

# BOX-PAK (MALAYSIA) BERHAD

(Company No.: 21338-W)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter  31.12.2009 ( RM'000 )	Preceding Year Corresponding Quarter  31.12.2008 ( RM'000 )	Current Year To Date  31.12.2009 ( RM'000 )	Preceding Year Corresponding Period  31.12.2008 ( RM'000 )
Revenue	49,275	41,207	158,185	158,550
Cost of Sales	(38,048)	(35,977)	(128,115)	(138,142)
Gross Profit	<u>11,227</u>	<u>5,230</u>	<u>30,070</u>	<u>20,408</u>
Other Income	192	129	675	584
Operating Expenses	(6,257)	(3,794)	(14,105)	(11,507)
Finance Costs	(245)	(920)	(1,639)	(2,438)
Profit before Taxation	<u>4,917</u>	<u>645</u>	<u>15,001</u>	<u>7,047</u>
Taxation	(1,798)	(423)	(2,583)	(533)
Profit for the period	<u><u>3,119</u></u>	<u><u>222</u></u>	<u><u>12,418</u></u>	<u><u>6,514</u></u>
Attributable to :				
Equity holders of the parent	3,119	222	12,418	6,514
Earnings per Share				
Basic ( Sen )	5.20	0.37	20.69	10.85

**( The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009

	AS AT CURRENT QUARTER ENDED 31.12.2009 RM'000	AS AT PRECEDING YEAR END 31.12.2008 RM'000 Restated
Non-current assets		
Property, plant and equipment	83,031	54,757
Investment Properties	6,841	7,068
Prepaid land lease payments	4,347	4,520
Intangible assets	19	74
Other investment	90	90
	<u>94,328</u>	<u>66,509</u>
Current Assets		
Inventories	20,516	19,934
Trade and other receivables	39,834	34,205
Amount due from related company	109	115
Cash and Cash Equivalents	4,938	2,958
	<u>65,397</u>	<u>57,212</u>
Total Assets	<u>159,725</u>	<u>123,721</u>
Equity and Liabilities		
Equity attributable to equity holders of the parent		
Share Capital	60,023	60,023
Reserves	45,491	10,665
Total Equity	<u>105,514</u>	<u>70,688</u>
Non-current liabilities		
Retirement benefit obligations	499	268
Borrowings	9,845	13,218
Deferred tax liabilities	6,618	1,123
	<u>16,962</u>	<u>14,609</u>
Current Liabilities		
Trade and other payables	22,285	17,486
Retirement benefit obligations	0	57
Provisions for liabilities	77	110
Borrowings	12,700	14,976
Amount due to holding company	2,187	5,795
	<u>37,249</u>	<u>38,424</u>
Total Liabilities	54,211	53,033
Total Equity and Liabilities	<u>159,725</u>	<u>123,721</u>
Net Assets per share (RM)	1.76	1.18

( The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009

	-----Attributable to Equity Holders of the Parent-----						
	Share Capital	Non distributable Reserves			Distributable Reserves		Total
		Share Premium	Revaluaton Reserve	Exchange Reserve	Retained Profits	Total	
	( RM'000 )	( RM'000 )	( RM'000 )	( RM'000 )	( RM'000 )	( RM'000 )	
At 1 January 2009	60,023	24	2,498	(1,690)	9,833	70,688	
Profit for the year	-	-	-	-	12,418	12,418	
Revaluation Surplus	-	-	31,361	-	-	31,361	
Effect of changes in tax rate	-	-	(5,064)	-	-	(5,064)	
Issue of Share Capital	-	-	-	-	-	-	
Dividends	-	-	-	-	(2,251)	(2,251)	
Currency translation differences	-	-	-	(1,638)	-	(1,638)	
At 31 December 2009	<u>60,023</u>	<u>24</u>	<u>28,795</u>	<u>(3,328)</u>	<u>20,000</u>	<u>105,514</u>	

	-----Attributable to Equity Holders of the Parent-----						
	Share Capital	Non distributable Reserves			Distributable Reserves		Total
		Share Premium	Revaluation Reserve	Exchange Reserve	Retained Profits	Total	
	( RM'000 )	( RM'000 )	( RM'000 )	( RM'000 )	( RM'000 )	( RM'000 )	
At 1 January 2008	60,023	24	2,471	(1,541)	5,930	66,907	
Profit for the year	-	-	-	-	6,514	6,514	
Effect of changes in tax rate	-	-	26	-	-	26	
Issue of Share Capital	-	-	-	-	-	-	
Dividends	-	-	-	-	(2,611)	(2,611)	
Currency translation differences	-	-	-	(148)	-	(148)	
At 31 December 2008	<u>60,023</u>	<u>24</u>	<u>2,497</u>	<u>(1,689)</u>	<u>9,833</u>	<u>70,688</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 2008 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 2009

	<b>12 Months ended 31.12.2009 ( RM'000 )</b>	<b>12 Months ended 31.12.2008 ( RM'000 )</b>
Net Cash generated from / (used in) operating activities	15,054	(952)
Net Cash used in investing activities	(4,223)	(19,584)
Net Cash (used in) / generated from financing activities	(9,436)	12,007
Net increase / (decreased) in cash and cash equivalents	<u>1,395</u>	<u>(8,529)</u>
Effects of Exchange Rate Changes	585	306
Cash and Cash Equivalents at 1 January	2,958	11,181
Cash and Cash Equivalents at 31 December	<u>4,938</u>	<u>2,958</u>
Cash and cash equivalents at 31 December comprise the following :-		
Cash and bank balances	3,904	2,926
Short term deposits	<u>1,034</u>	<u>32</u>
	<u>4,938</u>	<u>2,958</u>

**( The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements. )**

**BOX-PAK (MALAYSIA) BERHAD (21338-W)**  
 UNAUDITED RESULTS  
 FOR THE QUARTER ENDED 31 DECEMBER 2009

**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 2008.

**2 Significant Accounting Policies**

During the year, the Group has early adopted FRS 117 Leases. Prior to this amendment, FRS 117 required a lease of land with an indefinite useful life to be classified as an operating lease, unless title is expected to pass to the lessee by the end of the lease term.

Under the revised FRS 117, paragraphs 14 and 15 have been removed. The new paragraph 15A requires that lease of land should be assessed as to whether they are finance or operating lease based on the general principles of FRS 117. Leasehold lands which have been identified as finance lease have been classified as property, plant and equipment retrospectively.

At the date of authorisation of these interim financial statement, the followings news FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Company:

**FRSs and Interpretations**

**Effective for financial periods beginning on or after 1 July 2009:**

FRS 8 : Operating Segments

	<b><u>Effective for financial periods beginning on or after</u></b>
FRS 4 : Insurance Contracts	1 January 2010
FRS 7 : Financial Instruments: Disclosures	1 January 2010
FRS 101 : Presentation of Financial Statements (as revised in 2009)	1 January 2010
FRS 123 : Borrowing Costs	1 January 2010
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 2 : Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 1 and FRS 127 : First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendment to FRS 7 : Financial Instruments: Disclosures	1 January 2010
Amendment to FRS 8 : Operating Segments	1 January 2010
Amendment to FRS 107 : Cash Flow Statements	1 January 2010
Amendment to FRS 108 : Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110 : Events After the Balance Sheet Date	1 January 2010
Amendment to FRS 116 : Property, Plant and Equipment	1 January 2010
Amendment to FRS 118 : Revenue	1 January 2010
Amendment to FRS 119 : Employee Benefits	1 January 2010
Amendment to FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendment to FRS 123 : Borrowing Costs	1 January 2010
Amendment to FRS 128 : Investments in Associates	1 January 2010
Amendment to FRS 131 : Interests in Joint Ventures	1 January 2010
Amendments to FRS 132 : Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134 : Interim Financial Reporting	1 January 2010
Amendment to FRS 136 : Impairment of Assets	1 January 2010
Amendment to FRS 138 : Intangible Assets	1 January 2010
Amendments to FRS 139, FRS 7 and IC Interpretation 9 : Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010

## 2 Significant Accounting Policies (Cont'd)

		<b>Effective for financial periods beginning on or after</b>
IC Interpretation 11	: FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	: Customer Loyalty Programmers	1 January 2010
IC Interpretation 14	: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
FRS 1	: FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	: Business Combinations	1 July 2010
FRS 127	: Consolidated and Separate Financial Statements	1 July 2010
IC Interpretation 16	: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	: Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 2	: Share-based Payment	1 July 2010
Amendments to FRS 5	: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138	: Intangible Assets	1 July 2010
Amendments to FRS 139	: Financial Instruments: Recognition and Measurement	1 July 2010
Amendments to IC Interpretation 9	: Reassessment of Embedded Derivatives	1 July 2010

The new FRS and Interpretations above are expected to have no significant impact on the financial statement of the Group upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

The Group are exempted from disclosing the possible impact, if any, to the financial statement upon the initial application of FRS 139.

## 3 Declaration of Audit Qualification

The financial statements for the year ended 31 December 2008 were not qualified.

## 4 Seasonal or Cyclical Factors of Operations

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

## 5 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.

## 6 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.

## 7 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.

## 8 Dividends Paid

No dividends was paid during the current quarter under review.

## 9 Segmental Reporting

The Group operations are mainly in Malaysia and Vietnam

	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
Revenue and Expenses				
Revenue				
External sales	59,187	98,998	-	158,185
Result				
Segment results	4,984	10,190	791	15,965
Other income	615	60	-	675
Finance costs				(1,639)
Profit before taxation				15,001
Taxation				(2,583)
Profit for the period to date				12,418

## 9 Segmental Reporting (Cont'd)

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
Assets and Liabilities				
Segment assets	66,790	92,791	(35)	159,546
Unallocated corporate assets				178
Consolidated total assets				<u>159,725</u>
Segment liabilities	(13,260)	(18,548)	7,966	(23,842)
Unallocated corporate liabilities				(30,368)
Consolidated total liabilities				<u>(54,211)</u>
Other Information				
Capital Expenditure	849	3,409	-	4,258
Depreciation	1,696	2,635	-	4,331
Non-cash expenses other than depreciation	1,423	3,985	(781)	4,627

## 10 Valuation of Property, Plant and Equipment

For the financial year ended 31 December 2009, the Group revalued all the properties classified under Property, Plant and Equipment at the total market value of RM 56.3 million. Prior to the revaluation, the properties were carried at RM 24.9 million, resulting a revaluation surplus of RM 26.3 million, after taking into consideration the deferred tax liability of RM 5.1 million.

The revaluation surplus have been incorporated in the unaudited financial statement of the Group for the financial year ended 31 December 2009 in line with the adopted revaluation policy. Based on the share capital held as at 31 December 2009, the consolidated net assets per share of the Company is RM 1.76 per share.

## 11 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.

## 12 Changes in the Composition of the Group

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

## 13 Capital Commitments

The amount of capital commitments as at 31 December 2009 is as follows;

	Financial Year to date 31.12.2009
	<u>RM'000</u>
Approved and contracted for	3,660

## 14 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.

## 15 Related Party Transactions

	Financial Year to date 31.12.2009
	<u>RM'000</u>
Sales to holding company	64
Sales to related companies	2,849
Rental paid to holding company	60
Rental received from related companies	53

## 15 Related Party Transactions (Cont'd)

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

<b>Related companies</b>	<b>Relationship</b>
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 to those had the transactions been entered into with third parties.

During the financial period ended 31 December 2009, the Group entered into the following related party transactions :-

<u>(i) Nature of transaction</u>	<u>Identity of related party</u>	Financial Period to date 31.12.2009 RM'000
Sales of trading inventories	Kian Joo-Visypak Sdn Bhd(KJV)	189

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 Almarhum Tuanku Ja'afar, Dato' Anthony See Teow Guan, Dato' See Teow Chuan and See Teow Koon in KJV and the Group.

<u>(ii) Nature of transaction</u>	<u>Identity of related party</u>	Financial Period to date 31.12.2009 RM'000
Sales of trading inventories	Hercules Sdn Bhd	669
	Hercules Vietnam Co Ltd	139
	Metal Closure and Seals Sdn Bhd	-

The parties are deemed related to the Group by virtue of common directorship held by See Leong Chye @ SzeLeong 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.

## 16 Review of Performance

For the financial year ended 31 December 2009, the Group revenue was slightly lower at RM158.2 million as compared to RM 158.5 million recorded in the preceding corresponding year. Profit before tax was higher by RM 8 million at RM 15 million compared to RM 7 million recorded in the preceding corresponding year. The improved profit before tax was mainly attributable to lower material cost and higher production efficiency.

## 17 Comparison with Immediate Preceding Quarter.

For the quarter ended 31 December 2009, the Group revenue improved by 24% to RM 49.3 million as compared to RM 39.7 million registered in the immediate preceding quarter. The Group registered a slightly higher profit before taxation of RM 0.1 million to RM 4.9 million as compared to RM 4.8 million in the immediate preceding quarter. The lower profit contribution for the quarter under review was mainly attributable to currency exchange losses of RM 2.1 million incurred from the devaluation of the Vietnam Dong.

**18 Current Year Prospects**

The Board expects the performance of the Group for Year 2010 to be satisfactory.

**19 Variance from Forecast Profit and Profit Guarantee**

This is not applicable to the Group.

**20 Taxation**

	Current Quarter RM'000	Year to date RM'000
Income Tax		
- Current	(1,308)	(2,141)
- Over/(Under) provision in prior year	(11)	(11)
Deferred Taxation		
- Current	(479)	(431)
- Over/(Under) provision in prior year	-	-
	<u>(1,798)</u>	<u>(2,583)</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.

**21 Profit on Sale of Unquoted Investments and Properties**

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

**22 Purchase or Disposal of Quoted Securities**

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

**23 Status of Corporate Proposals**

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

**24 Group Borrowings and Debt Securities**

Total Group borrowings as at 31 December 2009 are as follows:-

	RM' 000
Current	12,700
Non-Current	9,845
	<u>22,545</u>

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

	VND '000 000
Current	66,487
Non-Current	51,541
	<u>118,028</u>

( NOTE - VND5,235.19 = RM1)

All the Group borrowings are unsecured

**25 Off Balance Sheet Financial Instruments**

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

**26 Changes in Material Litigation**

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

**27 Dividends**

The Directors are recommending a final dividend of 7% less tax of 25% (7 sen per share) subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

**28 Earnings Per Share**

The computation of earnings per share is as follows :-

	Current Quarter <u>31.12.2009</u>	Financial year to date <u>31.12.2009</u>
<b><u>Basic earnings per share</u></b>		
Issued ordinary shares at beginning of period	60,023,490	60,023,490
Basic earnings per share ( sen )	5.20	20.69

**29 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 24th February 2010.

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

Chia Kwok Why  
Company Secretary

Batu Caves, Selangor.  
24th February 2010