

BOX-PAK (MALAYSIA) BERHAD

(Company No.: 21338-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2011 (RM'000) Unaudited	Preceding Year Corresponding Quarter 30.09.2010 (RM'000) Unaudited	Current Year To Date 30.09.2011 (RM'000) Unaudited	Preceding Year Corresponding Period 30.09.2010 (RM'000) Unaudited
Revenue	61,683	50,225	178,389	134,728
Cost of Sales	(52,794)	(43,425)	(152,836)	(118,064)
Gross Profit	<u>8,889</u>	<u>6,800</u>	<u>25,553</u>	<u>16,664</u>
Other Income	189	270	587	550
Operating Expenses	(3,562)	(3,109)	(13,132)	(9,334)
Finance Costs	(393)	(307)	(1,194)	(877)
Profit before Taxation	<u>5,123</u>	<u>3,654</u>	<u>11,814</u>	<u>7,003</u>
Taxation	(624)	(429)	(1,467)	(1,210)
Profit for the Period	<u>4,499</u>	<u>3,225</u>	<u>10,347</u>	<u>5,793</u>
Other Comprehensive Income, Net of Tax				
Foreign Currency Translation Differences for Foreign Operations	<u>2,190</u>	<u>(3,196)</u>	<u>(1,868)</u>	<u>(5,562)</u>
Total Comprehensive Income for the Period	<u>6,689</u>	<u>29</u>	<u>8,479</u>	<u>231</u>
Profit Attributable to :				
Owners of the parent	4,499	3,225	10,347	5,793
Total Comprehensive Income Attributable to :				
Owners of the parent	6,689	29	8,479	231
Earnings per Share				
Basic (Sen)	7.50	5.37	17.24	9.65

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	AS AT CURRENT QUARTER ENDED 30.09.2011 RM'000 Unaudited	AS AT PRECEDING YEAR END 31.12.2010 RM'000 Audited
Non-current Assets		
Property, plant and equipment	87,378	90,907
Investment properties	6,443	6,614
Land use rights	8,528	3,615
Intangible assets	91	21
Other investment	90	90
	<u>102,530</u>	<u>101,247</u>
Current Assets		
Inventories	25,457	27,839
Trade and other receivables	53,674	49,033
Amount due from related company	976	481
Cash and cash equivalents	6,587	3,471
	<u>86,694</u>	<u>80,824</u>
Total Assets	<u>189,224</u>	<u>182,071</u>
Equity and Liabilities		
Equity attributable to owners of the parent:		
Share capital	60,023	60,023
Reserves	52,088	46,760
Total Equity	<u>112,111</u>	<u>106,783</u>
Non-current liabilities		
Retirement benefit obligations	372	562
Borrowings	17,789	10,725
Deferred tax liabilities	6,177	6,328
	<u>24,338</u>	<u>17,615</u>
Current Liabilities		
Trade and other payables	35,690	33,514
Retirement benefit obligations	314	113
Provisions for liabilities	130	92
Borrowings	9,853	18,086
Amount due to holding company	6,788	5,868
	<u>52,775</u>	<u>57,673</u>
Total Liabilities	77,113	75,288
Total Equity and Liabilities	<u>189,224</u>	<u>182,071</u>
Net Assets per Share (RM)	1.87	1.78

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 30 SEPTEMBER 2011

	-----Attributable to Equity Holders of the Parent-----					Total (RM'000)
	Share Capital (RM'000)	Non distributable Reserves			Distributable Reserves	
		Share Premium (RM'000)	Revaluaton Reserve (RM'000)	Exchange Reserve (RM'000)	Retained Profits (RM'000)	
At 1 January 2011	60,023	24	28,424	(8,882)	27,194	106,783
Profit for the period	-	-	-	-	10,347	10,347
Other comprehensive loss	-	-	-	(1,868)	-	(1,868)
Total comprehensive (loss)/income	-	-	-	(1,868)	10,347	8,479
Issue of Share Capital	-	-	-	-	-	-
Dividends	-	-	-	-	(3,151)	(3,151)
At 30 September 2011	60,023	24	28,424	(10,750)	34,390	112,111

	-----Attributable to Equity Holders of the Parent-----					Total (RM'000)
	Share Capital (RM'000)	Non distributable Reserves			Distributable Reserves	
		Share Premium (RM'000)	Revaluation Reserve (RM'000)	Exchange Reserve (RM'000)	Retained Profits (RM'000)	
At 1 January 2010	60,023	24	28,424	(3,328)	20,000	105,143
Profit for the period	-	-	-	-	5,793	5,793
Other comprehensive loss	-	-	-	(5,562)	-	(5,562)
Total comprehensive (loss)/income	-	-	-	(5,562)	5,793	231
Issue of Share Capital	-	-	-	-	-	-
Dividends	-	-	-	-	(3,151)	(3,151)
At 30 September 2010	60,023	24	28,424	(8,890)	22,642	102,223

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

BOX-PAK (MALAYSIA) BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	9 Months ended 30.09.2011 (RM'000) Unaudited	9 Months ended 30.09.2010 (RM'000) Unaudited
Net Cash generated from operating activities	14,385	6,431
Net Cash used in investing activities	(8,879)	(13,068)
Net Cash (used in) / generated from financing activities	(2,306)	8,048
Net increase in cash and cash equivalents	<u>3,200</u>	<u>1,411</u>
Effects of Exchange Rate Changes	(84)	546
Cash and Cash Equivalents at 1 January	3,471	4,938
Cash and Cash Equivalents at 30 September	<u>6,587</u>	<u>6,895</u>
Cash and cash equivalents at 30 September comprise the following :-		
Cash and bank balances	6,553	6,862
Short term deposits	<u>34</u>	<u>33</u>
	<u>6,587</u>	<u>6,895</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

Part A : 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 the Main Market 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 2010.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010.

2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2011.

FRSs, Amendments to FRSs and Interpretations Adopted by the Group on 1 January 2011

FRS 1	: First-time Adoption of Financial Reporting Standards
FRS 3	: Business Combinations (Revised)
Amendments to FRS 1	: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	: Additional Exemptions for First-time Adopters
Amendments to FRS 5	: Non-Current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	: Improving Disclosures about Financial Instruments
Amendments to FRS 127	: Consolidated and Separate Financial Statements
Amendments to FRS 132	: Financial Instruments: Presentation
Amendments to FRS 138	: Intangible Assets
Improvement to FRSs (2010)	:
IC Interpretation 4	: Determining whether an Arrangement Contains a Lease
IC Interpretation 16	: Hedges of a net investment in a Foreign Operation
IC Interpretation 17	: Distributions of Non-cash Assets to Owners
IC Interpretation 18	: Transfers of Assets from Customers
Amendments to IC Interpretation 9	: Reassessment of Embedded Derivatives

IC Interpretation 12 Service Concession Agreements will also be effective for annual periods beginning on or after 1 July 2010. This IC Interpretation is, however, not applicable to the Group.

Adoption of the above new FRSs, Amendments to FRSs and Interpretations are expected to have no significant changes in the accounting policies and presentation of the financial statements of the Group, other than for the application of FRS 7, which will affect the 2011 annual financial statements

FRSs, IC Interpretations and Amendments to IC Interpretation issued but not yet effective

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

FRSs, IC Interpretation and Amendments to IC Interpretation		Effective for annual periods beginning on or after
FRS 124	: Related Party Disclosures	1 January 2012
IC Interpretation 19	: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	: Prepayments of a Minimum Funding Requirement	1 July 2011

3 Declaration of Audit Qualification

The financial statements for the year ended 31 December 2010 were not qualified.

4 Seasonal or Cyclical Factors

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 were no items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, size or incidence.

6 Changes in Estimates

There were no changes in 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, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current financial period.

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

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
Revenue and Expenses				
Revenue				
External sales	53,659	124,730	-	178,389
Result				
Segment results	2,032	10,389	-	12,421
Other income	525	62	-	587
Finance costs				(1,194)
Profit before taxation				11,814
Taxation				(1,467)
Profit for the period to date				10,347
Assets and Liabilities				
Segment assets	69,575	118,565	(35)	188,105
Unallocated corporate assets				1,119
Consolidated total assets				189,224
Segment liabilities	(18,805)	(28,560)	4,628	(42,737)
Unallocated corporate liabilities				(34,376)
Consolidated total liabilities				(77,113)
Other Information				
Capital Expenditure	738	3,021	-	3,759
Depreciation	1,591	2,745	-	4,336
Non-cash expenses other than depreciation	451	2,286	-	2,737

10 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.

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

Box-Pak (Vietnam) Co. Ltd., a subsidiary of the Group, had on 5 April 2011, incorporated a wholly-owned subsidiary, Box-Pak (Hanoi) Co. Ltd., with the charter capital of USD3 million and its principal activities are that of manufacturing and distribution of paper boxes, cartons, general paper and board printing.

There were no changes in the composition of the Group during the period under review other than as disclosed above.

13 Capital Commitments

The amount of capital commitments as at 30 September 2011 is as follows;

	Financial period to date <u>30.09.2011</u> RM'000
Approved and contracted for	Nil

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 <u>30.09.2011</u> RM'000
Sales to holding company	99
Sales to related companies	3,308
Rental paid to holding company	63

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 Aluminum 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.

15 Related Party Transactions (contd.)

During the financial period ended 30 September 2011, 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 <u>30.09.2011</u> RM'000
Sales of trading inventories	Kian Joo-Visypak Sdn Bhd(KJV)	134

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 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 <u>30.09.2011</u> RM'000
Sales of trading inventories	Hercules Sdn Bhd	444
	Hercules Vietnam Co Ltd	348

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 and Hercules Vietnam Co Ltd 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 third quarter 2011, the Group's revenue improved by 23% to RM61.7 million as compared to RM50.2 million recorded in the preceding year's corresponding quarter. The Group's profit before tax was higher by RM1.5 million to RM5.1 million as compared to RM3.6 million. The increase in profit before tax was mainly attributable to the higher revenue and improved production efficiency.

For the financial period ended 30 September 2011, the Group's revenue improved by 32% to RM178.4 million as compared to RM134.7 million recorded in the preceding year's corresponding period. The Group's profit before tax was higher by RM4.8 million at RM11.8 million compared to RM7 million recorded in the preceding year's corresponding period. The increase in profit before tax was mainly attributable to the higher revenue and improved production efficiency.

17 Comparison with Immediate Preceding Quarter.

For the quarter ended 30 September 2011, the Group's revenue slightly improved by 1% to RM61.7 million as compared to RM61.3 million registered in the immediate preceding quarter ended 30 June 2011. The Group registered slightly better profit before taxation of RM0.8 million to RM5.1 million as compared to RM4.3 million in the immediate preceding quarter, mainly attributable to more stability of the Vietnam Dong in third quarter which resulted lower currency exchange loss of RM0.7million.

18 Current Year Prospects

The Board expects an improved performance for the Group for Year 2011.

19 Variance from Forecast Profit and Profit Guarantee

This is not applicable to the Group.

20 Taxation

	Current Year Quarter 30.09.2011 RM'000	Preceding Year Corresponding Quarter 30.09.2010 RM'000	Current Year To Date 30.09.2011 RM'000	Preceding Year Corresponding Period 30.09.2010 RM'000
Income Tax				
- Current	(735)	(520)	(1,618)	(1,388)
Deferred Taxation				
- Current	111	91	151	178
	<u>(624)</u>	<u>(429)</u>	<u>(1,467)</u>	<u>(1,210)</u>

The effective tax rate for the financial period under review is lower than statutory tax rate due to overseas subsidiaries are generally at a lower rate than the statutory tax rate in Malaysia.

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 30 September 2011 are as follows:-

	RM' 000
Current	9,853
Non-Current	17,789
	<u>27,642</u>

24 Group Borrowings and Debt Securities (contd.)

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

	VND '000 000
Current	63,865
Non-Current	115,304
	179,169

(NOTE - VND6,482 = RM1)

All the Group borrowings are unsecured.

25 Retained Earnings

	As at 30.09.2011 RM'000	As at 31.12.2010 RM'000
Total retained earnings of Group:		
Realised	32,587	25,057
Unrealised	(48)	-
	32,539	25,057
Less: Consolidation adjustment	1,851	2,103
Total Group retained earnings as per Consolidated Accounts	34,390	27,160

26 Off Balance Sheet Financial Instruments

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

27 Changes in Material Litigation

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

28 Dividends

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

29 Earnings Per Share

The computation of earnings per share is as follows :-

	Current Quarter 30.09.2011	Financial year to date 30.09.2011
<u>Basic earnings per share</u>		
Profit attributable to owners of the parent (RM'000)	4,499	10,347
Weighted average number of ordinary shares in issue ('000)	60,023	60,023
Basic earnings per share (sen)	7.50	17.24

30 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 17th November 2011.

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

Chia Kwok Why
Company Secretary

Batu Caves, Selangor.
17th November 2011