

Golden Frontier Berhad Group of Companies
Condensed Consolidated Income Statements
For 6 Months Ended 31 March 2006

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	31-Mar-06	31-Mar-05	31-Mar-06	31-Mar-05
	RM '000	RM '000	RM '000	RM '000
Revenue	22,157	20,786	47,455	44,354
Operating profit	1,257	623	3,632	2,322
Interest expense	(730)	(534)	(1,491)	(1,073)
Interest income	117	14	252	28
Profit before taxation	645	103	2,393	1,277
Tax expense	-	14	-	(23)
Profit after taxation	645	117	2,393	1,254
Unusual Items	-	-	-	-
Net profit for the period	645	117	2,393	1,254
Basic earnings per ordinary share (sen)	1.07	0.19	3.97	2.01
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

Note - The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 September 2005.

Golden Frontier Berhad Group of Companies
Condensed Consolidated Balance Sheet
As At 31 March 2006

	Current Year-to-date	Last Audited
	31-Mar-06	30-Sep-05
	RM '000	RM '000
Property, plant and equipment	92,105	93,063
Goodwill on consolidation	11,431	11,794
Property development expenditure	8,008	7,114
Inventories	18,306	14,880
Trade receivables	25,152	26,197
Other receivables, deposits and prepayments	4,718	4,445
Tax recoverable	411	448
Cash and bank balances	2,135	3,749
Total Current Assets	50,723	49,719
Trade payables	3,884	6,838
Other payables and accrued expenses	4,169	2,753
Short term borrowings	46,448	46,596
Tax liabilities	1	1
Total Current Liabilities	54,502	56,188
Net Current Liabilities	(3,779)	(6,469)
Long-term liabilities	7,528	7,562
Deferred tax	7,335	7,336
Net Assets	92,901	90,604
Represented by:		
Issued capital	62,257	62,257
Reserves	30,644	28,347
Shareholders' Equity	92,901	90,604
	0	(0)

Note - The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements of the Group for the year ended 30 September 2005.

Golden Frontier Berhad Group of Companies
 Condensed Consolidated Statement of Changes in Equity
 As At 31 March 2006

	Non-Distributable	Distributable	Total
	RM '000	RM '000	RM '000
Balance as of 1 October 2004	25,833	1,374	27,207
Shares buy-back	(221)	-	(221)
Net profit during the period	-	1,254	1,254
Balance as of 31 December 2004	<u>25,612</u>	<u>2,628</u>	<u>28,240</u>
Balance as at 1 October 2005	24,849	3,498	28,347
Revaluation reserve fluctuation	-	-	-
Shares buy-back	(97)	-	(97)
Net profit during the period	-	2,393	2,393
Balance as of 31 December 2005	<u>24,753</u>	<u>5,891</u>	<u>30,644</u>

Note - The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the year ended 30 September 2005.

Golden Frontier Berhad Group of Companies
Condensed Consolidated Cash Flow Statement
As At 31 March 2006

Current Year-to-date	Preceding Year Corresponding Period
31-Mar-06	31-Mar-05
RM '000	RM '000

Cash Flows From/(Used In) Operating Activities		
Profit before taxation	2,393	1,277
Adjustment for -		
Depreciation and amortisation	2,640	2,610
Interest expense	1,491	1,073
Fixed assets written off	-	-
Interest income	(252)	(28)
(Gain)/Loss on foreign exchange	17	-
Property development profit	(342)	(209)
(Gain)/Loss on disposal of property, plant and equipment	26	(361)
Operating Profit Before Working Capital Changes	5,974	4,362
(Increase)/Decrease		
Property development cost	(1,236)	(875)
Inventories	(2,103)	(1,786)
Receivables	616	1,189
Increase/(Decrease)		
Payables	(2,385)	227
Cash Generated/(Used In) From Operations	866	3,117
Income tax paid	(55)	(58)
Cash Flows From/(Used In) Operating Activities	811	3,059
Cash Flows From/(Used In) Investing Activities		
Interest received	252	28
Proceeds from disposal of property, plant and equipment	451	1,812
Purchase of investment in subsidiary	(603)	-
Purchase of property, plant and equipment	(755)	(979)
Cash Flows From/(Used In) Investing Activities	(655)	861
Cash Flows From/(Used In) Financing Activities		
(Repayment of)/Proceeds from short term borrowings	387	(987)
Interest paid	(1,491)	(1,073)
Repayment of long term loan	(821)	(1,326)
Dividends paid	-	-
Shares buy-back	(97)	(221)
Cash Flows (Used In)/From Financing Activities	(2,022)	(3,607)
Net Increase in Cash and Cash Equivalents	(1,866)	313
Cash and Cash Equivalents at Beginning of Period	3,681	2,537
Cash and Cash Equivalents at End of Period	1,815	2,850

Note - The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements of the Group for the year ended 30 September 2005.

Notes Pursuant to MASB 26

1 Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting and Chapter 9 Part K of the Bursa Malaysia Securities Berhad Listing Requirements.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 September 2005.

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 year ended 30 September 2005.

2 Audited Financial Statements for the Year Ended 30 September 2005

The audited financial statements of the Group for the year ended 30 September 2005 was reported without any qualification.

3 Seasonal or Cyclical Factors

The business operations of the Group are not materially affected by any seasonality or cyclicity factors.

4 Unusual Items due to Nature, Size, or Incidence

There is no unusual item in this interim financial period and financial year-to-date.

5 Changes in Estimates

There is no change in the estimates of amount which give a material effect to this interim financial report.

6 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There is no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in this interim financial period and financial year-to-date except the shares bought-back and kept as treasury shares as follows -

	Shares (No.)	Cost (RM)
<u>Share Capital - Issued and Fully Paid of RM1.00 each</u>		
Balance as at 31 March 2006	62,257,204	62,257,204
<u>Shares Bought-Back and Kept as Treasury Shares</u>		
Balance as at 1 October 2005	1,837,600	1,350,003
Shares bought-back during the period	202,500	96,576
Balance as at 31 March 2006	2,040,100	1,446,579
Shares bought-back from 1 April 2006 to 22 May 2006	28,000	15,735
Balance as at 22 May 2006	2,068,100	1,462,314

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Notes to the Interim Financial Report

7 Dividends Paid (for Ordinary Shares)

Current Year-to-date	Preceding Year Corresponding Period
31-Mar-06	31-Mar-05
RM '000	RM '000
-	-

First and Final Dividend

No dividend was proposed, declared or paid by the Company in respect of financial year ended 30 September 2004. A final dividend of 2.3 sen per share, tax exempt, amounting to RM1,384,993 in respect of the financial year ended 30 September 2005 were approved for payment on 5 May 2006 by the shareholders at the 33rd. Annual General Meeting held on 23 March 2006. The amount is based on the number of outstanding shares in issue after excluding the Treasury Shares as at the balance sheet date.

8 Segmental Information

Revenue	Profit Before Taxation
Current Year-to-date	
31-Mar-06	
RM '000	RM '000

By Activity -

Investment hdg and provn of mgt consultancy services	271	(264)
Manufacturing of corrugated fiberboard carton	55,671	3,144
Property development	608	112
Trading and insurance agency and others	333	(3)
	<u>56,884</u>	<u>2,989</u>
Group investment	-	(363)
Group transaction	(9,429)	(232)
	<u>47,455</u>	<u>2,393</u>

By Geographical Location -

Malaysia	23,497	1,103
Vietnam	23,958	1,290
	<u>47,455</u>	<u>2,393</u>

9 Carrying Amount of Revalued Properties, Plants and Equipments

The valuation of properties, plants and equipments have been brought forward, without amendment from the previous audited financial statements for the year ended 30 September 2005.

10 Subsequent Events

There is no material event occurred between the end of this interim financial period and within 7 days before the date of issue of this interim financial report.

11 Changes in the Composition of the Group

With effect from 1 January 2006, Packamex (Vietnam) Co., Ltd has become a wholly owned subsidiary of Alcamax Packaging (Vietnam) Co., Ltd.

Golden Frontier Berhad Group of Companies
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12 Changes in Contingent Liabilities or Contingent Assets

There is no material change in contingent liability or contingent asset since the previous audited balance sheet date as at 30 September 2005.

Notes Pursuant to Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities

Berhad

13 Tax Income/(Expense)

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	31-Mar-06	31-Mar-05	31-Mar-06	31-Mar-05
	RM '000	RM '000	RM '000	RM '000
Income Tax -				
Provision for Current Year	-	3	-	-
Real Property Gains Tax	-	11	-	(23)
Tax Expense	-	14	-	(23)

The effective tax rate of the Group for the previous financial period are lower than the statutory income tax rate due mainly to the utilization of brought forward unabsorbed capital allowances, tax losses and reinvestment allowances in certain profit making subsidiary companies to set off against income that would otherwise have been subjected to tax.

14 Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There is no purchase nor sale of unquoted investment and/or property for this interim financial period and financial year-to-date except for the disposal of a piece of land together with a factory building in Perak to Heng Chee Tong Trading Sdn Bhd (Company No. 262821-K) for a consideration of RM1,800,000. This transaction has been announced to Bursa Malaysia Securities Berhad on 26 November 2004.

15 Purchase Consideration and Sales Proceeds of Quoted Securities and Profit/(Loss) Arising Therefrom

There is no purchase nor sale of quoted securities for this interim financial period and financial year-to-date.

16 Status of Corporate Proposals Announced but not Completed

There is no corporate proposal announced but not completed at the date of issue of this interim financial report.

Golden Frontier Berhad Group of Companies
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17 Bank Borrowings

	Current Year-to-date	Last Audited
	31-Mar-06	30-Sep-05
	RM '000	RM '000
Secured borrowings	17,609	18,380
Unsecured borrowings	36,367	35,777
Total borrowings	<u>53,976</u>	<u>54,158</u>
Short-term borrowings	47,409	46,596
Long-term borrowings	6,567	7,562
Total borrowings	<u>53,976</u>	<u>54,158</u>
Borrowing denominated in RM	36,367	18,063
Borrowing denominated in USD - RM Equivalent	9,950	32,691
Borrowing denominated in VND - RM Equivalent	7,659	3,404
Total borrowings	<u>53,976</u>	<u>54,158</u>

The Group's secured borrowings were solely incurred for its operation in Vietnam, which consist of Term Loan, Revolving Credit and Trade Facilities, and were secured by way of corporate guarantees by the ultimate holding company, mortgage over the land and building and debentures over the fixed and floating assets of the Vietnam operation.

18 Financial Instruments With off Balance Sheet Risk

The Group did not enter into any contract involving any financial instrument with off balance sheet risk at the date of issue of this interim financial report.

19 Pending Litigation

There is no pending material litigation at the date of issue of this interim financial report.

20 Material Changes in the Profit Before Taxation for Quarter Reported on as Compared With the Immediate Preceding Quarter

	Current Year Quarter	Immediate Preceding Quarter	Increase / (Decrease)
	31-Mar-06	31-Dec-05	
	RM '000	RM '000	RM '000
Revenue	22,157	25,298	(3,141)
Profit/(Loss) before taxation	645	1,748	(1,103)
Profit/(Loss) before taxation - %	3%	7%	

The drop in revenue was mainly attributed to the lower sales in the packaging division experienced in Northern Malaysia and in Vietnam, consistent with the fewer business days due to various public holidays and festive seasons occurring during the Quarter. Likewise, contracted demand in the market have drove up stiff competition among the market players resulted in declining margin in everyone's bid to maintain market shares.

21 Review of the Performance of the Company and its Principal Subsidiaries (Current Year-to-Date vs. Preceding Year Corresponding Period)

	Current Year-to-date	Preceding Year Corresponding Period	Increase / (Decrease)
	31-Mar-06	31-Mar-05	
	RM '000	RM '000	RM '000
Revenue	47,455	44,354	3,101
Profit before taxation	2,393	1,277	1,116
Profit before taxation - %	5%	3%	

Higher revenue for the current financial period was principally contributed by the sales derived from the Hanoi operation that started in mid 2005, growth in the packaging division in other locations as well as billings recognised from the property development project that has now progressed towards final stages. On the other hand, expansion in selective market segments that offer better margin coupled with further reduction in production costs arising from enhanced team work, increased productivity and efficiency, improved management of resources and lowered production wastages have provided better yield and upgraded returns in the packaging businesses.

22 Current Year Prospects

Corrugated Carton Manufacturing

Raising interest rates, higher fuel prices and consequently inflationary fears continued to engulf world economy and will likely to generate various challenges for businesses in both the international and domestic markets.

In the domestic market, our efforts in moving out from the Northern Region and establishing our presence in other regions of Malaysia will continue as we see this to be one of the more favourable channel for further growth. Product proliferation i.e. widening our product range in order to tap on new market segments will be stepped up to compliment efforts to expand into other market's region.

In Vietnam, we'll continue to be selective in expanding our businesses, with priority for niche market that provide better product margins and at the same time, build to establish our reputation to prepare to move on to profit from the enormous business opportunities ahead.

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Notes to the Interim Financial Report

Property Development

Our 122 units' medium high cost apartment project, Penhill Perdana at the foot of Penang Hill in Penang Island, is progressing as planned and sales are expected to accelerate significantly on the back of the many advertisement and promotional activities being lined up. The official launch of the project at the end of April 2006 will set the milestone for not only the start of considerable revenue contribution to the Group, but also signifies the Group's intention and commitment to move forward in the property development sectors.

Overall performance -

Packaging division is expected to continue to grow further, albeit slowly, and contribute positively to the Group's increased revenue. Operations in Vietnam, particularly in Hanoi, will likely to spearhead the growth to provide better performance of the Group. The on-going property development project in Penang, enroute to completion, is also expected to significantly enhancing the Group's revenue and profitability. Barring unforeseen circumstances, we expect better performance both in revenue and profitability for the Group in Financial Year 2006.

23 Explanatory Notes for Variances Between Actual and Forecasted Profits

Not Applicable.

24 Basic Earnings per Ordinary Share

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	31-Mar-06	31-Mar-05	31-Mar-06	31-Mar-05
	RM '000	RM '000	RM '000	RM '000
Net profit attributable to ord. s'holders	645	117	2,393	1,254
Weighted av. no. of ord. shares in issue	60,218	60,911	60,318	60,995
Basic earnings per ordinary share	1.07	0.19	3.97	2.06

25 Diluted Earnings per Ordinary Share

No fully diluted earnings per share of the Group has been presented as the average fair value of the shares of the Company is lower than the exercise price for the conversion of Warrants to ordinary shares. The effect of this would be anti-dilutive to the earnings per ordinary share.

Should there be any computation being made, it shall be based on 93,385,806 ordinary shares, assuming full conversion of Warrants 2000/2007.