



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 4th Quarter ended 31 December 2007

CONDENSED INCOME STATEMENTS

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2007 RM'000	Preceding Year Corresponding Quarter 31/12/2006 RM'000	Current Year To date 31/12/2007 RM'000	Preceding Year Corresponding Period 31/12/2006 RM'000
Revenue	18,801	15,995	70,897	65,131
Other operating income	301	333	1,422	1,582
Operating expenses	(19,693)	(16,628)	(75,733)	(69,079)
Loss from operations	(591)	(300)	(3,414)	(2,366)
Finance cost	(268)	(144)	(716)	(593)
Loss before taxation	(859)	(444)	(4,130)	(2,959)
Taxation	-	-	-	-
Net loss for the period	(859)	(444)	(4,130)	(2,959)
Loss per share (sen) :				
- Basic	(2.04)	(1.06)	(9.82)	(7.04)
- 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

	Unaudited	Audited
	AS AT END OF CURRENT QUARTER 31/12/2007 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2006 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	27,442	29,785
Prepaid lease payments	2,208	2,245
	29,650	32,030
CURRENT ASSETS		
Inventories	7,752	8,278
Trade receivables	17,399	15,726
Other receivables	5,667	218
Tax recoverable	-	240
Cash and bank balances	5,165	1,438
	35,983	25,900
CURRENT LIABILITIES		
Provisions for liabilities	291	261
Short term borrowings	8,160	6,964
Trade payables	10,702	9,789
Other payables	2,394	2,271
	21,547	19,285
NET CURRENT ASSETS	14,436	6,615
	44,086	38,645
CAPITAL AND RESERVES		
Share Capital	42,043	42,043
Capital reserves	65	65
Accumulated losses	(11,799)	(7,670)
Shareholders' equity	30,309	34,438
NON-CURRENT LIABILITY		
Long term borrowings	13,777	4,207
	44,086	38,645
Net assets per share (RM)	0.72	0.82

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.



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CONDENSED CASH FLOW STATEMENTS
(The figures have not been audited)

	12 months ended 31/12/2007	12 months ended 31/12/2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(4,130)	(2,959)
Adjustments for :		
Non-cash operating items	4,810	4,926
Interest income	(47)	-
Interest expenses	716	593
Operating profit before working capital changes	1,349	2,560
Changes in working capital :		
Increase in inventories	(20)	(273)
(Increase)/ Decrease in receivables	(7,122)	3,516
Increase/ (Decrease) in payables	1,041	(1,757)
Cash (used in)/generated from operations	(4,752)	4,046
Tax refunded	240	-
Interest paid	(716)	(593)
Payment of unutilised leave	(13)	(8)
Net cash (used in)/generated from operating activities	(5,241)	3,445
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	16	111
Purchase of property, plant and equipment	(2,341)	(3,417)
Interest received	47	-
Net cash used in investing activities	(2,278)	(3,306)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(1,626)	(812)
Loan from Holding Company	11,737	-
Drawdown/ (Repayment) of short term borrowings	1,377	(1,264)
Net cash generated from/(used in) financing activities	11,488	(2,076)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	3,969	(1,937)
EFFECT OF EXCHANGE RATE CHANGES	(59)	135
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD	842	2,644
CASH AND CASH EQUIVALENT AT END OF THE PERIOD *	4,752	842
	-	-
* The cash and cash equivalents consists of :		
Cash and bank balances	1,824	1,438
Fixed Deposit with Licensed bank	3,341	-
Bank overdraft (Note 23)	(413)	(596)
	4,752	842

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)

	NON-DISTRIBUTABLE		Accumulated losses	Total
	Share capital	Capital reserves		
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
12 months ended 31 December 2007				
At 1 January 2007	42,043	65	(7,669)	34,439
Net loss for the period	-	-	(4,130)	(4,130)
At 31 December 2007	<u>42,043</u>	<u>65</u>	<u>(11,799)</u>	<u>30,309</u>
				-
12 months ended 31 December 2006				
At 1 January 2006	42,043	65	(4,710)	37,398
Net loss for the period	-	-	(2,959)	(2,959)
At 31 December 2006	<u>42,043</u>	<u>65</u>	<u>(7,669)</u>	<u>34,439</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)
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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 6	Exploration for and Evaluation of Mineral Resources
FRS 124	Related Party Disclosure
Amendment to FRS 119 ₂₀₀₄	Employee Benefits

FRS 6 and amendment to FRS 119₂₀₀₄ are not relevant to the Company's operations. The adoption of the FRS 124 did not result in significant change in accounting policies of 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.



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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

There were no material events subsequent to current quarter ended 31 December 2007 up to the date of this report.

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

422

14. Capital Commitments

Approved and contracted for

RM'000

5,458

The capital commitment is in respect of acquisition of machinery.



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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 RM18.8 million as against RM16.0 million in the previous corresponding quarter. The Company registered a pre-tax loss of RM0.9 million during the quarter as against a pre-tax loss of RM0.4 million in the previous corresponding quarter. Higher pre-tax loss registered in the current quarter was mainly due to printing cylinder written off.

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

The turnover for the quarter under review was slightly higher at RM18.8 million as against RM17.4 million in the immediate preceding quarter. The Company registered a pre-tax loss of RM0.9 million for the quarter under review as compared to a pre-tax loss of RM1.4 million in the immediate preceding quarter. Pre-tax loss is slightly lower in the current quarter was mainly due to improvement on sales mix.

17. Current Year Prospects

The directors are of the opinion that the market conditions of the coming year remain challenging in the light of expected slow down in the US market and the contagion effect on the other economies. However, the company will continue to strengthen its productivity enhancement activities together with the development of new product and new market.

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 and reinvestment allowance 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 31/12/2007	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	2,922	2,045
Revolving credit	3,100	2,600
Hire purchase	100	98
Bank overdraft	413	596
	<u>8,160</u>	<u>6,964</u>
	-	-



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NOTES TO THE QUARTERLY REPORT

23. Borrowings (cont.)

	As at 31/12/2007	As at 31/12/2006
	RM'000	RM'000
<u>Long Term Borrowings</u>		
<u>Unsecured</u>		
Hire purchase	42	144
Loan from Holding company	11,298	-
Term loan	2,437	4,063
	13,777	4,207
	-	-

All borrowings are denominated in Ringgit Malaysia except for Loan from Holding company, which are denominated in Japanese Yen and United States Dollars.

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/ Managing Director

Kuala Lumpur, Malaysia
 25 February 2008