



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 2nd Quarter ended 30 June 2008

CONDENSED INCOME STATEMENTS
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2008 RM'000	Preceding Year Corresponding Quarter 30/06/2007 RM'000	Current Year To date 30/06/2008 RM'000	Preceding Year Corresponding Period 30/06/2007 RM'000
Revenue	19,517	17,388	40,226	34,739
Other operating income	437	321	816	787
Operating expenses	(19,722)	(18,917)	(40,152)	(37,184)
Profit/(Loss) from operations	232	(1,208)	890	(1,658)
Finance cost	(271)	(136)	(540)	(272)
Profit/(Loss) before taxation	(39)	(1,344)	350	(1,930)
Taxation	-	-	-	-
Net Profit/(Loss) for the period	(39)	(1,344)	350	(1,930)
Earnings/(Loss) per share (sen) :				
- Basic	(0.09)	(3.20)	0.83	(4.59)
- Diluted	-	-	-	-

The Condensed Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
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CONDENSED BALANCE SHEETS

	Unaudited	Audited
	AS AT END OF CURRENT QUARTER 30/06/2008 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2007 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	26,881	27,442
Prepaid lease payments	2,189	2,208
	29,070	29,650
CURRENT ASSETS		
Inventories	8,256	7,752
Trade receivables	18,315	17,399
Other receivables	7,273	6,183
Cash and bank balances	6,170	5,165
	40,014	36,499
TOTAL ASSETS	69,084	66,149
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	42,043	42,043
Reserves	(11,384)	(11,734)
Total Equity	30,659	30,309
NON-CURRENT LIABILITY		
Long term borrowings	14,488	13,774
CURRENT LIABILITIES		
Short term borrowings	9,384	8,163
Trade payables	11,759	11,218
Other payables	2,794	2,685
	23,937	22,066
TOTAL LIABILITIES	38,425	35,840
TOTAL EQUITY AND LIABILITIES	69,084	66,149
	-	-
Net assets per share (RM)	0.73	0.72

The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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)

	6 months ended 30/06/2008	6 months ended 30/06/2007
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	350	(1,930)
Adjustments for :		
Non-cash operating items	2,072	2,234
Interest income	(43)	-
Interest expenses	540	272
Operating profit before working capital changes	2,919	576
Changes in working capital :		
(Increase) in inventories	(642)	(393)
(Increase) in receivables	(2,058)	(1,473)
Increase in payables	648	234
Cash generated from/(used in) operations	867	(1,056)
Tax refunded	-	240
Interest paid	(540)	(272)
Payment of unutilised leave	(19)	(1)
Net cash generated from/(used in) operating activities	308	(1,089)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	5	14
Purchase of property, plant and equipment	(1,285)	(1,101)
Interest Received	43	-
Net cash used in investing activities	(1,237)	(1,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(812)	(812)
Loan from holding company	1,554	-
Drawdown of short term borrowings	948	1,446
Net cash generated from financing activities	1,690	634
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	761	(1,542)
EFFECT OF EXCHANGE RATE CHANGES	(87)	-
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD	4,752	842
CASH AND CASH EQUIVALENT AT END OF THE PERIOD *	5,426	(700)
	-	-
* The cash and cash equivalents consists of :		
Cash on hand and at bank	3,340	513
Deposits with a licensed bank	2,830	-
Bank overdraft (Note 22)	(744)	(1,213)
	5,426	(700)

The Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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		
	RM'000	RM'000	RM'000	RM'000
6 months ended 30 June 2008				
At 1 January 2008	42,043	65	(11,799)	30,309
Net profit for the period	-	-	350	350
At 30 June 2008	42,043	65	(11,449)	30,659
				-
6 months ended 30 June 2007				
At 1 January 2007	42,043	65	(7,670)	34,438
Net loss for the period	-	-	(1,930)	(1,930)
At 30 June 2007	42,043	65	(9,600)	32,508
				-

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2007.

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 2007.

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 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2008 :

FRS 107	Cash Flow Statement
FRS 111	Construction Contracts
FRS 112	Income taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The effects of Changes in Foreign Exchange Rates - Net Investment in Foreign Operation

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

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.

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.



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NOTES TO THE QUARTERLY REPORT

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 has been brought forward without amendment from the previous annual financial statements.

10. Subsequent Events

There were no material events subsequent to 30 June 2008 and up to the date of this report 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.

12. Contingent Liability

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

13. Capital Commitments

Approved and contracted for

RM'000
7,217

The capital commitments are in respect of acquisition of machineries.



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

14. Performance Review

Turnover for the quarter under review was higher at RM19.52 million as against RM17.39 million in the previous corresponding quarter. The Company registered a pre-tax loss of RM0.04 million during the quarter as against a pre-tax loss of RM1.34 million in the previous corresponding quarter. Lower pre-tax loss registered in the current quarter was mainly due to improved sales mix.

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

The turnover for the quarter under review was lower at RM19.52 million as against RM20.71 million in the immediate preceding quarter. The Company registered a pre-tax loss of RM0.04 million for the quarter under review as compared to a pre-tax profit of RM0.39 million in the immediate preceding quarter. The pre-tax loss incurred in the current quarter was mainly due to increase of raw material cost as a result of the rising crude oil price.

16. Current Year Prospects

The directors are of the opinion that the rising costs of raw materials and inflation will threaten the revenue growth and profit margin of the company. However the company will continue its improvement efforts on the sales mix and the development of new product.

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 and reinvestment allowance brought forward to set off against its tax

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 30/06/2008	As at 31/12/2007
	RM'000	RM'000
Short Term Borrowings		
<i>Secured</i>		
Hire Purchase and finance lease payables	123	103
<i>Unsecured</i>		
Term loan	1,625	1,625
Bankers acceptance	3,292	2,922
Revolving credit	3,600	3,100
Bank overdraft	744	413
	9,261	8,060
	9,384	8,163



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NOTES TO THE QUARTERLY REPORT

22. Borrowings (cont.)

	As at 30/06/2008	As at 31/12/2007
	RM'000	RM'000
Long Term Borrowings		
Secured		
Hire Purchase and finance lease payables	96	38
Unsecured		
Term Loan	1,625	2,438
Loans from holding company	12,767	11,298
	14,392	13,736
	14,488	13,774

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

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.

27. Auditors' Report

The auditors' report of the financial statements for the year ended 31 December 2007 was not qualified.

By Order of the Board

MANABU WATANABE
 Chief Executive Officer/Managing Director

Kuala Lumpur, Malaysia
 Date : 25 August 2008