



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 4th Quarter ended 31 Dec 2008

CONDENSED INCOME STATEMENTS
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2008 RM'000	Preceding Year Corresponding Quarter 31/12/2007 RM'000	Current Year To date 31/12/2008 RM'000	Preceding Year Corresponding Period 31/12/2007 RM'000
Revenue	16,260	18,801	74,759	70,897
Other operating income	199	301	1,228	1,422
Operating expenses	(19,788)	(19,693)	(79,330)	(75,733)
Loss from operations	(3,329)	(591)	(3,343)	(3,414)
Finance cost	(334)	(268)	(1,148)	(716)
Loss before taxation	(3,663)	(859)	(4,491)	(4,130)
Taxation	-	-	-	-
Loss for the period	(3,663)	(859)	(4,491)	(4,130)
Loss per share (sen) :				
- Basic	(8.71)	(2.04)	(10.68)	(9.82)
- 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)
Quarterly Report for the 4th Quarter ended 31 Dec 2008

CONDENSED BALANCE SHEETS

	Unaudited	Audited
	AS AT END OF CURRENT QUARTER 31/12/2008 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2007 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	39,001	27,442
Prepaid lease payments	2,170	2,208
Property, plant and equipment - construction in progress	2,098	-
	43,269	29,650
CURRENT ASSETS		
Inventories	9,389	7,752
Trade receivables	16,060	17,399
Other receivables	443	6,183
Cash and bank balances	3,725	5,165
	29,617	36,499
TOTAL ASSETS	72,886	66,149
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	42,043	42,043
Reserves	(16,225)	(11,734)
Total Equity	25,818	30,309
NON-CURRENT LIABILITY		
Long term borrowings	23,916	13,774
CURRENT LIABILITIES		
Short term borrowings	11,661	8,163
Trade payables	8,254	11,218
Other payables	3,237	2,685
	23,152	22,066
TOTAL LIABILITIES	47,068	35,840
TOTAL EQUITY AND LIABILITIES	72,886	66,149
	-	-
Net assets per share (RM)	0.61	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)
Quarterly Report for the 4th Quarter ended 31 Dec 2008

CONDENSED CASH FLOW STATEMENTS

(The figures have not been audited)

	12 months ended 31/12/2008	12 months ended 31/12/2007
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(4,491)	(4,130)
Adjustments for :		
Non-cash operating items	7,020	5,008
Interest income	(83)	(47)
Interest expenses	1,148	716
Operating profit before working capital changes	3,594	1,547
Changes in working capital :		
(Increase)/Decrease in inventories	(1,873)	(156)
Increase in receivables	9,278	(2,252)
Decrease in payables	(2,649)	1,597
Cash used in operations	8,350	736
Tax refunded	-	240
Interest paid	(1,148)	(716)
Net cash generated from operating activities	7,202	260
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	5	16
Down payment for purchase of property, plant and equipment	(2,306)	(5,495)
Purchase of property, plant and equipment	(17,406)	(2,341)
Interest Received	83	46
Net cash used in investing activities	(19,624)	(7,774)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(1,625)	(1,625)
Loan from holding company	8,862	11,831
Drawdown of short term borrowings	3,482	1,277
Net cash generated from financing activities	10,719	11,483
NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS	(1,703)	3,969
EFFECT OF EXCHANGE RATE CHANGES	195	(59)
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD	4,752	842
CASH AND CASH EQUIVALENT AT END OF THE PERIOD *	3,244	4,752
	-	-
* Cash and cash equivalents consists of :		
Cash on hand and at bank	1,725	1,824
Deposits with a licensed bank	2,000	3,341
Bank overdraft (Note 22)	(481)	(413)
	3,244	4,752

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)
Quarterly Report for the 4th Quarter ended 31 Dec 2008

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
12 months ended 31 Dec 2008				
At 1 January 2008	42,043	65	(11,799)	30,309
Net loss for the period	-	-	(4,491)	(4,491)
At 31 Dec 2008	<u>42,043</u>	<u>65</u>	<u>(16,290)</u>	<u>25,818</u>
				-
12 months ended 31 Dec 2007				
At 1 January 2007	42,043	65	(7,669)	34,439
Net loss for the period	-	-	(4,130)	(4,130)
At 31 Dec 2007	<u>42,043</u>	<u>65</u>	<u>(11,799)</u>	<u>30,309</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)
Quarterly Report for the 4th Quarter ended 31 Dec 2008

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 :

FRSs		Effective for financial periods beginning on or after
FRS 107	Cash Flow Statement	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
Amendment to FRS 121	The effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007

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

Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRSs, amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Company:

FRSs		Effective for financial periods beginning on or after
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6	Liabilities Arising from Participation in a Specific Market - Waste Electrical and Electronical Equipment	1 July 2007
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8	Scope of FRS2	1 July 2007
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 4th Quarter ended 31 Dec 2008

NOTES TO THE QUARTERLY REPORT

2. Changes in Accounting Policies (Cont.)

The above new FRSs and Interpretations are expected to have no significant impact on the financial statement of the Company upon their initial application except for FRS139 and the changes in disclosures arising from the adoption of FRS7.

The Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS139.

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.

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 31 Dec 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

622

The capital commitments are in respect of acquisition of machineries.



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 4th Quarter ended 31 Dec 2008

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 lower at RM16.26 million as against RM18.80 million in the previous corresponding quarter. The Company registered a pre-tax loss of RM3.66 million during the quarter as against a pre-tax loss of RM0.86 million in the previous corresponding quarter. The higher pre-tax loss incurred was mainly due to unrealised foreign exchange translation loss as a result of the weak ringgit against US dollars and Japanese yen.

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 RM16.26 million as against RM18.27 million in the immediate preceding quarter. The Company registered a pre-tax loss of RM3.66 million for the quarter under review as compared to a pre-tax loss of RM1.18 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 and higher production cost. Besides, the lower turnover and the less favourable sales mix resulting from the global economic downturn further affected the Company's profitability.

16. Current Year Prospects

2008 has been a challenging year for the Company as a result of the global financial crisis. In 2009, the economic and market landscape continue to be filled with uncertainties and with little indication of any recovery in the near term. However, the Company will increase its market development on new product together with the cost containment measures to weather the current economic 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 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 31/12/2008	As at 31/12/2007
	RM'000	RM'000
Short Term Borrowings		
<i>Secured</i>		
Hire Purchase and finance lease payables	67	103
<i>Unsecured</i>		
Term loan	1,625	1,625
Bankers acceptance	4,888	2,922
Revolving credit	4,600	3,100
Bank overdraft	481	413
	11,594	8,060
	11,661	8,163
	-	-



MALAYSIA PACKAGING INDUSTRY BERHAD (22265-U)
Quarterly Report for the 4th Quarter ended 31 Dec 2008

NOTES TO THE QUARTERLY REPORT

22. Borrowings (cont.)

	As at 31/12/2008	As at 31/12/2007
	RM'000	RM'000
Long Term Borrowings		
Secured		
Hire Purchase and finance lease payables	90	38
Unsecured		
Term Loan	813	2,438
Loans from holding company	23,013	11,298
	<u>23,826</u>	<u>13,736</u>
	<u>23,916</u>	<u>13,774</u>
	-	-

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 Sept 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 : 27 February 2009