

BOX-PAK (MALAYSIA) BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2013

	Note	CURRENT QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.03.2013 (RM'000) Unaudited	Preceding Year Corresponding Quarter 31.03.2012 (RM'000) Restated	Current Year To Date 31.03.2013 (RM'000) Unaudited	Preceding Year Corresponding Period 31.03.2012 (RM'000) Restated
Revenue		66,951	59,357	66,951	59,357
Cost of Sales		(58,616)	(51,756)	(58,616)	(51,756)
Gross Profit		<u>8,335</u>	<u>7,601</u>	<u>8,335</u>	<u>7,601</u>
Other Income		191	187	191	187
Operating Expenses		(4,225)	(3,059)	(4,225)	(3,059)
Finance Costs		(225)	(393)	(225)	(393)
Profit before Taxation	10	<u>4,076</u>	<u>4,336</u>	<u>4,076</u>	<u>4,336</u>
Taxation	21	(555)	(781)	(555)	(781)
Profit for the Period		<u>3,521</u>	<u>3,555</u>	<u>3,521</u>	<u>3,555</u>
Other Comprehensive Income, Net of Tax					
Foreign Currency Translation Differences for Foreign Operations		922	(1,576)	922	(1,576)
Actuarial Loss recognised on Defined Benefit Plan		(4)	(16)	(4)	(16)
		<u>918</u>	<u>(1,592)</u>	<u>918</u>	<u>(1,592)</u>
Total Comprehensive Income for the Period		<u>4,439</u>	<u>1,963</u>	<u>4,439</u>	<u>1,963</u>
Profit Attributable to :					
Owners of the Company		3,521	3,555	3,521	3,555
Total Comprehensive Income Attributable to :					
Owners of the Company		4,439	1,963	4,439	1,963
Earnings per Share					
Basic (Sen)		5.87	5.92	5.87	5.92

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction audited financial statements for the year ended 31 December 2012 with 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 31 MARCH 2013

	Note	AS AT CURRENT QUARTER ENDED 31.03.2013 RM'000 Unaudited	AS AT PRECEDING YEAR END 31.12.2012 RM'000 Audited
Non-current Assets			
Property, plant and equipment		93,996	88,822
Investment properties		6,107	6,160
Land use rights		9,556	9,489
Intangible assets		24	26
		109,683	104,497
Current Assets			
Inventories		26,364	28,184
Trade and other receivables		77,108	64,316
Amount due from related company		1,123	737
Cash and cash equivalents		13,735	12,843
		118,330	106,080
Total Assets		228,013	210,577
Equity and Liabilities			
Equity attributable to owners of the parent:			
Share capital		60,023	60,023
Share premium		24	24
Other reserves		(3,377)	(4,299)
Retained earnings	22	78,376	74,859
Total Equity		135,046	130,607
Non-current liabilities			
Retirement benefit obligations		164	309
Borrowings	24	33,087	18,914
Deferred tax liabilities		6,223	6,196
		39,474	25,419
Current Liabilities			
Trade and other payables		41,401	36,858
Derivative financial liabilities		1,939	1,431
Retirement benefit obligations		396	396
Provisions for liabilities		252	244
Borrowings	24	6,013	12,119
Amount due to holding company		3,492	3,503
		53,493	54,551
Total Liabilities		92,967	79,970
Total Equity and Liabilities		228,013	210,577
Net Assets per Share (RM)		2.25	2.18

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with audited financial statements for the year ended 31 December 2012 the accompanying explanatory notes attached to the interim financial statements.)

BOX-PAK (MALAYSIA) BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR QUARTER ENDED 31 MARCH 2013

	-----Attributable to Owners of the Company-----				
	Share Capital	Non-distributable		Distributable	Total
		Share Premium	Exchange Reserve	Retained Earnings	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2013	60,023	24	(4,299)	74,859	130,607
Profit for the period	-	-	-	3,521	3,521
Other comprehensive loss	-	-	922	(4)	918
Total comprehensive (loss)/income	-	-	922	3,517	4,439
Dividends	-	-	-	-	-
At 31 March 2013	60,023	24	(3,377)	78,376	135,046

	-----Attributable to Owners of the Company-----				
	Share Capital	Non-distributable		Distributable	Total
		Share Premium	Exchange Reserve	Retained Earnings	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2012	60,023	24	(2,473)	59,096	116,670
Profit for the period	-	-	-	3,555	3,555
Other comprehensive loss	-	-	(1,576)	(16)	(1,592)
Total comprehensive (loss)/income	-	-	(1,576)	3,539	1,963
Dividends	-	-	-	-	-
At 31 March 2012	60,023	24	(4,049)	62,635	118,633

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with audited financial statements for the year ended 31 December 2012 the accompanying explanatory notes attached to the interim financial statements.)

BOX-PAK (MALAYSIA) BERHAD

(Company No.: 21338-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE QUARTER ENDED 31 MARCH 2013

	3 Months ended 31.03.2013 (RM'000) Unaudited	3 Months ended 31.03.2012 (RM'000) Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from customers	66,914	61,191
Payment to suppliers	<u>(66,725)</u>	<u>(57,639)</u>
Cash generated from operations	189	3,552
Interest paid	(163)	(330)
Income tax paid	(1,045)	(737)
Income tax refunded	154	390
Net Cash (used in)/generated from operating activities	<u>(865)</u>	<u>2,875</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,188)	(5,047)
Interest received	11	24
Net Cash used in investing activities	<u>(6,177)</u>	<u>(5,023)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Inter-company (repayment)/advance	(204)	(1,534)
Drawdown of bank borrowings	<u>7,892</u>	<u>(2,905)</u>
Net Cash generated from/(used in) financing activities	<u>7,688</u>	<u>(4,439)</u>
Net increase/(decrease) in cash and cash equivalents	646	(6,587)
Effects of Exchange Rate Changes	225	(213)
Cash and cash equivalents at 1 January	12,864	14,216
Cash and cash equivalents at 31 March	<u>13,735</u>	<u>7,416</u>
Cash and cash equivalents at 31 March comprise the following :-		
Cash and bank balances	13,631	5,878
Short term deposits	<u>104</u>	<u>1,538</u>
	<u>13,735</u>	<u>7,416</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with audited financial statements for the year ended 31 December 2012 the accompanying explanatory notes attached to the interim financial statements.)

1 Basic of Preparation

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

This set of Interim Financial Statements have been prepared under the historical cost convention, except for certain financial instruments that were revalued to fair value in accordance with the Malaysian Financial Reporting Standards ("MFRS") 139: Financial Instruments: Recognition and Measurement.

This report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. The explanatory notes attached to the condensed report 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 2012.

2 Significant Accounting Policies

2.1 Adoption of Standards, Amendments and Issue Committee (IC) interpretation

The Group adoption the following Standards, Amendments and IC Interpretations:-

MFRS 3	:	Business Combinations
MFRS 10	:	Consolidated Financial Statements
MFRS 11	:	Joint Arrangements
MFRS 12	:	Disclosure of Interests in Other Entities
MFRS 13	:	Fair Value Measurement
MFRS 119	:	Employee Benefits
MFRS 127	:	Consolidated and Separate Financial Statements
MFRS 128	:	Investments in Associates and Joint Ventures
Amendments to MFRS 1	:	First Time Adoption of MFRS - Government Loans
Amendments to MFRS 7	:	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	:	Consolidated Financial Instruments: Transition Guidance
Amendments to MFRS 11	:	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	:	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	:	Presentation of Items of Other Comprehensive Income
Annual Improvement to IC Interpretations and MFRS 2009-2011 Cycle	:	

The adoption of the above pronouncements did not have any impact on the financial statements of the Group, except for the following:

MFRS 119: Employee Benefits (revised)

The Group has adopted MFRS 119 Employee Benefits (revised) and applied this standard retrospectively during the current period.

As a result of MFRS 119 adoption, actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. The expected returns on plan assets if defined benefit plans are not recognised in profit or loss and instead, the interest on net defined benefit obligation (net of the plan assets) is recognised in profit or loss, calculated using the discount rate used to measure the net pension obligation or asset.

Part A : Explanatory Notes Pursuant to MFRS 134

2 Significant Accounting Policies (contd.)

2.1 Adoption of Standards, Amendments and Issue Committee (IC) interpretation (contd.)

Effects From Adoption of MFRS 119: Employee Benefits (revised)

(a) Condensed Consolidated Statement of Comprehensive Income

RM '000	As previously reported	Effects of adoption of MFRS 119	Restated
<u>Period ended 31 March 2012</u>			
Staff costs	(5,003)	16	(4,987)
Profit before taxation	4,320	16	4,336
Profit for the period	3,539	16	3,555
Other comprehensive income			
- Foreign currency translation differences	(1,576)	-	(1,576)
- Actuarial gains/(losses) on defined benefit plans	-	(16)	(16)
Total comprehensive income	1,963	-	1,963
<u>Year ended 31 December 2012</u>			
Staff costs	(20,010)	62	(19,948)
Profit before taxation	22,280	62	22,342
Profit for the period	18,915	62	18,977
Other comprehensive income			
- Foreign currency translation differences	(1,828)	-	(1,828)
- Actuarial gains/(losses) on defined benefit plans	-	(62)	(62)
Total comprehensive income	17,087	-	17,087

2.2 Standards Issued But Not Yet Effective

Amendments to MFRS 9	: Mandatory Effective Date of MFRS 9 and Transition Disclosures
Amendments to MFRS 10	: Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	: Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	: Consolidated and Separate Financial Statements: Investment Entities
Amendments to MFRS 132	: Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

3 Declaration of Audit Qualification

The financial statements for the year ended 31 December 2012 were not subject to any qualifications.

4 Seasonal or Cyclical Factors

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

Part A : Explanatory Notes Pursuant to MFRS 134

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 were 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 were paid during the current quarter under review.

9 Segmental Reporting

Segmental result for the period ended 31 March 2013 are as follows:-

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
Revenue and Expenses				
Revenue				
External sales	19,203	47,748	-	66,951
Result				
Segment results	508	3,602	-	4,110
Other income	188	3	-	191
Finance costs				(225)
Profit before taxation				4,076
Taxation				(555)
Profit for the period to date				3,521
Assets and Liabilities				
Segment assets	68,306	159,742	(35)	228,013
Unallocated corporate assets				-
Consolidated total assets				228,013
Segment liabilities	(16,787)	(73,882)	4,314	(86,355)
Unallocated corporate liabilities				(6,612)
Consolidated total liabilities				(92,967)
Other Information				
Capital Expenditure	314	5,715	-	6,029
Depreciation	373	1,035	-	1,408
Non-cash expenses other than depreciation	1,377	-	-	1,377

Part A : Explanatory Notes Pursuant to MFRS 134

10 Profit before taxation

The following amounts have been included in arriving at profit before tax:

	Quarter Ended		Financial period to date	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	1,408	1,509	1,408	1,509
Derivative financial loss	508	-	508	-
Foreign exchange loss/(gain)	(321)	(364)	(321)	(364)
Provision for solid waste disposal	49	52	49	52
Interest expense	225	393	225	393
Interest income	(11)	(24)	(11)	(24)
Rental income from investment property	(180)	(164)	(180)	(164)

11 Valuation of Property, Plant and Equipment

There was no revaluation carried out on property, plant and equipment during the period under review.

12 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.

13 Changes in the Composition of the Group

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

14 Capital Commitments

The amount of capital commitments as at 31 March 2013 is as follows;

	Financial Period to date 31.03.2013
	RM'000
Approved and contracted for	28,231

15 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.

16 Related Party Transactions

	Financial Period to date 31.03.2013
	RM'000
Sales to holding company	53
Sales to related companies	1,096
Rental paid to holding company	22

16 Related Party Transactions (contd.)

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

Related companies	Relationship
Kian Joo Can Factory Berhad	Holding company
Federal Metal Printing Factory Sdn Berhad	Subsidiary of the holding company
Kian Joo Canpack Sdn Bhd	Subsidiary of the holding company
Kian Joo Canpack (Shah Alam) 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 comparable to those transactions entered with third parties

During the financial period ended 31 March 2013, the Group entered into the following related party transactions in the normal course of business on terms that the Directors consider comparable to those transactions entered with third parties :-

<u>(i) Nature of transaction</u>	<u>Identity of related party</u>	Financial Period to date <u>31.03.2013</u> RM'000
Sales of trading inventories	Kian Joo-Visypak Sdn Bhd(KJV)	109

KJV is an associate of the holding company. It 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 and Dato' Anthony See Teow Guan in KJV and the Group.

<u>(ii) Nature of transaction</u>	<u>Identity of related party</u>	Financial Period to date <u>31.03.2013</u> RM'000
Sales of trading inventories	Hercules Sdn Bhd	114
	Hercules Vietnam Co., Ltd	97

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.

Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad

17 Review of Performance

1st Quarter 2013 (1Q13) vs 1st Quarter 2012 (1Q12)

For the 1Q13, the Group's revenue was RM66.9 million, an increase of 13% from RM59.3 million recorded in 1Q12. Improvement in revenue was due mainly to increase in demand from existing customers from Vietnam.

Despite higher revenue, profit before tax was lower by RM0.2 million to RM4.1 million as compared to RM4.3 million in 1Q12. The decline in profit was attributable to the higher labour cost following the implementation of minimum wages scheme in Malaysia and revision in minimum wages in Vietnam, and also the recognition of derivative loss in cross currency swap contracts of RM0.5 million during the quarter.

18 Comparison with Immediate Preceding Quarter.

For the quarter ended 31 March 2013, the Group's revenue was lower by 7% to RM66.9 million as compared to RM72.4 million registered in the immediate preceding quarter. The higher revenue in the preceding quarter was contributed by festive carton in Vietnam operations.

The Group's profit before taxation was slightly lower by RM0.7 million to RM4.1 million as compared to RM4.8 million. The decline in profit is attributable to the higher labour cost following the implementation of minimum wages scheme in Malaysia and revision in minimum wages in Vietnam.

19 Current Year Prospects

Due to the intense market competition in Malaysia and Vietnam, and also the implementation of minimum wages scheme in Malaysia and revised minimum wages rates in Vietnam, the Board expects the Group to continuously face challenges to maintain its market share and profit margin in Malaysia and Vietnam.

Movements in the cost of key materials and fluctuations in the foreign currency exchange rate will also have an impact on the Group's results.

However, the Group will continue to be resilient and anticipates the results for financial year 2013 to be satisfactory.

20 Variance from Forecast Profit and Profit Guarantee

This is not applicable to the Group.

21 Taxation

	Quarter Ended		Financial period to date	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Current	(583)	(738)	(583)	(738)
- Over/(Under) provision in prior year	-	-	-	-
Deferred Taxation				
- Current	28	84	28	84
- Over/(Under) provision in prior year	-	(127)	-	(127)
	<u>(555)</u>	<u>(781)</u>	<u>(555)</u>	<u>(781)</u>

The effective tax rate for the financial period under review is lower than statutory tax rate in Malaysia as subsidiaries in Vietnam is enjoying lower tax rate.

Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad

22 Retained Earnings

	As at 31.03.2013 RM'000	As at 31.12.2012 RM'000
Total retained earnings of Group:		
Realised	48,254	47,713
Unrealised	28,541	28,560
	<u>76,795</u>	<u>76,273</u>
Less: Consolidation adjustment	1,581	1,414
Total Group retained earnings as per Consolidated Accounts	<u>78,376</u>	<u>74,859</u>

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 unsecured borrowings, all of which are denominated in Ringgit Malaysia (MYR) and US Dollar's (USD) are as follows:

	As at 31.03.2013 RM' 000	As at 31.12.2012 RM' 000
Trade facilities - denominated in USD	2,877	7,977
Term Loan - denominated in USD	3,136	4,142
Short term borrowing	<u>6,013</u>	<u>12,119</u>
Term Loan - denominated in USD	6,478	6,417
Term Loan - denominated in MYR	26,609	12,497
Long term borrowing	<u>33,087</u>	<u>18,914</u>
Total Borrowings	<u>39,100</u>	<u>31,033</u>

25 Changes in Material Litigation

There was no material litigation as at the reporting date.

26 Dividends

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

Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad

27 Earnings Per Share

	Quarter Ended		Financial period to date	
	<u>31.03.2013</u>	<u>31.03.2012</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
<u>Basic earnings per share</u>				
Profit attributable to owners of the parent (RM'000)	3,521	3,555	3,521	3,555
Weighted average number of ordinary shares in issue ('000)	60,023	60,023	60,023	60,023
Basic earnings per share (sen)	5.87	5.92	5.87	5.92

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 20th May 2013.

Batu Caves, Selangor.
 20th May 2013