



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 3rd Quarter ended 30 Sept 2008

CONDENSED INCOME STATEMENTS
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30/09/2008 RM'000	Preceding Year Corresponding Quarter 30/09/2007 RM'000	Current Year To date 30/09/2008 RM'000	Preceding Year Corresponding Period 30/09/2007 RM'000
Revenue	18,273	17,354	58,499	52,093
Other operating income	213	334	1,029	1,121
Operating expenses	(19,389)	(18,947)	(59,541)	(56,131)
Loss from operations	(903)	(1,259)	(13)	(2,917)
Finance cost	(274)	(176)	(814)	(447)
Loss before taxation	(1,177)	(1,435)	(827)	(3,364)
Taxation	-	-	-	-
Loss for the period	(1,177)	(1,435)	(827)	(3,364)
Loss per share (sen) :				
- Basic	(2.80)	(3.41)	(1.97)	(8.00)
- 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 30/09/2008 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2007 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	27,670	27,442
Prepaid lease payments	2,180	2,208
	29,850	29,650
CURRENT ASSETS		
Inventories	10,314	7,752
Trade receivables	17,683	17,399
Other receivables	7,183	6,183
Cash and bank balances	10,749	5,165
	45,929	36,499
TOTAL ASSETS	75,779	66,149
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	42,043	42,043
Reserves	(12,561)	(11,734)
Total Equity	29,482	30,309
NON-CURRENT LIABILITY		
Long term borrowings	22,077	13,774
CURRENT LIABILITIES		
Short term borrowings	10,387	8,163
Trade payables	10,581	11,218
Other payables	3,252	2,685
	24,220	22,066
TOTAL LIABILITIES	46,297	35,840
TOTAL EQUITY AND LIABILITIES	75,779	66,149
	-	-
Net assets per share (RM)	0.70	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.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
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CONDENSED CASH FLOW STATEMENTS

(The figures have not been audited)

	9 months ended 30/09/2008 RM'000	9 months ended 30/09/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(827)	(3,364)
Adjustments for :		
Non-cash operating items	3,821	3,369
Interest income	(65)	-
Interest expenses	814	447
Operating profit before working capital changes	3,743	452
Changes in working capital :		
(Increase)/Decrease in inventories	(2,729)	1,068
Increase in receivables	(1,283)	(2,233)
Decrease in payables	(205)	(435)
Cash used in operations	(474)	(1,148)
Tax refunded	-	240
Interest paid	(814)	(447)
Payment of unutilised leave	(19)	(8)
Net cash used in operating activities	(1,307)	(1,363)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	5	14
Purchase of property, plant and equipment	(2,951)	(1,660)
Interest Received	65	-
Net cash used in investing activities	(2,881)	(1,646)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(1,625)	(1,625)
Loan from holding company	8,862	11,897
Drawdown/(Repayment) of short term borrowings	1,848	(128)
Net cash generated from financing activities	9,085	10,144
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,897	7,135
EFFECT OF EXCHANGE RATE CHANGES	253	-
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD	4,752	842
CASH AND CASH EQUIVALENT AT END OF THE PERIOD *	9,902	7,977
	-	-
* The cash and cash equivalents consists of :		
Cash on hand and at bank	8,449	2,192
Deposits with a licensed bank	2,300	7,000
Bank overdraft (Note 22)	(847)	(1,215)
	9,902	7,977

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			Total
	Share capital	Capital reserves	Accumulated losses	
	RM'000	RM'000	RM'000	RM'000
9 months ended 30 June 2008				
At 1 January 2008	42,043	65	(11,799)	30,309
Net profit for the period	-	-	(827)	(827)
At 30 June 2008	<u>42,043</u>	<u>65</u>	<u>(12,626)</u>	<u>29,482</u>
				-
9 months ended 30 June 2007				
At 1 January 2007	42,043	65	(7,670)	34,438
Net loss for the period	-	-	(3,364)	(3,364)
At 30 June 2007	<u>42,043</u>	<u>65</u>	<u>(11,034)</u>	<u>31,074</u>
				-

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 Sept 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
8,249

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 RM18.27 million as against RM17.35 million in the previous corresponding quarter. The Company registered a pre-tax loss of RM1.18 million during the quarter as against a pre-tax loss of RM1.44 million in the previous corresponding quarter. Improvement in sales mix resulted in better performance in the current quarter over the corresponding quarter. However the unrealized foreign exchange loss erased whatever gains made in the reporting quarter.

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 RM18.27 million as against RM19.52 million in the immediate preceding quarter. The Company registered a pre-tax loss of RM1.18 million for the quarter under review as compared to a pre-loss of RM0.04 million in the immediate preceding quarter. The pre-tax loss incurred in the current quarter was mainly due to unrealised foreign exchange translation loss as a result of the weak ringgit against US dollars and Japanese yen.

16. Current Year Prospects

The directors are of the opinion that the remaining quarter will be more challenging in view of the expectation of an economic slowdown as a result of global financial crisis.

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 30/09/2008	As at 31/12/2007
	RM'000	RM'000
Short Term Borrowings		
<i>Secured</i>		
Hire Purchase and finance lease payables	92	103
<i>Unsecured</i>		
Term loan	1,625	1,625
Bankers acceptance	4,223	2,922
Revolving credit	3,600	3,100
Bank overdraft	847	413
	10,295	8,060
	10,387	8,163



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NOTES TO THE QUARTERLY REPORT

22. Borrowings (cont.)

	As at 30/09/2008	As at 31/12/2007
	RM'000	RM'000
Long Term Borrowings		
Secured		
Hire Purchase and finance lease payables	96	38
Unsecured		
Term Loan	813	2,438
Loans from holding company	21,168	11,298
	21,981	13,736
	22,077	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

As at the date of this quarterly report, there were no changes in material litigation, including the status of pending material litigation since the last quarter balance sheet date of 30 June 2008.

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 : 24 November 2008