

BOX-PAK (MALAYSIA) BERHAD

(Company No.: 21338-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2006

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2006 (RM'000)	Preceding Year Corresponding Quarter 30.06.2005 (RM'000)	Current Year To Date 30.06.2006 (RM'000)	Preceding Year Corresponding Period 30.06.2005 (RM'000)
Revenue	23,240	19,098	44,993	36,867
Other Operating Income	380	542	929	1,087
Operating Expenses	(22,314)	(19,839)	(43,744)	(38,731)
Interest Income	64	83	133	169
Finance Cost	(368)	(229)	(708)	(365)
Profit / (Loss) before Taxation	<u>1,002</u>	<u>(345)</u>	<u>1,603</u>	<u>(973)</u>
Taxation	(141)	109	(367)	120
Profit / (Loss) for the period	<u><u>861</u></u>	<u><u>(236)</u></u>	<u><u>1,236</u></u>	<u><u>(853)</u></u>
Attributable to :				
Equity holders of the parent	861	(236)	1,236	(853)
Earnings / (Loss) per Share				
Basic (Sen)	1.43	(0.39)	2.06	(1.42)
Diluted (Sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	AS AT END OF CURRENT QUARTER 30/06/2006 RM'000	AS AT PRECEDING YEAR END 31/12/2005 RM'000 (restated)
Non-current assets		
Property, plant and equipment	46,927	48,757
Investment Properties	7,671	7,749
Intangible assets	82	63
	<u>54,680</u>	<u>56,569</u>
Current Assets		
Inventories	13,482	11,149
Trade Receivables	21,385	20,341
Amount due from related company	44	55
Other Receivables	3,500	2,413
Tax recoverable	-	157
Cash and Cash Equivalents	9,965	13,541
	<u>48,376</u>	<u>47,656</u>
Total Assets	<u>103,056</u>	<u>104,225</u>
Equity and Liabilities		
Equity attributable to equity holders of the parent		
Share Capital	60,023	60,023
Reserves	2,425	1,553
Total Equity	<u>62,448</u>	<u>61,576</u>
Non-current liabilities		
Retirement benefit obligations	2,200	1,991
Borrowings	12,797	14,446
Deferred tax liabilities	1,345	1,259
	<u>16,342</u>	<u>17,696</u>
Current Liabilities		
Trade Payables	9,986	11,268
Amount due to holding company	-	1,446
Other Payables	4,833	3,911
Retirement benefit obligations	43	43
Provisions for liabilities	259	263
Borrowings	9,024	8,022
Current tax payable	121	-
	<u>24,266</u>	<u>24,953</u>
Total Liabilities	40,608	42,649
Total Equity and Liabilities	<u>103,056</u>	<u>104,225</u>
Net Assets per share (RM)	1.04	1.03

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2006

	-----Attributable to Equity Holders of the Parent-----					Total (RM'000)
	Share Capital (RM'000)	Non distributable Reserves			Distributable Retained Profits (RM'000)	
		Share Premium (RM'000)	Revaluaton Reserve (RM'000)	Exchange Reserve (RM'000)		
At 1 January 2006	60,023	24	2,388	(146)	(713)	61,576
Profit for 6 months period	-	-	-	-	1,236	1,236
Issue of Share Capital	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Currency translation differences		-	-	(364)	-	(364)
At 30 June 2006	60,023	24	2,388	(510)	523	62,448

	-----Attributable to Equity Holders of the Parent-----					Total (RM'000)
	Share Capital (RM'000)	Non distributable Reserves			Distributable Retained Profits (RM'000)	
		Share Premium (RM'000)	Revaluation Reserve (RM'000)	Exchange Reserve (RM'000)		
At 1 January 2005	60,023	24	2,388	(57)	(1,303)	61,075
(Loss) for 6 months period	-	-	-	-	(853)	(853)
Issue of Share Capital	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Currency translation differences		-	-	(37)	-	(37)
At 30 June 2005	60,023	24	2,388	(94)	(2,156)	60,185

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 JUNE 2006

	6 Months ended 30.06.06 (RM'000)	6 Months ended 30.06.05 (RM'000)
Net Cash (used in) / generated from operating activities	(1,501)	318
Net Cash used in from investing activities	(716)	(6,465)
Net Cash used in generated from financing activities	(1,315)	6,543
Net decrease in cash and cash Equivalents	<u>(3,532)</u>	<u>396</u>
Effects of Exchange Rate Changes	(44)	4
Cash and Cash Equivalents at 1 January	13,541	11,954
Cash and Cash Equivalents at 30 June	<u>9,965</u>	<u>12,354</u>
 Cash and cash equivalents at 30 June comprise the following :-		
Cash and bank balances	2,858	5,117
Short term deposits	7,107	7,237
Bank Overdraft (included in short term borrowings)	-	-
	<u>9,965</u>	<u>12,354</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

BOX-PAK (MALAYSIA) BERHAD (021338-W)

UNAUDITED RESULTS

FOR THE QUARTER ENDED 30 JUNE 2006

Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The Interim Financial Statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2005.

1.1 Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2005, except for the adoption of the following new/revised Financial Reporting Standards ("FRS") issued by MASB that are effective for the Group's first FRS annual reporting date, 31 December 2006.

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sales and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property.

The adoption of FRS 2, 3, 5, 102, 108, 110, 121, 127, 128, 131, 132, 133 and 136 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are as follows:

(a) FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after tax results of associates and other disclosures. In the consolidated balance sheet, minority interest are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the net profit or loss for the period. A similar requirement is also applicable to the statement of the changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(b) FRS 116 : Property, Plant and Equipment

In accordance with FRS 116, the asset's residual values, useful lives and depreciation method will be assessed at each financial year end and adjusted if necessary. If the residual value of an asset increases to an amount equal to or greater than the asset's carrying value amount, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

(c) FRS 138 : Intangible Assets.

Previously, software costs were included under property, plant and equipment. Under FRS 138, the Group changed the classification of computer software costs as intangible assets where the software is not an integral part of the related hardware and amortised the software cost over their useful lives.

(d) FRS 140 : Investment Property

Investment property, comprising land and building is held for rental yield and is not occupied by the Group. The investment property using the cost model which is in accordance with the measurement of property, plant and equipment unless the investment property criteria to be classified as Assets Held for Sale in accordance with FRS 5. In accordance with FRS 140, investment property is and presented as a separate line item in non-current assets. Investment property is measured at depreciated cost less any impairment. In prior years, investment property was not separately classified and was presented as part of property, plant and equipment.

As at the date of this report, the Group has not applied the following new standards which have been issued by the Malaysian Accounting Standards Board but not yet effective.

(a) FRS 117 Leases

(b) FRS 139 Financial Instruments : Recogniton and Measurement

The following comparative amounts have been restated due to the adoption of new and revised FRS:

	Previously Stated	FRS 138	FRS140	Restated
As 31 December 2005	RM'000	RM'000	RM'000	RM'000
Property Plant and Equipment	56,569		(7,812)	48,757
Investment Properties			7,749	7,749
Intangible Assets - Software		63		63

2 Declaration of audit qualification

The financial statements for the year ended 31 December 2005 were not qualified.

3 Seasonal or Cyclical Factors of Operations

The business operations of the Group are not affected by any seasonal or cyclical factors.

4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows.

There are no items 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 the estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have a material effect in the current financial period.

6 Issuance, cancellation, repurchase, resale and repayment of debts and equity securities

There were no issuances, cancellation, repurchases, resale and repayment of debts and equity securities for the current financial period under review.

The details of the issued and paid up capital of the Company as at 30 June 2006 are as follows:-

	No of Shares	RM
Issued and Paid up Ordinary Shares of RM1 each		
As at 1 January 2006	60,023,490	60,023,490
New shares issued under ESOS	-	-
	<u>60,023,490</u>	<u>60,023,490</u>

7 Dividends paid

No dividends was paid during the current quarter under review.

8 Segmental reporting

The Group operations are mainly in Malaysia and Vietnam

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
Revenue and Expenses				
Revenue				
External Sales	24,222	20,771		44,993
Result				
Segment results	1,202	1,109		2,311
Finance Costs				(708)
Taxation				(367)
Net profit for period to date				<u>1,236</u>
Assets and Liabilities				
Segment assets	61,596	44,933	(4,467)	102,062
Unallocated corporate assets				994
Consolidated total assets				<u>103,056</u>
Segment liabilities	(10,220)	(11,431)	4,467	(17,184)
Unallocated corporate liabilities				(23,424)
Consolidated total liabilities				<u>(40,608)</u>
Other Information				
Capital Expenditure	174	696		870
Depreciation	1,064	655		1,719
Non-cash expenses other than depreciation	166	44		210

9 Valuation of property, plant and equipment

There were no amendments in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period reported that have not been reflected in the financial statements.

11 Changes in the composition of the Group

There were no changes in the composition of the Group during the period under review.

12 Capital Commitments

The amount of capital commitments as at 30th June 2006 is as follows;

	Financial Year to date 30.06.06 RM'000
Approved and contracted for	6,724

13 Changes in the contingent liabilities or contingent assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

14 Related Party Transactions

	Financial Year to date 30.06.06 RM'000
Sales to holding company	80
Sales to related companies	745
Rental paid to holding company	60

The related companies and their relationship with the Group are as follows :-

Related companies	Relationship
Canco Engineering & Machinery Sdn Bhd	Subsidiary of the holding company
Federal Metal Printing Factory Sdn Bhd	Subsidiary of the holding company
Kian Joo Canpack Sdn Bhd	Subsidiary of the holding company
Kian Joo Canpack (Nilai) Sdn Bhd	Subsidiary of the holding company
Metal-Pak (Malaysia) Sdn Bhd	Subsidiary of the holding company
Multi-Pet Sdn Bhd	Subsidiary of the holding company
Kian Joo Packaging Sdn Bhd	Subsidiary of the holding company
KJ Can (Johore) Sdn Bhd	Subsidiary of the holding company
KJ Can (Selangor) Sdn Bhd	Subsidiary of the holding company
KJM Aluminium Can Sdn Bhd	Subsidiary of the holding company
KJ Can (Vietnam) Co. Ltd.	Subsidiary of the holding company

The above transactions were entered into in the normal course of business on terms that the Directors consider comparable to those had the transactions been entered into with third parties.

During the financial period ended 30 June 2006, the Group entered into the following related party transactions :-

(i) <u>Nature of transaction</u>	<u>Identity of related party</u>	Financial Period to date 30.06.06 RM'000
Sales of trading inventories	Kian Joo-Visypak Sdn Bhd	313
Rental income receivable	("KJV")	913

The party is an associate of the holding company. The party is also deemed related to the Group by virtue of common directorship held by Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Dato' Anthony See Teow Guan, Dato' See Teow Chuan and See Teow Koon in KJV and the Group.

(ii) <u>Nature of transaction</u>	<u>Identity of related party</u>	Financial Period to date 30.06.06 RM'000
Sales of trading inventories	Hercules Sdn Bhd ("Hercules")	94
	Metal Closure and Seals Sdn Bhd	212

The parties are deemed related to the Group by virtue of common directorship held by See Leong Chye @ Sze Leong Chye in Hercules, Metal Closure and Seals Sdn Bhd and the Group

The above transactions were entered into in the normal course of business on terms that the Directors consider comparable to those had the transactions been entered into with third parties.

15 Review of Performance

The Group improved its revenue for the financial period ended 30 June 2006 to RM44.993 million compared to RM36.867 million recorded in the corresponding preceding period. The Group also registered a higher profit before tax of RM1.603 million compared to a loss before tax of RM0.973 million in the preceding period. The improvement was mainly attributable to the higher revenue achieved during the period.

16 Comparison with immediate preceding quarter.

For the quarter ended 30 June 2006, the Group revenue and profit before tax was higher at RM23.240 million and RM1.002 million respectively compared to the revenue of RM21.752 million and profit before tax of 0.601 million registered in the immediate preceding quarter. The improvement was mainly attributable to the higher revenue during the period under review.

17 Current Year Prospects

Market conditions remain competitive. However, the board expects the performance of the group to be maintained.

18 Variance from Forecast Profit and Profit Guarantee

This is not applicable to the Group.

19 Taxation

	Current Quarter RM'000	Year to date RM'000
Income Tax		
- Current	(79)	(281)
- Under/(Over) provision in prior year	-	-
Deferred Taxation		
- Current	(62)	(86)
- Under/(Over) provision in prior year	-	-
	<u>(141)</u>	<u>(367)</u>

The effective tax rate for the financial period under review is higher than statutory tax rate due to certain expenses not allowed for deduction purposes.

20 Profit on sale of unquoted investments and properties

There were no disposal of investments/properties during the financial period under review.

21 Purchase or disposal of Quoted Securities

There were no purchases and disposals of quoted securities during the financial period under review.

22 Status of Corporate Proposals

There were no corporate proposal announced for the financial period under review.

23 Group borrowings and Debt Securities

Total Group borrowings as at 30 June 06 are as follows:-

	RM' 000
Current	9,024
Non-Current	<u>12,797</u>
	<u>21,821</u>

The detail of borrowings which are denominated in Vietnam Dong are as follows:-

	VND '000 000
Current	39,240
Non-Current	<u>55,650</u>
	<u>94,890</u>

(NOTE - VND4,348 = RM 1)

All the Group borrowings are unsecured

24 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

25 Changes in Material Litigation

There was no material litigation as at the date of this report.

26 Dividends

The board of Directors do not recommend the payment of dividend for the financial period under review.

27 Earnings per share

The computation of earnings per share is as follows :-

	Current Quarter 30.06.06	Financial year to date 30.06.06
Basic earnings per share		
Issued ordinary shares at beginning of period	60,023,490	60,023,490
Effect of Employee Share Option Scheme	-	-
Weighted average number of ordinary shares	<u>60,023,490</u>	<u>60,023,490</u>
Basic earnings per share (sen)	1.43	2.06

Diluted earnings per share

The fully diluted earnings per share for the period ended 30 June 2006 is not disclosed as the effect arising from the possible exercise of Employee Share Option Scheme was anti-dilutive.

28 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 August 2006.

By Order of the Board
Box-Pak (Malaysia) Berhad

Chia Kwok Why
Company Secretary

Batu Caves, Selangor.
24 August 2006