b>34,438</b>
<b>NON-CURRENT LIABILITY</b>		
Long term borrowings	3,375	4,207
	<b>37,226</b>	<b>38,645</b>
Net assets per share (RM)	<b>0.81</b>	<b>0.82</b>

The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 March 2007**

**CONDENSED CASH FLOW STATEMENTS**

*(The figures have not been audited)*

	<b>3 months ended 31/03/2007</b>	<b>3months ended 31/03/2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(587)	(618)
Adjustments for :		
Non-cash operating items	1,139	1,179
Interest expenses	134	153
Operating profit before working capital changes	686	714
Changes in working capital :		
(Increase)/ Decrease in inventories	(482)	154
(Increase)/ Decrease in receivables	(1,808)	627
Increase/ (Decrease) in payables	2,911	(1,523)
Cash generated from operations	1,307	(28)
Interest paid	(134)	(153)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,173</b>	<b>(181)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(570)	(1,382)
<b>Net cash used in investing activities</b>	<b>(570)</b>	<b>(1,382)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(812)	-
Drawdown/ (Repayment) of short term borrowings	257	(378)
<b>Net cash used in financing activities</b>	<b>(555)</b>	<b>(378)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>48</b>	<b>(1,941)</b>
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD</b>	<b>842</b>	<b>2,644</b>
<b>CASH AND CASH EQUIVALENT AT END OF THE PERIOD *</b>	<b>890</b>	<b>703</b>
	-	-
* The cash and cash equivalents consists of :		
Cash and bank balances	1,418	1,186
Bank overdraft (Note 22)	(528)	(483)
	<u>890</u>	<u>703</u>
	-	-

The Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 March 2007**

**CONDENSED STATEMENTS OF CHANGES IN EQUITY**  
*(The figures have not been audited)*

	<b>NON-DISTRIBUTABLE</b>			<b>Total</b>
	<b>Share capital</b>	<b>Capital reserves</b>	<b>Accumulated losses</b>	
	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 31 March 2007</b>				
At 1 January 2007	42,043	65	(7,670)	34,438
Net loss for the period	-	-	(587)	(587)
At 31 March 2007	<u>42,043</u>	<u>65</u>	<u>(8,257)</u>	<u>33,851</u>
				-
<b>3 months ended 31 March 2006</b>				
At 1 January 2006	42,043	65	(4,710)	37,398
Net loss for the period	-	-	(618)	(618)
At 31 March 2006	<u>42,043</u>	<u>65</u>	<u>(5,328)</u>	<u>36,780</u>
				-

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 1st Quarter ended 31 March 2007**

**NOTES TO THE QUARTERLY REPORT**

**PART A - EXPLANATORY NOTES PURSUANT TO FRS134**

**1. Basis of Preparation and Significant Accounting Policies**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and Appendix 9B (Part A) 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 2006.

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 2006.

**2. Auditors' Report**

The auditors' report of the financial statements for the year ended 31 December 2006 was not qualified.

**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 that during the quarter, an amount of RM124,000 was received in respect of insurance claims on inventories damaged during last year's flood incidence.

**5. Changes in Estimates**

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 results.

**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 2007 that have not been reflected or disclosed 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 2007

NOTES TO THE QUARTERLY REPORT

**12. Contingent Liability**

Bank guarantee

RM'000

431

**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 2007**

**NOTES TO THE QUARTERLY REPORT**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B (PART A) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA**

**14. Performance Review**

Turnover for the quarter under review was higher at RM17 million as against RM16 million in the previous corresponding quarter. The Company registered a pre-tax loss of RM587,000 during the quarter as against a pre-tax loss of RM618,000 in the previous corresponding quarter. Lower pre-tax loss registered in the current quarter was mainly due to higher turnover as a result of a higher sales volume.

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

The turnover for the quarter under review was higher at RM17 million as against RM16 million in the immediate preceding quarter. The Company registered a pre-tax loss of RM587,000 for the quarter under review as compared to a pre-tax loss of RM444,000 in the immediate preceding quarter. Higher pre-tax loss incurred in the current quarter was mainly due to sales mix.

**16. Current Year Prospects**

Despite the competitive business environment and challenging market condition, the directors are of the opinion that the Company's performance will improve gradually as the Company continue its cost reduction exercise and strive to source for cheaper raw materials.

**17. Profit Forecast or Profit Guarantee**

Not applicable for the quarter under review.

**18. Taxation**

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

**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 are 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 the date of this report.

**22. Borrowings**

	As at <u>31/03/2007</u>	As at <u>31/12/2006</u>
	RM'000	RM'000
<u>Short Term Borrowings</u>		
<u>Unsecured</u>		
Term loan	1,625	1,625
Bankers acceptance	2,328	2,045
Revolving credit	2,600	2,600
Hire purchase	92	98
Bank overdraft	528	596
	<u>7,173</u>	<u>6,964</u>
	-	-



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)  
Quarterly Report for the 1st Quarter ended 31 March 2007

NOTES TO THE QUARTERLY REPORT

22. Borrowings (cont.)

	As at 31/03/2007	As at 31/12/2006
	RM'000	RM'000
<u>Long Term Borrowings</u>		
<u>Unsecured</u>		
Hire purchase	125	144
Term loan	3,250	4,063
	<u>3,375</u>	<u>4,207</u>
	-	-

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

25. Dividend Payable

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

26. Earnings/(Loss) Per Share

(a) Basic Earnings/(Loss) Per Share

The loss per share 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.

(b) Diluted Earnings Per Share

Not applicable.

By Order of the Board

MANABU WATANABE  
Chief Executive Officer

Kuala Lumpur, Malaysia  
22 May 2007