

BOX-PAK (MALAYSIA) BERHAD

(Company No.: 21338-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2008

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------------|--|--|--|---|
| | 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) Restated |
| Revenue | 41,207 | 35,136 | 158,550 | 119,317 |
| Cost of Sales | (35,977) | (31,646) | (138,142) | (106,644) |
| Gross Profit | <u>5,230</u> | <u>3,490</u> | <u>20,408</u> | <u>12,673</u> |
| Other Operating Income | 129 | 367 | 584 | 582 |
| Operating Expenses | (3,794) | (1,941) | (11,506) | (7,651) |
| Finance Costs | (920) | (360) | (2,438) | (1,401) |
| Profit before Taxation | <u>645</u> | <u>1,556</u> | <u>7,048</u> | <u>4,203</u> |
| Taxation | (423) | 270 | (524) | (150) |
| Profit for the period | <u><u>222</u></u> | <u><u>1,826</u></u> | <u><u>6,524</u></u> | <u><u>4,053</u></u> |
| Attributable to : | | | | |
| Equity holders of the parent | 222 | 1,826 | 6,524 | 4,053 |
| Earnings per Share | | | | |
| Basic (Sen) | 0.37 | 3.04 | 10.87 | 6.75 |

(The Condensed Consolidated Income 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.)

BOX-PAK (MALAYSIA) BERHAD

(Company No.: 21338-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

| | AS AT CURRENT QUARTER ENDED 31/12/2008 RM'000 | AS AT PRECEDING YEAR END 31/12/2007 RM'000 Restated |
|---|---|--|
| Non-current assets | | |
| Property, plant and equipment | 48,842 | 34,351 |
| Investment Properties | 3,051 | 3,218 |
| Prepaid land lease payments | 14,452 | 12,883 |
| Intangible assets | 74 | 162 |
| | <u>66,419</u> | <u>50,614</u> |
| Current Assets | | |
| Inventories | 18,900 | 14,315 |
| Trade and other receivables | 34,281 | 31,236 |
| Amount due from related company | 115 | 501 |
| Cash and Cash Equivalents | 2,958 | 11,181 |
| | <u>56,254</u> | <u>57,233</u> |
| Total Assets | <u>122,673</u> | <u>107,847</u> |
| Equity and Liabilities | | |
| Equity attributable to equity holders of the parent | | |
| Share Capital | 60,023 | 60,023 |
| Reserves | 10,674 | 6,884 |
| Total Equity | <u>70,697</u> | <u>66,907</u> |
| Non-current liabilities | | |
| Retirement benefit obligations | 325 | 1,021 |
| Borrowings | 13,218 | 6,641 |
| Deferred tax liabilities | 1,123 | 804 |
| | <u>14,666</u> | <u>8,466</u> |
| Current Liabilities | | |
| Trade and other payables | 16,429 | 18,537 |
| Retirement benefit obligations | 0 | 1,367 |
| Provisions for liabilities | 110 | 136 |
| Borrowings | 14,976 | 11,445 |
| Amount due to holding company | 5,795 | 989 |
| | <u>37,310</u> | <u>32,474</u> |
| Total Liabilities | 51,976 | 40,940 |
| Total Equity and Liabilities | <u>122,673</u> | <u>107,847</u> |
| Net Assets per share (RM) | 1.18 | 1.11 |

(The Condensed Consolidated 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.)

BOX-PAK (MALAYSIA) BERHAD

(Company No.: 21338-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR QUARTER ENDED 31 DECEMBER 2008

| | -----Attributable to Equity Holders of the Parent----- | | | | | |
|--|--|-------------------------------------|--|--|--|--------------------------|
| | Share Capital <u>(RM'000)</u> | Non distributable Reserves | | | Distributable Reserves | |
| | | Share Premium <u>(RM'000)</u> | Revaluaton Reserve <u>(RM'000)</u> | Exchange Reserve <u>(RM'000)</u> | Retained Profits <u>(RM'000)</u> | Total <u>(RM'000)</u> |
| At 1 January 2008 (As previously stated) | 60,023 | 24 | 2,471 | (1,541) | 5,538 | 66,515 |
| Effects of adoption FRS 112 | - | - | - | - | 392 | 392 |
| At 1 January 2008 (Restated) | <u>60,023</u> | <u>24</u> | <u>2,471</u> | <u>(1,541)</u> | <u>5,930</u> | <u>66,907</u> |
| Profit for the year | - | - | - | - | 6,524 | 6,524 |
| Effect of changes in tax rate | - | - | 26 | - | - | 26 |
| Issue of Share Capital | - | - | - | - | - | - |
| Dividends | - | - | - | - | (2,611) | (2,611) |
| Currency translation differences | - | - | - | (149) | - | (149) |
| At 31 December 2008 | <u>60,023</u> | <u>24</u> | <u>2,497</u> | <u>(1,690)</u> | <u>9,843</u> | <u>70,697</u> |

| | -----Attributable to Equity Holders of the Parent----- | | | | | |
|--|--|-------------------------------------|---|--|--|--------------------------|
| | Share Capital <u>(RM'000)</u> | Non distributable Reserves | | | Distributable Reserves | |
| | | Share Premium <u>(RM'000)</u> | Revaluation Reserve <u>(RM'000)</u> | Exchange Reserve <u>(RM'000)</u> | Retained Profits <u>(RM'000)</u> | Total <u>(RM'000)</u> |
| At 1 January 2007 (As previously stated) | 60,023 | 24 | 2,471 | (556) | 1,196 | 63,158 |
| Effects of adoption FRS 112 | - | - | - | - | 681 | 681 |
| At 1 January 2007 (Restated) | <u>60,023</u> | <u>24</u> | <u>2,471</u> | <u>(556)</u> | <u>1,877</u> | <u>63,839</u> |
| Profit for the year | - | - | - | - | 4,053 | 4,053 |
| Effect of changes in tax rate | - | - | - | - | - | - |
| Issue of Share Capital | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - |
| Currency translation differences | - | - | - | (985) | - | (985) |
| At 31 December 2007 | <u>60,023</u> | <u>24</u> | <u>2,471</u> | <u>(1,541)</u> | <u>5,930</u> | <u>66,907</u> |

(The Condensed Consolidated Statement 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.)

BOX-PAK (MALAYSIA) BERHAD

(Company No.: 21338-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2008

| | 12 Months ended 31.12.08 (RM'000) | 12 Months ended 31.12.07 (RM'000) |
|--|---|---|
| Net Cash (used in) / generated from operating activities | (2,138) | 5,730 |
| Net Cash used in investing activities | (19,562) | (1,086) |
| Net Cash generated / (used in) financing activities | 13,459 | (2,981) |
| Net decrease in cash and cash equivalents | <u>(8,241)</u> | <u>1,663</u> |
| Effects of Exchange Rate Changes | 18 | (110) |
| Cash and Cash Equivalents at 1 January | 11,181 | 9,628 |
| Cash and Cash Equivalents at 31 December | <u>2,958</u> | <u>11,181</u> |
| Cash and cash equivalents at 31 December comprise the following :- | | |
| Cash and bank balances | 2,926 | 1,318 |
| Short term deposits | <u>32</u> | <u>9,863</u> |
| | <u>2,958</u> | <u>11,181</u> |

(The Condensed Consolidated 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.)

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

UNAUDITED RESULTS

FOR THE QUARTER ENDED 31 DECEMBER 2008

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 the 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 2007.

1.1 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

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

| | |
|----------------------|--|
| FRS 107 | Cash Flow Statements |
| FRS 112 | Income Taxes |
| FRS 118 | Revenue |
| 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 a Foreign Operation |
| IC Interpretation 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities |

The adoption of the above FRSs does not have any significant financial impact to the Group except as per disclose below:

1.1a FRS 112 : Income Taxes

In prior years, the Group and the Company did not recognised deferred tax assets on unused reinvestment allowances.

During the current year, the Group and the Company changed its accounting policy and accordingly, deferred tax assets on unused reinvestment allowances are now being recognized for. The effects arising from this change on the comparative figures are as follows:

| | Previously Stated RM'000 | Effects of FRS112 RM'000 | Restated RM'000 |
|--------------------------|--------------------------------|--------------------------------|--------------------|
| As 31 December 2007 | | | |
| Deferred Tax Liabilities | 1,196 | (392) | 804 |
| Retained Earnings | 5,538 | 392 | 5,930 |

2 Declaration of audit qualification

The financial statements for the year ended 31 December 2007 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.

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 | 61,995 | 96,744 | (189) | 158,550 |
| Result | | | | |
| Segment results | 1,439 | 8,047 | | 9,486 |
| Finance Costs | | | | (2,438) |
| Taxation | | | | (524) |
| Profit for the period to date | | | | <u>6,524</u> |
| Assets and Liabilities | | | | |
| Segment assets | 47,842 | 74,380 | (34) | 122,188 |
| Unallocated corporate assets | | | | 485 |
| Consolidated total assets | | | | <u>122,673</u> |
| Segment liabilities | (13,185) | (16,603) | 7,309 | (22,479) |
| Unallocated corporate liabilities | | | | (29,497) |
| Consolidated total liabilities | | | | <u>(51,976)</u> |
| Other Information | | | | |
| Capital Expenditure | 223 | 19,659 | | 19,882 |
| Depreciation | 1,596 | 1,912 | | 3,508 |
| Non-cash expenses other than depreciation | 528 | 387 | | 915 |

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 31 December 2008 is as follows;

| | |
|-----------------------------|-----------------|
| | Financial |
| | Year to date |
| | <u>31.12.08</u> |
| | RM'000 |
| Approved and contracted for | 616 |

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 31.12.08 <u>RM'000</u> |
|--|--|
| Sales to holding company | 46 |
| Sales to related companies | 3,674 |
| Purchases from Subsidiary | 189 |
| Rental paid to holding company | 60 |
| Rental received from related companies | 159 |

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

| Related companies | Relationship |
|--|-----------------------------------|
| 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 |
| 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 31 December 2008, 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 31.12.08 <u>RM'000</u> |
|----------------------------------|----------------------------------|--|
| Sales of trading inventories | Kian Joo-Visypak Sdn Bhd(KJV) | 333 |

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 31.12.08 <u>RM'000</u> |
|-----------------------------------|----------------------------------|--|
| Sales of trading inventories | Hercules Sdn Bhd | 286 |
| | Hercules Vietnam Co Ltd | 179 |
| | Metal Closure and Seals Sdn Bhd | 53 |

The parties are deemed related to the Group by virtue of common directorship held by See Leong Chye @ Sze Leong Chye in Hercules Sdn Bhd, Hercules Vietnam Co Ltd, 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

For the financial year ended 31 December 2008, the Group improved its revenue by 33% to RM158.5 million as compared to RM119.3 million recorded in the corresponding preceding year. Profit before tax was also higher by RM2.8 million at RM7.0 million compared to RM4.2 million recorded in the preceding year. The improved profit before tax was mainly attributable to higher revenue and contribution from Vietnam operations.

16 Comparison with immediate preceding quarter.

For the quarter ended 31 December 2008, the Group revenue declined by 5% to RM41.2 million as compared to RM43.5 million registered in the immediate preceding quarter. The Group also registered a lower profit before taxation of RM2.05 mil to RM0.65 mil as compared to RM2.7 million in the preceding quarter. The decrease in profit before tax was mainly attributable to currency exchange losses incurred from the continued depreciation of the Vietnam Dong.

17 Current Year Prospects

The Board expects the performance of the Group for Year 2009 to be affected by the global economic downturn.

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 | 49 | (106) |
| - Over/(Under) provision in prior year | (72) | (72) |
| Deferred Taxation | | |
| - Current | (400) | (346) |
| - Over/(Under) provision in prior year | - | - |
| | <u>(423)</u> | <u>(524)</u> |

The effective tax rate for the financial period under review is lower than statutory tax rate due to certain expenses 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 31 December 2008 are as follows:-

| | RM' 000 |
|-------------|---------------|
| Current | 14,976 |
| Non-Current | <u>13,218</u> |
| | <u>28,194</u> |

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

| | VND '000 000 |
|-------------|----------------|
| Current | 73,291 |
| Non-Current | <u>64,686</u> |
| | <u>137,977</u> |

(NOTE - VND4,894 = 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 Directors are recommending a final dividend of 5% less tax of 26% (5 sen per share) amounting to RM3,001,174, subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

27 Earnings per share

The computation of earnings per share is as follows :-

| | Current Quarter 31.12.08 | Financial year to date 31.12.08 |
|---|--------------------------------|---------------------------------------|
| Basic earnings per share | | |
| Issued ordinary shares at beginning of period | 60,023,490 | 60,023,490 |
| Basic earnings per share (sen) | 0.37 | 10.87 |

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 26th February 2009.

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

Chia Kwok Why
Company Secretary

Batu Caves, Selangor.
26th February 2009