



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
**Quarterly Report for the 3rd Quarter ended 30 September 2007**

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30/09/2007 RM'000	Preceding Year Corresponding Quarter 30/09/2006 RM'000	Current Year To date 30/09/2007 RM'000	Preceding Year Corresponding Period 30/09/2006 RM'000
Revenue	17,354	16,525	52,093	49,136
Other operating income	334	229	1,121	1,249
Operating expenses	(18,947)	(17,993)	(56,131)	(52,455)
Loss from operations	(1,259)	(1,239)	(2,917)	(2,070)
Finance cost	(176)	(150)	(447)	(446)
Loss before taxation	(1,435)	(1,389)	(3,364)	(2,516)
Taxation	-	-	-	-
Net loss for the period	(1,435)	(1,389)	(3,364)	(2,516)
Loss per share (sen) :				
- Basic	(3.41)	(3.30)	(8.00)	(5.98)
- 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.



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**CONDENSED BALANCE SHEETS**

	<b>Unaudited</b>	<b>Audited</b>
	AS AT END OF CURRENT QUARTER 30/09/2007 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2006 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	28,596	29,785
Prepaid lease payments	2,217	2,245
	<b>30,813</b>	<b>32,030</b>
<b>CURRENT ASSETS</b>		
Inventories	6,733	8,278
Trade receivables	17,661	15,726
Other receivables	516	218
Tax recoverable	-	240
Cash and bank balances	9,192	1,438
	<b>34,102</b>	<b>25,900</b>
<b>CURRENT LIABILITIES</b>		
Provisions for liabilities	282	261
Short term borrowings	7,534	6,964
Trade payables	9,003	9,789
Other payables	2,622	2,271
	<b>19,441</b>	<b>19,285</b>
<b>NET CURRENT ASSETS</b>	<b>14,661</b>	<b>6,615</b>
	<b>45,474</b>	<b>38,645</b>
<b>CAPITAL AND RESERVES</b>		
Share Capital	42,043	42,043
Capital reserves	65	65
Accumulated losses	(11,034)	(7,670)
Shareholders' equity	<b>31,074</b>	<b>34,438</b>
<b>NON-CURRENT LIABILITY</b>		
Long term borrowings	14,400	4,207
	<b>45,474</b>	<b>38,645</b>
Net assets per share (RM)	<b>0.74</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)**  
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**CONDENSED CASH FLOW STATEMENTS**

*(The figures have not been audited)*

	9 months ended 30/09/2007 RM'000	9 months ended 30/09/2006 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(3,364)	(2,516)
Adjustments for :		
Non-cash operating items	3,369	3,512
Interest expenses	447	447
Operating profit before working capital changes	452	1,443
Changes in working capital :		
Decrease/ (Increase) in inventories	1,068	(1,156)
(Increase)/ Decrease in receivables	(2,233)	2,370
Decrease in payables	(435)	(2,003)
Cash generated from operations	(1,148)	654
Tax refunded	240	-
Interest paid	(447)	(447)
Payment of unutilised leave	(8)	(17)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,363)</b>	<b>190</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	14	111
Purchase of property, plant and equipment	(1,660)	(3,103)
<b>Net cash used in investing activities</b>	<b>(1,646)</b>	<b>(2,992)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(1,625)	(812)
Proceed from holding company loan	11,897	-
Repayment of short term borrowings	(128)	(81)
<b>Net cash generated from/(used in) financing activities</b>	<b>10,144</b>	<b>(893)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7,135</b>	<b>(3,695)</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>7,977</b>	<b>(1,051)</b>
	-	-
* The cash and cash equivalents consists of :		
Cash and bank balances	2,192	61
Fixed deposit with licensed bank	7,000	-
Bank overdraft (Note 23)	(1,215)	(1,112)
	<u>7,977</u>	<u>(1,051)</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)**  
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**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>9 months ended 30 September 2007</b>				
At 1 January 2007	42,043	65	(7,670)	34,438
Net loss for the period	-	-	(3,364)	(3,364)
At 30 September 2007	42,043	65	(11,034)	31,074
			-	
<b>9 months ended 30 September 2006</b>				
At 1 January 2006	42,043	65	(4,710)	37,398
Net loss for the period	-	-	(2,516)	(2,516)
At 30 September 2006	42,043	65	(7,226)	34,882
			-	

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 3rd Quarter ended 30 September 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. Changes in Accounting Policies**

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those used in the preparation of the most recent annual financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2007 :

FRS 124      Related Party Disclosure

The adoption of the above FRS does not have significant financial impact on the Company.

**3. Auditors' Report**

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

**4. 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.

**5. 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.

**6. 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.

**7. 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.

**8. Dividends Paid**

No dividend was paid during the quarter under review.

**9. 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.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
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**NOTES TO THE QUARTERLY REPORT**

**10. 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.

**11. Subsequent Events**

Subsequent to 30 September 2007, the Company had suffered financial losses in respect of write off of damaged raw materials and work-in-progress as a result of flood encountered by the Company on 13 October 2007 and 16 October 2007. The total financial losses for these write offs amounted to RM144,761; however these damaged inventories were fully insured.

Except as disclosed above, there were no material events subsequent to 30 September 2007 that have not been reflected or disclosed in the financial statements for the quarter under review.

**12. 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.

**13. Contingent Liability**

Bank guarantee	RM'000
	<u>795</u>

**14. Capital Commitments**

Approved and contracted for	RM'000
	<u>10,771</u>

On 22 October 2007, the Company had entered into a sale and purchase agreement with Okazaki Machine Industry Co., Ltd to acquire one (1) set of dry laminator for a total cash consideration of JPY370million.



**MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)**  
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**NOTES TO THE QUARTERLY REPORT**

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

**15. Performance Review**

Turnover for the quarter under review was higher at RM17.35 million as against RM16.53 million in the previous corresponding quarter. The Company registered a pre-tax loss of RM1.44 million during the quarter as against a pre-tax loss of RM1.39 million in the previous corresponding quarter. Higher pre-tax loss registered in the current quarter was mainly due to increase in major raw material prices.

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

The turnover for the quarter under review was slightly lower at RM17.35 million as against RM17.39 million in the immediate preceding quarter. The Company registered a pre-tax loss of RM1.44 million for the quarter under review as compared to a pre-tax loss of RM1.34 million in the immediate preceding quarter. The higher pre-tax loss was mainly due to higher interest expense and exchange losses incurred during the quarter.

**17. Current Year Prospects**

The directors are of the opinion that the Company's current year performance will continue to be challenging as a result of current unfavourable market condition. However, new investments will be made in last quarter of the year and are expected to be completed and commercialised by end of next 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-to-date 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 are 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 the date of this report.

**23. Borrowings**

	As at 30/09/2007	As at 31/12/2006
	RM'000	RM'000
<u>Short Term Borrowings</u>		
<u>Unsecured</u>		
Term loan	1,625	1,625
Bankers acceptance	1,994	2,045
Revolving credit	2,600	2,600
Hire purchase	100	98
Bank overdraft	1,215	596
	<u>7,534</u>	<u>6,964</u>
	-	-



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NOTES TO THE QUARTERLY REPORT

23. Borrowings (cont.)

	As at 30/09/2007	As at 31/12/2006
	RM'000	RM'000
<u>Long Term Borrowings</u>		
<u>Unsecured</u>		
Hire purchase	67	144
Loan from holding company	11,897	-
Term loan	2,436	4,063
	<u>14,400</u>	<u>4,207</u>
	-	-

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.

25. Material Litigation

There was 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/(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  
27 November 2007