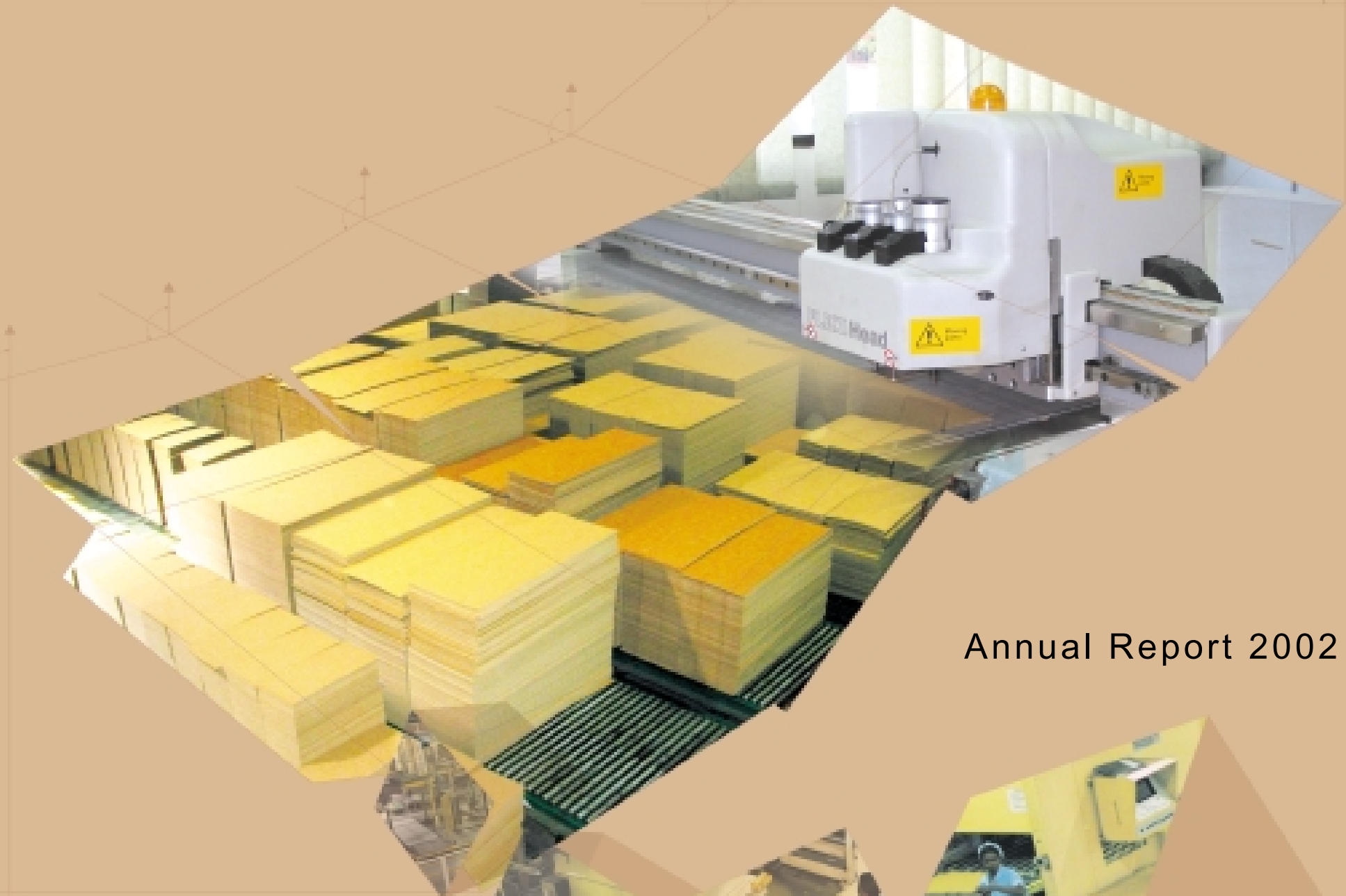




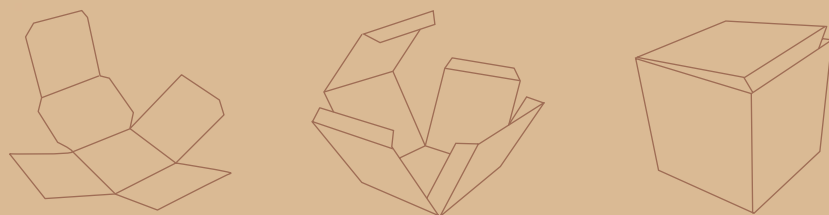
BOX-PAK (MALAYSIA) BERHAD

(21338-W) (Incorporated in Malaysia)



Annual Report 2002

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BOX-PAK (MALAYSIA) BERHAD (21338-W) (Incorporated in Malaysia)

Lot 4, Jalan Perusahaan 2, 68100 Batu Caves, Selangor, Malaysia

Tel : 603-6189 6688 Fax : 603-6189 2515

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CORPORATE INFORMATION

DIRECTORS

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	<i>(Chairman)</i>
Dato' Anthony See Teow Guan	<i>(Managing Director)</i>
Dato' See Teow Chuan	<i>(Executive Director)</i>
See Teow Koon	<i>(Executive Director)</i>
See Tiau Kee	<i>(Executive Director)</i>
Tan Kim Seng	<i>(Executive Director)</i>
See Leong Chye @ Sze Leong Chye	<i>(Non-Executive Director)</i>
Dato' Nik Mohamed Bin Nik Mohd Salleh	<i>(Non-Executive Director)</i>
Dato' Michael Tan Guan Cheong	<i>(Non-Executive Director)</i>

AUDIT COMMITTEE

See Leong Chye @ Sze Leong Chye	<i>(Chairman)</i>
Tan Kim Seng	<i>(Executive Director)</i>
Dato' Michael Tan Guan Cheong	<i>(Non-Executive Director)</i>

SECRETARY

Chia Kwok Why
(MAICSA 7005833)

AUDITORS

Ernst & Young
Chartered Accountants

BANKERS/ FINANCE COMPANIES/ FINANCIAL INSTITUTIONS

Affin Bank Berhad
Alliance Bank Malaysia Berhad
AMBank Berhad
AMFinance Berhad
Bumiputra-Commerce Bank Berhad
EON Bank Berhad
EON Finance Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Malaysia Building Society Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank Berhad

REGISTRARS

Signet Share Registration Services Sdn. Bhd.
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2145 4337
Fax : 03-2142 1353

REGISTERED OFFICE

Lot 10, Jalan Perusahaan 1
68100 Batu Caves
Selangor Darul Ehsan
Tel : 03-6189 6322
Fax: 03-6189 8185

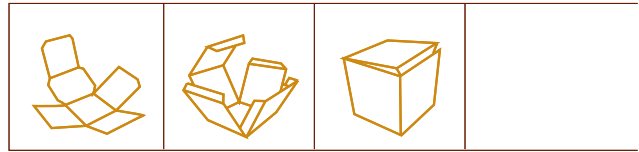
SOLICITORS

Shearn Delamore & Co.
16th Floor, Wisma Hamzah Kwong Hing
1, Leboh Ampang, 50100 Kuala Lumpur

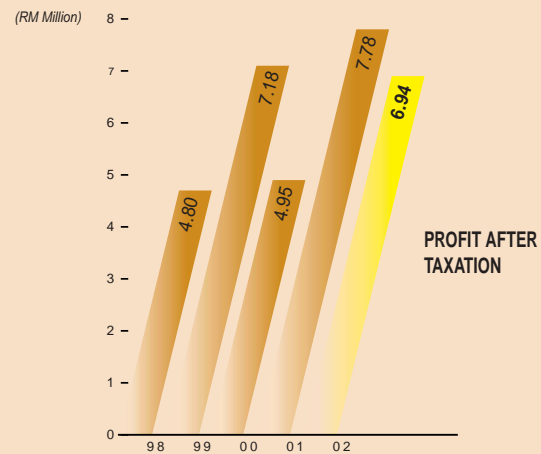
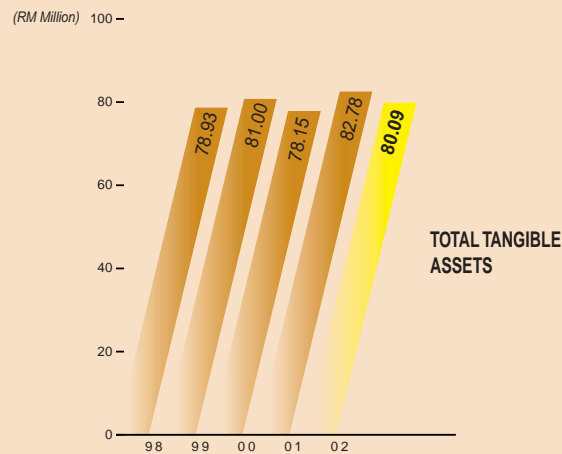
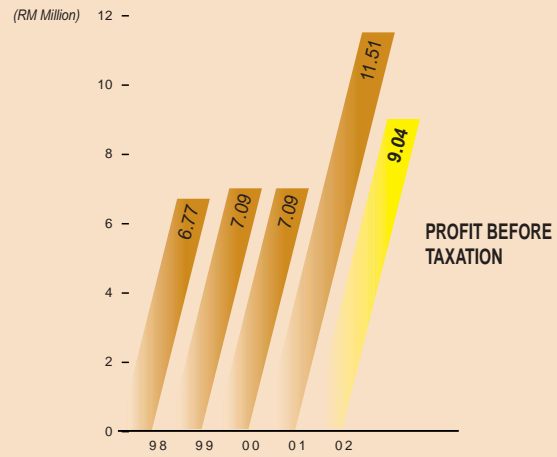
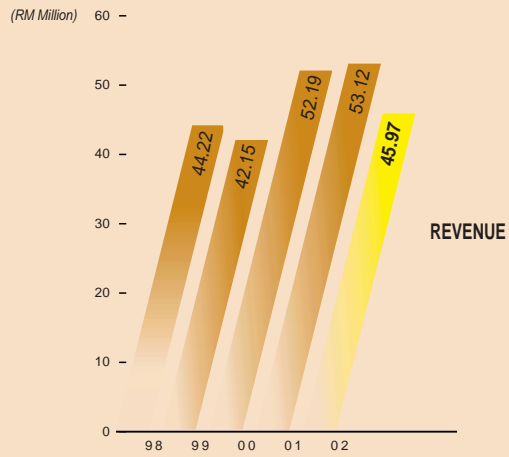
Shook Lin & Bok
20th Floor, Arab Malaysian Building
55, Jalan Raja Chulan, 50200 Kuala Lumpur

Wan Nadhri Tan & Goh
18-1, 1st Floor
Jalan Kampung Attap, 50460 Kuala Lumpur

Koh & Associates
Suite 15-07, 15th Floor
Wisma Zelan
1, Jalan Tasik Permaisuri 2
Bandar Tun Razak, 56000 Kuala Lumpur



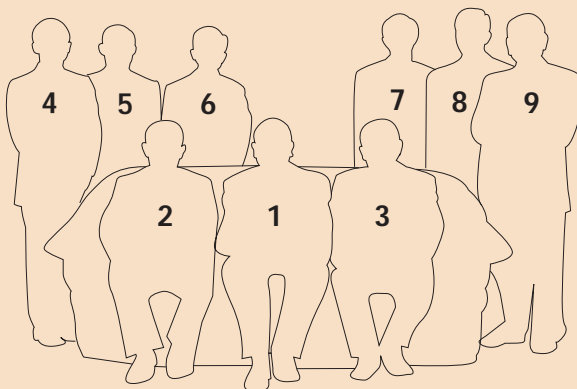
FINANCIAL HIGHLIGHTS



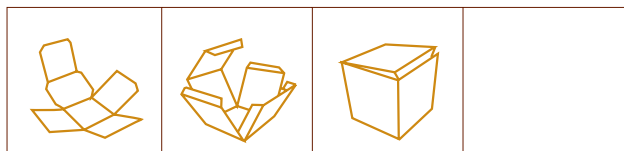
RM'000	2002	2001	2000	1999	1998
Revenue	45,965	53,122	52,187	42,152	44,217
Profit Before Taxation	9,037	11,506	7,094	7,093	6,774
Profit After Taxation And Minority Interest	6,939	7,779	4,946	7,182	4,798
Dividend Rate : Gross	15%	20%	20%	20%	15%
Dividend Net	5,761	7,440	7,440	5,760	4,320
Paid-Up Capital	60,013	40,000	40,000	40,000	40,000
Shareholders' Equity	70,712	71,190	64,851	67,345	65,923
Total Tangible Assets	80,094	82,776	78,151	81,000	78,930
Total Bank Borrowings	1,251	24	1,025	2,086	62
Earnings Per Share	12 sen	13 sen*	8 sen*	12 sen*	8 sen*
Net Assets Backing Per Share	RM1.18	RM1.19*	RM1.08*	RM1.12*	RM1.10*
Borrowing/Shareholders' Equity	2%	0%	2%	3%	0%

* based on enlarged capital after 1:2 bonus issue in 2002.

PROFILE OF DIRECTORS



- 1 Y.A.M. TUNKU DATO' SERI NADZARUDDIN IBNI TUANKU JA'AFAR
- 2 DATO' SEE TEOW CHUAN
- 3 DATO' ANTHONY SEE TEOW GUAN
- 4 SEE TIAU KEE
- 5 SEE TEOW KOON
- 6 DATO' NIK MOHAMMED BIN NIK MOHD SALLEH
- 7 SEE LEONG CHYE @ SZE LEONG CHYE
- 8 DATO' MICHAEL TAN GUAN CHEONG
- 9 TAN KIM SENG



PROFILE OF DIRECTORS (CONT'D)

Y.A.M. TUNKU DATO' SERI NADZARUDDIN IBNI TUANKU JA'AFAR

Y.A.M. TUNKU DATO' SERI NADZARUDDIN IBNI TUANKU JA'AFAR, aged 44, a Malaysian, is the Chairman of the Company. He was appointed to the Board on 1 June 1994. He holds a Bachelor of Science (Honours) Degree in Mathematics.

From 1982 to 1983, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar worked with British Telecommunications in London. In 1985, he joined ESSO Production Malaysia Inc. (EPMI) as System Analyst and he was there until March 1988.

He then left EPMI to become the General Manager of Asia-Pacific Videolab Sdn Bhd until April 1990. In May 1990, he joined Antah Holdings Berhad as Executive Assistant to the Managing Director and in September 1996, was appointed as Director of Antah Holdings Berhad until 22 May 2000. In December 1992, he was appointed as an Executive Director of Hwang-DBS (Malaysia) Berhad. He is also on the Board of Kian Joo Can Factory Berhad.

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar is the Patron and Past President of Persatuan Broker Niaga Hadapan Malaysia (Malaysia Futures Brokers Association). He is a director on the board of MDEX (Malaysia Derivatives Exchange Berhad). He is also the Vice President of the Financial Planning Association of Malaysia (FPAM) on their Board of Governors and their Board of Certification and Standards.

DATO' ANTHONY SEE TEOW GUAN

DATO' ANTHONY SEE TEOW GUAN, aged 57, a Singaporean, is the Managing Director of the Company. He was appointed to the Board on 28 December 1974.

He completed his Senior Cambridge education in Singapore and moved immediately to Malaysia to work with Kian Joo Can Factory Berhad, the holding company. He has over 35 years of experience in the packaging industry. In 1974, he initiated the set up of the Company.

In 1993, he was awarded the "Manager of the Year 1992" by Harvard Business School Alumni Club of Malaysia.

Currently, he is the President of the Malaysian Tin Can Manufacturers Association (MTCMA). He also sits on the Board of several private limited companies

Dato' Anthony See Teow Guan, Dato' See Teow Chuan, Mr See Teow Koon and Mr See Tiau Kee are brothers.

DATO' SEE TEOW CHUAN

DATO' SEE TEOW CHUAN, aged 62, a Malaysian, is the Executive Director of the Company. He was appointed to the Board on 28 December 1974. He is the Managing Director of Kian Joo Can Factory Berhad, the holding company.

He has more than 40 years experience and knowledge in can manufacturing and carton manufacturing business. He also sits on the Board of other private limited companies.

Dato' See Teow Chuan, Dato' Anthony See Teow Guan, Mr See Teow Koon and Mr See Tiau Kee are brothers.

PROFILE OF DIRECTORS (CONT'D)

SEE TEOW KOON

SEE TEOW KOON, age 54, a Malaysian, is the Executive Director of the Company. He was appointed to the Board on 1 September 1983.

He has over 35 years of experience in the packaging industry in particular metal printing and can manufacturing. He completed his technical studies in Singapore Institute of Technology and in 1967, he furthered his studies in Japan specializing in metal printing and can manufacturing.

He also sits on the Board of several private limited companies.

Mr See Teow Koon, Dato' See Teow Chuan, Dato' Anthony See Teow Guan and Mr See Tiau Kee are brothers.

SEE TIAU KEE

SEE TIAU KEE, aged 49, a Malaysian, is the Executive Director of the Company. He was appointed to the Board on 1 September 1983.

He started his career as a Quality Executive in the subsidiary of Kian Joo Can Factory Berhad, the holding company, and subsequently was promoted to Production Manager. He has vast experience in can manufacturing operations and has served Kian Joo Can Factory Berhad for 25 years.

He also sits on the Board of several private limited companies.

Mr See Tiau Kee, Dato' See Teow Chuan, Dato' Anthony See Teow Guan and Mr See Teow Koon are brothers.

TAN KIM SENG

TAN KIM SENG, aged 50, a Malaysian, is the Executive Director cum General Manager of the Company. He was appointed to the Board on 15 June 1991. He is also a member of the Audit Committee.

He started his career with the Company in 1977 as a Sales Executive and was promoted to General Manager of the Company in 1983. He has over 25 years of experience in the carton manufacturing industry. He assumes an overall management control particularly in the marketing operations of the Company.

He does not have any family relationship with any director and/or major shareholder of Box-Pak (Malaysia) Berhad.

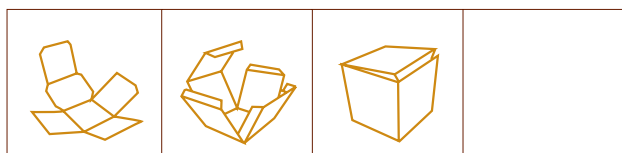
Y.A.M. RAJA DATO' SERI ASHMAN SHAH IBNI SULTAN AZLAN SHAH

RAJA DATO' SERI ASHMAN SHAH IBNI SULTAN AZLAN SHAH, aged 45, a Malaysian, is the Non-Executive Director. He was appointed to the Board on 24 April 1986. He is also a member of Audit Committee of the Company.

Raja Dato' Seri Ashman Shah graduated from the University of Nottingham, United Kingdom, with a B.A. in Economics in 1981. In 1983 he qualified as a Barrister-at-Law from Lincoln's Inn, London. Thereafter he obtained his L.L.M. Masters Degree in Law from the University of Cambridge, United Kingdom.

Raja Dato' Seri Ashman Shah is also a Non-Executive Director of KKB Engineering Berhad. He was an Executive Director of Kanzen Berhad (formerly known as Dreamland Berhad) from 1986 to 1992.

He does not have any family relationship with any director and/or major shareholder of Kian Joo Can Factory Berhad.



PROFILE OF DIRECTORS (CONT'D)

SEE LEONG CHYE @ SZE LEONG CHYE

SEE LEONG CHYE @ SZE LEONG CHYE, aged 59, a Malaysian, is the Non-Executive Director of the Company. He was appointed to the Board on 22 May 1966. He is a member and Chairman of the Audit Committee.

He holds a Bachelor of Engineering from University of Adelaide, Australia. He has a vast experience in manufacturing company specializing in metal closures. He also sits on the Board of several private limited companies.

He does not have any family relationship with any director and/or major shareholder of Box-Pak (Malaysia) Berhad.

DATO' NIK MOHAMMED BIN NIK MOHD SALLEH

DATO' NIK MOHAMMED BIN NIK MOHD SALLEH, aged 68, a Malaysian, is the Non-Executive Director of the Company. He was appointed to the Board on 27 November 2000. He is a member of the Audit Committee.

He graduated in 1960 from University of Malaya, Singapore Division, with a B.A. (Hons. In History) and in 1970 he obtained a Diploma in International Relations (D.I.R.) from Institute of Social Studies The Hague, Netherlands.

He has a total of over 34 years of working experience serving various Ministry departments and Kelantan Land Settlement Scheme (Federal) Kota Bharu.

In 1995, he was the Chairman/Director of Renong Nusantara Sdn. Bhd.

He does not have any family relationship with any director and/or major shareholder of Box-Pak (Malaysia) Berhad or holds any interest in shares in the Company.

DATO' MICHAEL TAN GUAN CHEONG

DATO' MICHAEL TAN GUAN CHEONG, aged 58, a Malaysian, was appointed to the Board on 25 July 2001 as an Independent Non-Executive Director. He is also a member of the Audit Committee.

He holds a Bachelor of Commerce Degree from Otago University, New Zealand, majoring in Economics, Marketing Management and Accountancy. He is a Chartered Accountant and a member of the Malaysian Institute of Accountants since 1983. He has worked in international audit firms overseas and also in Malaysia. He has more than 20 years' experience in the field of financial services.

He held, for more than 10 years until retirement in 1999, the post of Managing Director of United Orix Leasing Berhad, a diversified financial services group, a joint venture between Malaysian Companies and a diversified financial services multinational.

He does not have any family relationship with any Director and/or major shareholder of the Company or holds any interest in shares in the Company.

Save as disclosed, none of the Directors has any conviction of offences within the past 10 years nor has any personal interest in any business arrangement involving the Company.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors is committed in ensuring that the Company practices good Corporate Governance in line with the Malaysian Code on Corporate Governance introduced in March 2000.

A) DIRECTORS

I. The Board

Decisions are made on issues relating to strategy, performance, resources and financial matters at Board's meetings. The executive directors have vast experience in the packaging industries and are able to lead and guide the Company. A brief profile of each director is presented on pages 4 to 7.

During the year ended 31 December 2002, 4 Board Meetings were held. The following is the record of attendance of the Board Members:

DIRECTORS	NO. OF MEETINGS ATTENDED
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar - Chairman <i>(Independent Non-Executive Director)</i>	3/4
Dato' Anthony See Teow Guan <i>(Managing Director)</i>	4/4
Dato' See Teow Chuan <i>(Executive Director)</i>	4/4
See Teow Koon <i>(Executive Director)</i>	4/4
See Tiau Kee <i>(Executive Director)</i>	4/4
Tan Kim Seng <i>(Executive Director)</i>	4/4
See Leong Chye@ Sze Leong Chye <i>(Independent Non-Executive Director)</i>	4/4
Dato' Michael Tan Guan Cheong <i>(Independent Non-Executive Director)</i>	4/4
Dato' Nik Mohamed bin Nik Mohd Salleh <i>(Non-Independent Non-Executive Director)</i>	3/4

In the intervals between Board meetings, monthly management meetings are held together with the operating heads and the executive directors.

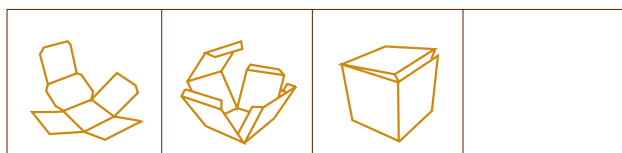
The Board is assisted by the following Board Committees:

1. Audit Committee

The Audit Committee was established on 17 May 1996. Please refer to the Audit Committee Report on pages 13 to 15.

2. Remuneration Committee

The Remuneration Committee was established on 16 November 2001 whose members are all non-executive directors. There was one(1) meeting held during the year which was attended by all the members.



STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

A) DIRECTORS (CONT'D)

2. Remuneration Committee (CONT'D)

Members

Y.A.M. Tunku Dato Seri Nadzaruddin Ibni Tuanku Ja'afar -Chairman
(Independent Non-Executive Director)

Mr See Leong Chye @ Sze Leong Chye
(Independent Non-Executive Director)

Dato' Michael Tan Guan Cheong
(Independent Non-Executive Director)

The Remuneration Committee shall recommend for the Board's approval, the Executive Director's remuneration package and to evaluate the effectiveness of the contributions made by each member of the Board.

Directors' fees are determined by the Board and are based on standard fixed fee and are subject to the approval of shareholders at the Annual General Meeting.

Details of the number of Executive and Non-Executive Directors in remuneration bands of RM50,000 for the year ended 31 December 2002 are disclosed in the Statutory Accounts as Note 20 of the Notes to the Financial Statements.

3. Option Committee

The Board has set up an Option Committee on 27 February 2002 to administer the ESOS which was approved by the shareholders at an Extra Ordinary General Meeting held on 31 January 2002.

Members

Mr Tan Kim Seng (Executive Director)

Alice See Siew Choo (Group Financial Controller)

Mok Chong Gan (Group Human Resource Manager)

The Option Committee is to administer the Employees' Share Option Scheme (ESOS) in accordance with the objectives and regulations as stated in the Bye-Laws.

II Board Balance

The Board currently has 9 members, comprising 4 Non-Executive Directors and 5 Executive Directors. The Executive Committee (Exco) comprising of executive directors and the Group Financial Controller assumes some of the responsibilities and functions of the Board, oversees the running of the Company and the implementation of the Board's decisions and policies.

The Chairman holds a Non Executive position and is primarily responsible for matters pertaining to the Board and overall conduct of the Company.

III Appointments to the Board

The Nomination Committee was set up on 26 February 2003 to formalize procedures for appointments to the Board.

Members

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar (Chairman)

Dato' Micheal Tan Guan Cheong (Independent Non-Executive Director)

See Leong Chye @ Sze Leong Chye (Independent Non-Executive Director)

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

A) DIRECTORS (CONT'D)

IV Re-election

The Articles provide that at least one third of the remaining Directors, save for the Managing Director, be subject to re-election by rotation at each Annual General Meeting. In compliance with the Kuala Lumpur Stock Exchange Listing Requirements, which came into force in 2001, the Managing Director will now also be required to submit himself for re-election by rotation. The amended Articles of Association which was approved by the shareholders at an Extra Ordinary General Meeting held on 31 January 2002 provides for all Directors to submit themselves for re-election at least once every 3 years.

B) INVESTORS RELATIONS AND SHAREHOLDER COMMUNICATION

To ensure that the shareholders and investors are well informed of the Company, information is available to shareholders and investors through various disclosures and announcements made to the Kuala Lumpur Stock Exchange which includes the quarterly financial results, Annual Reports and where appropriate, Circulars and press releases.

The quarterly results are published in the media and can also be assessed through the KLSE website at <http://announcements.klse.com.my>.

Key management personnel also hold discussion with analysts to provide information on the Company strategy, performance and major developments. A press briefing, attended by the Chairman, is also held after each Annual General Meeting.

Shareholders and the public can also access information on the Company's background, products and financial performance through the website www.boxpak.com.my.

C) ACCOUNTABILITY AND AUDIT

I Financial Reporting

The Board takes responsibility for presenting a balanced and understandable assessment of the Company's operations and prospects each time it releases its quarterly and annual financial statements to shareholders. The Audit Committee reviews the information to be disclosed to ensure its accuracy and adequacy.

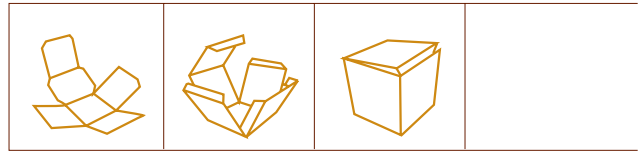
A statement by Directors of their responsibilities in preparing the financial statements is set out on page 12 of this Report.

II Internal Controls

The Directors recognize their responsibility for the Company's system of internal controls and the need to review its effectiveness regularly in order to safeguard the Company's assets and therefore shareholders' investments in the Company. Since certain risks and threats are externally driven, unforeseen and beyond the Company's control, the system can only provide reasonable assurance against misstatement or loss.

III Relationship with Auditor

The role of the Audit Committee in relation to the external auditors is described on page 13 to 15.



STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

COMPLIANCE WITH THE CODE

The Company has substantially complied with the Principles and Best Practices of the Code except as disclosed below :

a) Nomination of a Senior Independent Non-Executive Director

The Board does not consider it necessary to nominate a recognized Senior Independent Non-Executive Director given the separation of the roles of Chairman who is a Non Executive Director and Managing Director.

b) Details of each director's remuneration

The Board is of the view that the transparency and accountability aspects applicable to Directors' Remuneration are appropriately served by the 'band disclosure of RM 50,000' as set out under Note 20 of the Notes to the Financial Statements, which complies with the disclosure requirements under the Kuala Lumpur Stock Exchange's Listing Requirements.



RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

Directors are legally responsible to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the results of the Company for the financial year then ended.

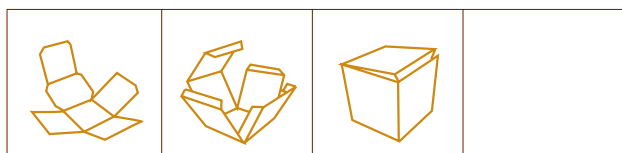
In preparing those financial statements, the directors have:

- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept and which disclose with reasonable accuracy the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company, to prevent and detect fraud and other irregularities.



High quality carton boxes produced by Box-Pak.



AUDIT COMMITTEE REPORT

MEMBERSHIPS AND MEETINGS

The Audit Committee had 4 meetings during the year ended 31 December 2002. The members of the Audit Committee and the record of their attendance are as follows:

Membership	No. of Meetings attended
See Leong Chye@ Sze Leong Chye - Chairman (Independent Non-Executive Director)	4/4
Dato' Michael Tan Guan Cheong (appointed on 25.7.2002) (Independent Non-Executive Director)	4/4
Tan Kim Seng (Executive Director)	4/4

TERMS OF REFERENCE

Composition Of Audit Committee

The Committee shall be appointed by the Board from its members and shall consist of not less than 3 members of whom a majority shall not:-

- be executive directors of the company or any related company;
- comprise a spouse, parent, brother, sister, son or adopted son, daughter or adopted daughter or an executive director of the company or of any related corporation; or
- comprise persons having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the functions of the Committee.

The Committee shall elect a chairperson from among its members who is not an executive director or employee of the company or any related company.

In the event that a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

Terms of Membership

Members of the Committee shall be appointed for an initial term of 3 years after which they will be eligible for reappointment.

Meetings

The Committee shall meet at least three times a year. In addition, the chairperson shall convene a meeting of the Committee if requested to do so by any members, the management or the internal or external auditors to consider any matters within the scope and responsibilities of the Committee.

The minutes of the meetings of the Audit Committee shall be tabled at Board Meetings to inform the Board of the activities of the Audit Committee.

Attendance At Meetings

The group financial controller, the head of internal audit, and a representative of the external auditors shall normally attend meetings. However, the Committee may invite any person to be in attendance to assist in its deliberations.

AUDIT COMMITTEE REPORT (CONT'D)

Secretary To Audit Committee

Any one of the company secretaries shall be the secretary of the Committee and shall be responsible for drawing up the agenda in consultation with the chairperson. The agenda together with relevant explanatory papers and documents shall be circulated to committee members prior to each meeting. The secretary shall be responsible for keeping the minutes of the meeting of the Committee, circulating them to committee members and for ensuring compliance with KLSE requirements.

Quorum

A quorum shall consist of a majority of committee members who are non-executive directors.

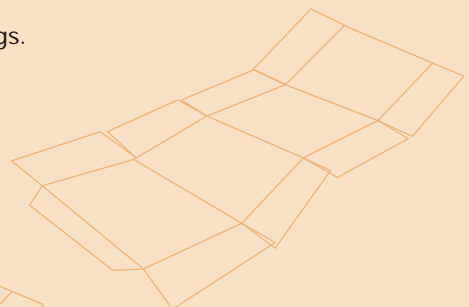
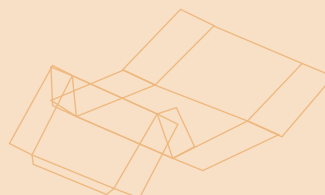
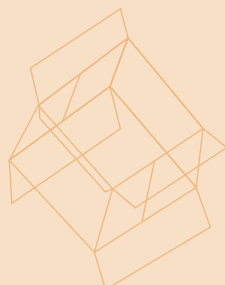
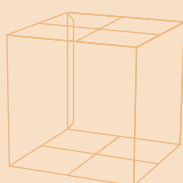
Authority

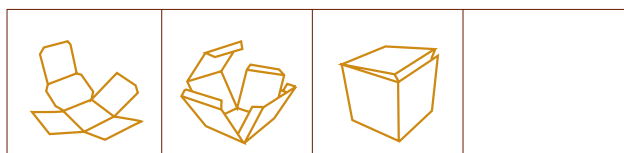
The committee is authorized by the Board to investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities. The audit committee is also authorized to obtain outside legal or other independent professional advice as it considers necessary.

Duties and Responsibilities

The duties and responsibilities of the committee shall be:

- a) to review the company's quarterly and annual financial statements before submission to the Board. The review shall focus on:
 - any changes in accounting policies and practices
 - major judgmental areas
 - significant audit adjustments from the external auditors
 - the going concern assumption
 - compliance with accounting standards
 - compliance with stock exchange and legal requirements
- b) to review with the external auditors their plan, scope and nature of audit for the company.
- c) to assess the adequacy and effectiveness of the systems of internal control and accounting control procedures of the company by reviewing the external auditors' management letters and management response.
- d) to hear from the external auditors problems and reservations arising from their interim and final audits.
- e) to review the internal audit plan, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings.
- f) to review any related party transactions that may arise within the company.
- g) to consider the appointment of the external auditors, the terms of reference of their appointment, and any question of resignation or dismissal.
- h) to undertake such other responsibilities as may be agreed to by the Committee and the Board.
- i) to report to the Board its activities, significant results and findings.





AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE AUDIT COMMITTEE DURING THE YEAR ENDED 31 DECEMBER 2002

Internal Audit Function

The Company has an internal audit department with the principal responsibility to undertake regular and systematic reviews of the systems of internal controls to provide reasonable assurance that such systems continue to operate effectively and efficiently.

The following activities were carried out by Internal Audit Department in 2002:

- Conducted periodic checks to determine the extent of compliance with established policies, procedures and statutory requirements.
- Carried out ad-hoc investigations and special reviews requested by management.
- Recommended improvements to the existing systems of controls and procedures by way of issuing audit reports to the appropriate level of management for corrective action improvements to be taken.
- Taking corrective actions to continuously improve on the controls, processes and operations of the Company based on feedback from management and recommendations from external auditor.

Summary of Activities of the Audit Committee

During the year ended 31 December 2002, the Audit Committee performed its duties as set out in its terms of reference.

The main activities undertaken by the Audit Committee as follows:-

- Reviewed with the external auditors their scope of work and audit plan for the year.
- Reviewed the results of the external audit, the audit report and the management letter, including management's response.
- Reviewed the internal audit department's program and plan for the year under review.
- Reviewed the internal audit reports and actions taken by management to improve on the internal controls system based on internal audit findings.
- Reviewed the annual report and audited financial statement of the Company before submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by MASB.
- Reviewed the quarterly audited financial result announcements before recommending them for the Board's approval. The review and discussions were conducted with the Company Financial Controller.
- Reviewed the Company's compliance with the Listing Requirements of the KLSE, MASB and other relevant legal and regulatory requirements.
- Reviewed the significant related party transactions entered into by the Company.
- Reviewed the extent of the Company compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of the Corporate Governance Statements pursuant to the KLSE Listing Requirements. Recommended to the Board on the prescribed corporate governance principles and best practices under the Code.

STATEMENT OF INTERNAL CONTROL

Pursuant to paragraph 15.27(b) of the Kuala Lumpur Stock Exchange (“KLSE”) Listing Requirements, the Board of Directors (“the Board”) of Box-Pak (Malaysia) Berhad (“the Company”) is pleased to provide the following statement on the state of internal control of the Company, which has been prepared in accordance with the “Statement of Internal Control: Guidance for Directors of Public Listed Companies issued by the Institute of Internal Auditors Malaysia and as adopted by the KLSE.

Responsibilities for Internal Control

The Board acknowledges its responsibility for maintaining an effective and sound system of internal control throughout the Company and for reviewing its adequacy and integrity in order to safeguard the Company’s assets and shareholders’ investments. The review of the effectiveness of the system of internal control is a continuous process designed to monitor and mitigate the effects rather than to eliminate risks of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement, fraud or losses. It should also be recognized that the cost of control procedures should not outweigh or exceed the benefits to be expected to arise from such control procedures.

Key Elements of Internal Control

Key elements of internal control that the Board has established in reviewing the adequacy and integrity of the system of internal control are as follows:

Organization Structure and Responsibility Levels

The Company has placed competent and responsible personnel to oversee the Company’s operating functions. The Company has defined clear lines of accountability and delegation of authority that sets out decisions that need to be taken including matters that require Board approval. Key personnel including executive directors are actively involved in the daily operations.

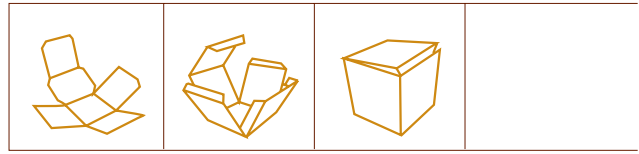
Audit Committee and Internal Audit

The Audit Committee was established with a view to assist and to provide the Board with added focus in discharging the Board’s duties. The key processes undertaken by the Audit Committee in carrying out its review include operations reviews, review external and internal audit reports and regular review of internal control.

The Audit Committee also ensures there are continuous efforts by management to address and resolve areas with control weaknesses. Reports on findings of the internal audit visits are presented to the Audit Committee. These, together with the External Auditors’ reports provide reasonable assurance that control procedures are in place, and being followed.

Regular internal audits are carried out to review the adequacy and integrity of the internal control system based on audit plan reviewed and approved by the Audit Committee. The internal audit department advises on areas for improvement and conduct follow-up reviews to determine the extent to which its recommendation has been implemented.





STATEMENT OF INTERNAL CONTROL (CONT'D)

Risk Management

The Company's operations involve management of a wide range of risks. The Board is responsible for identifying business risks and in ensuring the implementation of appropriate systems to manage these risks. In doing so, the Board, through the Audit Committee and the internal audit function, reviews the adequacy and integrity of the Company's internal control system including compliance with applicable laws, regulations, rules, directives and guidelines.

Reporting and Review

The Company has in place a management reporting mechanism whereby financial information is generated for management review on a monthly basis. The executive directors meet with the senior management monthly to discuss and resolve operational and key management issues.

Meetings are conducted in the presence of an executive director/senior management to address on major issues identified during SIRIM surveillance audit and the internal quality audits.

Management Review Meetings are conducted at least once every year to review action plans to ensure its continual suitability, adequacy and effectiveness including opportunities for improvement and changes, if any, to be made to its Quality Management System including Quality Policy and Objectives.

Other Activities

The Company was accredited by SIRIM of Malaysia since 18 April 1995 for having implemented a Quality Management System conforming to ISO 9002: 1994. The Quality Management System was upgraded to ISO 9001: 2000 in April 2002. The Quality Management System lays down procedures in performing key processes with the aim of achieving and maintaining consistently high quality products. Internal quality audits are conducted regularly on the Quality Management System and SIRIM carries out surveillance audit once a year to ensure that the procedures laid down in the Quality Management System has been complied. Issues identified during the audits are documented and corrective actions taken accordingly.

Conclusion

The Board is satisfied that, during the year under review, there is a continuous process in identifying, evaluating and managing significant risks faced by the Company. The Board is of the opinion that the existing system of internal control is adequate to achieve the above objectives.

The Board recognizes the importance of operating a system of internal control that supports the business objectives of the Company. As the Company operates in a dynamic business environment, and continues to grow and evolve, the Board will continuously assess the adequacy of the Company's system of internal control and will take steps to enhance the system, as and when necessary.



MESSAGE FROM THE CHAIRMAN



Y.A.M. TUNKU DATO' SERI NADZARUDDIN IBNI TUANKU JA'AFAR

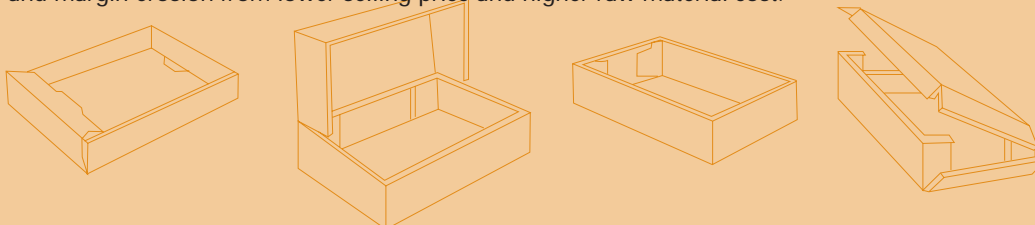
ON BEHALF OF THE BOARD OF DIRECTORS OF BOX-PAK (MALAYSIA) BERHAD, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002.

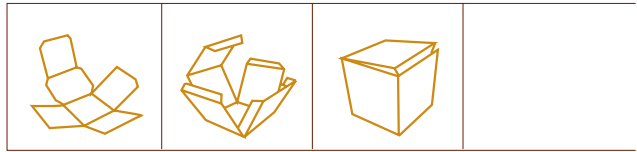
PERFORMANCE AND FINANCIAL REVIEW

The Company's revenue was lower at RM45.965 million compared to RM53.122 million in year 2001. Profit before taxation for the financial year under review was also down from RM11.506 million in the previous year to RM9.037 million. After adjustment for current and deferred taxation, profit attributable to shareholders was RM6.939 million compared to RM7.779 million in year 2001.

Earnings per share after tax for 2002 was 11.56 sen compared to 12.96 sen in 2001.

The decline in revenue and pre-tax profit were mainly due to excess capacity in the carton industry resulted in fierce competition and margin erosion from lower selling price and higher raw material cost.





MESSAGE FROM THE CHAIRMAN (CONT'D)

CORPORATE DEVELOPMENTS

During the financial year under review, the Company increased its authorised share capital from RM50 million to RM70 million. The issued and paid-up share capital of the Company was also increased by way of a bonus issue on the basis of one new ordinary share for every two existing ordinary shares held. The bonus issue exercise was completed on 8 October 2002 and 20,004,490 new ordinary shares of RM1.00 each were issued to eligible shareholders.

The Company also successfully implemented the Employee Share Option Scheme on 8 April 2002 with 1,770,000 share options granted at an exercise price of RM2.74 per ordinary share of RM1.00 each. As a consequence of the bonus issued during the financial year under review, an additional 847,000 share were granted and the option price was adjusted from RM2.74 to RM1.83 per share. As at 31 December 2002, 9,000 new ordinary shares of RM1.00 were issued to eligible employees of the Company.

DIVIDENDS

The Board has recommended a final dividend of 10% less tax at 28% amounting to RM4,320,971 for approval of shareholders at the Annual General Meeting to be held on 18 June 2003. Together with the interim dividend of 5% less tax of 28% amounting to RM1,440,324 paid on 27 September 2002, the total dividend declared for financial year ended 31 December 2002 would be 15% amounting to RM5,761,295.

CURRENT YEAR'S PROSPECT

Market condition is expected to remain competitive and compounded with the uncertainty of raw material cost, it is anticipated that year 2003 will be a challenging year for the Company. However, the Company will continue to explore measures to increase productivity with emphasis on prompt delivery and quality products.

APPRECIATION

On behalf of the Board, I wish to record my thanks and appreciation to all of our customers, suppliers, business associates and bankers for their continuing support and also to the board of directors for their wise counsel and advice. My appreciation also goes to the management and staff for their hard work, commitment and loyalty and our shareholders for their continued support and confidence in the Company.

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar
CHAIRMAN

Date: 25 March 2003



ISO 9001:2000 Certification Award



Supplier Award



Cyrel-Asia Pacific Flexographic Printing Competition
Winners Award



Equipped with state of the art production facilities to produce high quality cartons, and integrated with graphic and packaging design support to provide better service to customers.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and distribution of paper boxes, cartons, general paper and board printing.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Profit after taxation	6,938,529
Retained profit brought forward	
- As previously reported	20,549,519
- Prior year adjustment	6,000,000
- As restated	26,549,519
Profit available for appropriation	33,488,048
Bonus Issue	(20,004,490)
Dividends	(7,440,324)
Retained profit carried forward	6,043,234

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

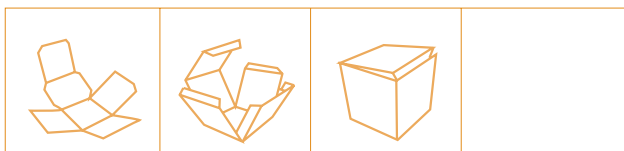
In the opinion of the Directors, the results of the operations of the Company during the financial year were not been substantially affected by any item, transaction or event of a material and unusual nature other than the effect arising from the change in accounting policy as disclosed in Note 27 to the financial statements.

DIVIDENDS

The dividends paid by the Company since the date of the last report were as follows:

	RM
In respect of the financial year ended 31 December 2001 as shown in the Directors' Report of that financial year:	
Final dividend of 15%, tax exempt, paid on 28 June 2002	6,000,000
In respect of the financial year ended 31 December 2002:	
Interim dividend of 5%, less 28% income tax paid on 27 September 2002	1,440,324

At the forthcoming Annual General Meeting, a final dividend of 10% less 28% taxation amounting to RM4,320,971 (7.2 sen net per share) in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2003.



DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES

During the financial year, the Company increased its authorised share capital from RM50,000,000 to RM70,000,000 by the creation of an additional 20,000,000 ordinary shares of RM1.00 each.

The Company's issued and fully paid-up share capital was also increased from RM40,000,000 to RM60,013,490 by:

- (i) the issue of 9,000 new ordinary shares of RM1.00 each issued at RM2.74 each pursuant to the Employees' Share Option Scheme; and
- (ii) a bonus issue of 20,004,490 new ordinary shares of RM1.00 each on the basis of one ordinary share for every two existing ordinary shares held after (i) above by way of capitalisation of the Company's retained profit.

The new ordinary shares issued shall rank pari passu in all respects with the existing ordinary shares of the Company.

WARRANT OF THE HOLDING COMPANY

On 16 November 1994, the holding company issued RM80,000,000 nominal value of 3% Redeemable Non-Convertible Bonds 1994/2002 ("Bonds") together with 15,423,429 Detachable Warrants at 100% of the nominal value of the Bonds at a subscription price of RM6.50 per share.

Each warrant entitled its registered holder the right to subscribe for one new ordinary share not later than 5.00pm on 22 May 2002.

As at 22 May 2002, 15,379,029 warrants remained unexercised and have therefore lapsed.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("Scheme") was approved by the shareholders at an Extraordinary General Meeting held on 31 January 2002

The main features of the Scheme are:

- (a) Eligible persons are employees of the Company (including full-time Executive Directors) in the employment of the Company with at least two years of service as at the offer date. Foreign employees of the Company (save for the Executive Directors) are not entitled to the scheme. No employee and Executive Director shall participate at anytime in more than one (1) Employee Share Option Scheme implemented by any company within the group of its holding company, Kian Joo Can Factory Berhad.
- (b) The total number of shares to be offered shall not exceed 10% of the enlarged issued and paid-up ordinary share capital of the Company at any point of time during the existence of the Scheme
- (c) No option shall be granted for less than 1,000 ordinary shares and not more than 400,000 ordinary shares to any individual eligible employee
- (d) The option price shall be at a discount of not more than 10% from the weighted average market price of the shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the offer date, or at par value of the shares of the Company, whichever is higher.
- (e) The Scheme shall be in force at the discretion of the Committee appointed by the Board of Directors subject to the maximum period of five years from the date of its approval by the Company in a general meeting or the date of the last approval by relevant authorities, whichever shall be the latest date subject to any extension as may be approved by the aforesaid authorities.
- (f) The maximum allowable allotment for each eligible employee is based on a predetermined scale of maximum entitlement for each category and grade of employee. The criteria for the basis of allotment would be based on seniority, performance and length of service.
- (g) A grantee will be allowed to exercise not more than 20% of the options granted to him per year.

DIRECTORS' REPORT (CONT'D)

EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

(h) In the event of any alteration in the capital structure of the Company during the option period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:

(i) the number of shares which a grantee shall be entitled to subscribe for upon the exercise of each option; and/or

(ii) the subscription price

as shall be necessary to give a grantee the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment.

As at 31 December 2002, the total number of options granted and the movements in the options to take up the unissued ordinary shares of RM1.00 each of the Company are as follows:

Option granted on	Option price RM	At 1.1.02	No. of options over ordinary shares of RM1.00 each				At 31.12.02
			Granted	Adjustment for bonus issue	Exercised	Lapsed due to resignation	
8.4.2002	1.83	-	1,770,000	847,000	(9,000)	(26,000)	2,582,000

Of the above total, Executive Directors had been granted options to subscribe for 600,000 ordinary shares of RM1.00 each.

As a consequence of the bonus issue during the financial year, the option price for the options granted on 8 April 2002 was adjusted from RM2.74 per share to RM1.83 per share.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings. The interest of Directors in office at the end of the financial year in options under the Scheme are disclosed in "Directors' Interest In Shares".

Options exercisable in a particular year but not exercised can be carried forward to subsequent years provided that no options shall be exercised beyond the date of the expiry of the Scheme.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar

Dato' Anthony See Teow Guan

Dato' See Teow Chuan

See Teow Koon

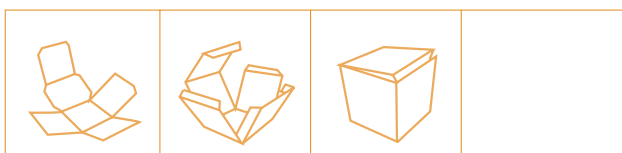
See Tiau Kee

Tan Kim Seng

See Leong Chye @ Sze Leong Chye

Dato' Nik Mohamed Bin Nik Mohd Salleh

Dato' Michael Tan Guan Cheong



DIRECTORS' REPORT (CONT'D)

DIRECTORS (CONT'D)

In accordance with Article 93 of the Company's Articles of Association, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, See Tiau Kee and See Leong Chye @ Sze Leong Chye retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Notes 15 and 20 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965.

DIRECTORS' INTEREST IN SHARES

According to the register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

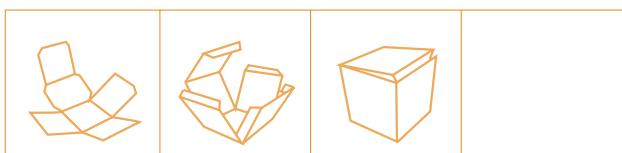
The Company	Number of ordinary shares of RM1.00 each				At 31.12.02
	At 1.1.02	Acquired	Bonus issue	Sold	
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	1,573,000	-	786,500	30,000	2,329,500
*	-	32,910,000	-	-	* 32,910,000
Dato' Anthony See Teow Guan	7,000	30,000	18,500	-	55,500
*	21,990,000	-	10,995,000	-	* 32,985,000
Dato' See Teow Chuan	53,000	72,000	53,500	-	178,500
*	21,944,000	6,000	10,975,000	-	* 32,925,000
See Teow Koon	* 21,940,000	-	10,970,000	-	* 32,910,000
See Tiau Kee	* 21,940,000	-	10,970,000	-	* 32,910,000
Tan Kim Seng	8,000	-	4,000	-	12,000
*	-	44,000	22,000	-	* 66,000
See Leong Chye @ Sze Leong Chye	8,000	-	4,000	-	12,000

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTEREST IN SHARES (CONT'D)

<u>Holding Company</u>	<u>Number of ordinary shares of RM0.50 each</u>				
	<u>At 1.1.02</u>	<u>Acquired</u>	<u>Bonus issue</u>	<u>Sold</u>	<u>At 31.12.02</u>
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	-	100,000	50,000	-	150,000
Dato' Anthony See Teow Guan	250,470	25,000	137,735	-	413,205
	* 42,900,040	57,000	21,403,520	-	* 64,360,560
Dato' See Teow Chuan	274,309	252,000	246,154	-	772,463
	* 43,076,746	47,000	21,561,873	-	* 64,685,619
See Teow Koon	15,744	-	7,872	-	23,616
	* 42,856,746	-	21,428,373	-	* 64,285,119
See Tiau Kee	* 42,761,276	12,000	21,380,638	-	* 64,153,914
Tan Kim Seng	12,000	-	6,000	-	18,000
See Leong Chye @ Sze Leong Chye	726,593	30,000	378,296	-	1,134,889

<u>Option granted to Directors</u>	<u>Option price RM</u>	<u>No. of options over ordinary shares of RM1.00 each</u>				
		<u>At 8.4.02</u>	<u>Granted</u>	<u>Adjustment for bonus issue</u>	<u>Exercised</u>	<u>At 31.12.02</u>
Tan Kim Seng	1.83	-	400,000	200,000	-	600,000



DIRECTORS' REPORT (CONT'D)

	At <u>1.1.02</u>	<u>Number of warrants</u>		At <u>31.12.02</u>
		<u>Acquired</u>	<u>Sold</u>	
<u>Holding Company</u>				
Dato' Anthony See Teow Guan	25,353	-	-	#
	*5,195,835	-	-	#
Dato' See Teow Chuan	37,000	-	-	#
	*5,195,835	-	-	#
See Teow Koon	15,353	-	-	#
	*5,195,835	-	-	#
See Tiau Kee	*5,195,835	-	-	#
Tan Kim Seng	1,000	-	-	#
See Leong Chye @ Sze Leong Chye	242,600	-	-	#

* Denotes deemed interest which includes interest in shares held by close family members.

Denotes warrants expired on 22 May 2002.

Dato' See Teow Chuan, Dato' Anthony See Teow Guan, See Teow Koon and See Tiau Kee are deemed to have interest in the shares of the Company to the extent the holding company, Kian Joo Can Factory Berhad, has an interest by virtue of their interests in the holding company.

Except for the above, none of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

- (i) The details of the Directors' remuneration for the current financial year are as follows :

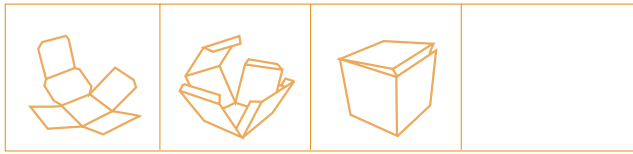
	<u>2002</u> RM	<u>2001</u> RM
Executive:		
Salaries and other emoluments	844,730	783,616
Fees	55,000	55,000
Bonus	92,230	82,400
Retirement benefits	164,496	513,320
	1,156,456	1,434,336
Non-Executive:		
Fees	65,000	50,000
Total Directors' remuneration	1,221,456	1,484,336

- (ii) The number of Directors of the Company whose total remuneration fall within the respective bands are analysed as follows:

	<u>Number of Directors</u>	
	<u>Executive</u>	<u>Non-Executive</u>
Below RM50,000	2	4
RM250,001 - RM300,000	1	-
RM450,001 - RM500,000	1	-
RM600,001 - RM650,000	1	-

OTHER STATUTORY INFORMATION

- (a) Before the balance sheet and income statement of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render:
- (i) it necessary to write off any debts or to make a provision for doubtful debts in respect of these financial statements; and
 - (ii) the values attributed to current assets in the financial statements of the Company misleading.



DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution
of the Directors

DATO' ANTHONY SEE TEOW GUAN

DATO' SEE TEOW CHUAN

Selangor Darul Ehsan, Malaysia
25 March 2003

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, DATO' ANTHONY SEE TEOW GUAN and DATO' SEE TEOW CHUAN, being two of the Directors of BOX-PAK (MALAYSIA) BERHAD, do hereby state that in the opinion of the Directors, the accompanying financial statements set out on pages 32 to 54 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2002 and of the results and the cash flows of the Company for the year then ended.

Signed on behalf of the Board
in accordance with a resolution
of the Directors

DATO' ANTHONY SEE TEOW GUAN

DATO' SEE TEOW CHUAN

Selangor Darul Ehsan, Malaysia
25 March 2003

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

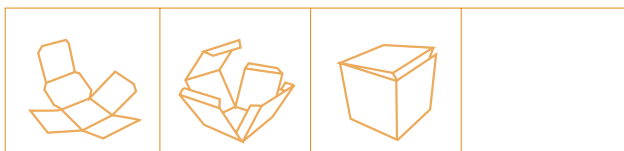
I, SEE SIEW CHOO, being the officer primarily responsible for the financial management of BOX-PAK (MALAYSIA) BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 32 to 54 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed SEE SIEW CHOO at
Kuala Lumpur in the Federal Territory
on 25 March 2003

SEE SIEW CHOO

Before me,

TAN BOON CHUA
(No. W325)
Commissioner for Oaths
Kuala Lumpur



REPORT OF THE AUDITORS

TO THE MEMBERS OF BOX-PAK (MALAYSIA) BERHAD (INCORPORATED IN MALAYSIA)

We have audited the accompanying financial statements set out on pages 32 to 54. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Company as at 31 December 2002 and of the results and cash flows of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG
AF: 0039
Chartered Accountants

Yap Seng Chong
2190/12/03(J)
Partner

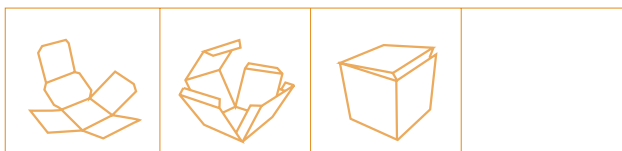
Kuala Lumpur, Malaysia
25 March 2003

BALANCE SHEET

AS AT 31 DECEMBER 2002

	Note	2002 RM	2001 RM (Restated)
PROPERTY, PLANT AND EQUIPMENT	3	27,953,555	31,426,208
CURRENT ASSETS			
Inventories	4	4,336,024	4,857,263
Trade receivables	5	12,316,148	14,472,016
Other receivables and deposits	6	766,240	270,899
Short term deposits	7	31,760,584	30,747,300
Cash and bank balances		2,961,892	1,002,439
		52,140,888	51,349,917
CURRENT LIABILITIES			
Trade payables	8	2,913,279	4,344,530
Other payables and accruals	9	3,393,655	4,140,009
Bank overdraft (unsecured)	10	1,250,802	24,189
Taxation		1,022,323	2,301,878
		8,580,059	10,810,606
NET CURRENT ASSETS		43,560,829	40,539,311
		71,514,384	71,965,519
FINANCED BY:			
SHARE CAPITAL	11	60,013,490	40,000,000
RESERVES	12	10,698,894	31,189,519
		70,712,384	71,189,519
DEFERRED TAXATION	13	802,000	776,000
		71,514,384	71,965,519

The accompanying notes form an integral part of these financial statements.



INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	<u>2002</u> RM	<u>2001</u> RM
REVENUE	14	45,965,235	53,122,474
Other operating income		3,411,140	3,802,878
Changes in inventories of finished goods and work-in-progress		6,482	(298,040)
Raw materials and consumables used		(25,854,963)	(30,010,325)
Staff costs		(5,377,235)	(5,268,755)
Depreciation of property, plant and equipment	3	(3,763,890)	(3,796,386)
Other operating expenses		(5,346,875)	(6,040,780)
PROFIT FROM OPERATIONS	15	9,039,894	11,511,066
Finance cost	16	(2,960)	(5,558)
PROFIT BEFORE TAXATION		9,036,934	11,505,508
TAXATION	17	(2,098,405)	(3,726,895)
PROFIT AFTER TAXATION		6,938,529	7,778,613
EARNINGS PER SHARE			
- Basic (sen)	18	11.56	12.96
- Diluted (sen)	18	11.43	-
NET DIVIDENDS PER SHARE (SEN)	19	10.80	18.60

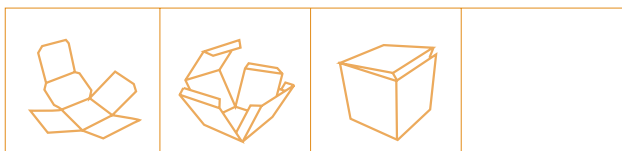
The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	Share capital RM	NON-DISTRIBUTABLE Share premium RM	Capita reserve RM	DISTRIBUTABLE Retained profit RM	Total RM
At 1 January 2001						
- As previously stated		40,000,000	-	4,640,000	20,210,906	64,850,906
- Prior year adjustment	27	-	-	-	6,000,000	6,000,000
As restated		40,000,000	-	4,640,000	26,210,906	70,850,906
Profit for the year		-	-	-	7,778,613	7,778,613
Dividends	19	-	-	-	(7,440,000)	(7,440,000)
As 31 December 2001		40,000,000	-	4,640,000	26,549,519	71,189,519
At 1 January 2002						
- As previously stated		40,000,000	-	4,640,000	20,549,519	65,189,519
- Prior year adjustment	27	-	-	-	6,000,000	6,000,000
As restated		40,000,000	-	4,640,000	26,549,519	71,189,519
Profit for the year		-	-	-	6,938,529	6,938,529
Dividends	19	-	-	-	(7,440,324)	(7,440,324)
Issuance pursuant to :						
- Employees' Share Option Scheme	11	9,000	15,660	-	-	24,660
- Bonus Issue	11	20,004,490	-	-	(20,004,490)	-
At 31 December 2002		60,013,490	15,660	4,640,000	6,043,234	70,712,384

The accompanying notes form an integral part of these financial statements.



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 RM	2001 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		48,121,103	53,426,037
Payments to suppliers		(26,717,558)	(26,690,476)
Payments for operating expenses		(11,470,464)	(9,927,948)
Other receipts		1,654,266	2,144,509
Cash generated from operations		11,587,347	18,952,122
Interest paid		(2,960)	(5,558)
Income tax paid		(3,351,960)	(2,334,564)
Net cash generated from operating activities		8,232,427	16,612,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		38,501	699,543
Acquisition of property, plant and equipment	(a)	(291,237)	(780,188)
Interest received		1,182,097	968,793
Net cash generated from investing activities		929,361	888,148
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		24,660	-
Dividends paid		(7,440,324)	(7,440,000)
Net cash used in financing activities		(7,415,664)	(7,440,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,746,124	10,060,148
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		31,725,550	21,665,402
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(b)	33,471,674	31,725,550

NOTE

- (a) Acquisition of property, plant and equipment during the financial year was fully paid for in cash.
- (b) Cash and cash equivalents comprise the following:

	2002 RM	2001 RM
Cash and bank balances	2,961,892	1,002,439
Short term deposits (Note 7)	31,760,584	30,747,300
Bank overdraft (unsecured) (Note 10)	(1,250,802)	(24,189)
	33,471,674	31,725,550

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

1. GENERAL

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Kuala Lumpur Stock Exchange.

The registered office is located at Lot 10, Jalan Perusahaan 1, 68100 Batu Caves, Selangor Darul Ehsan.

The principal place of business is located at Lot 4, Jalan Perusahaan 2, 68100 Batu Caves, Selangor Darul Ehsan.

The principal activities of the Company are the manufacture and distribution of paper boxes, cartons, general paper and board printing.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 March 2003.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

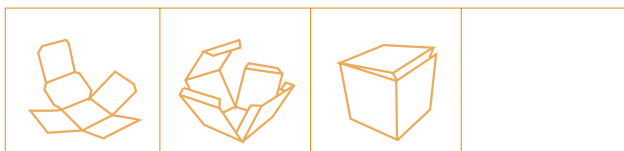
The financial statements of the Company have been prepared under the historical cost convention modified to include the revaluation of certain assets and comply with the provision of the Companies Act, 1965 and applicable Approved Accounting Standards issued by the Malaysian Accounting Standards Board ("MASB"). Certain properties of the Company were revalued by the Directors in periods prior to 1998. As permitted by MASB Standard No. 15, Property, Plant and Equipment, these assets are stated at their previous revalued amount (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount) on the basis that the revaluation carried out then, was a one off isolated event and not intended to be the adoption of a revaluation policy in place of a cost policy.

(b) Depreciation of Property, Plant and Equipment

All property, plant and equipment are stated at cost/deemed cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (j).

Leasehold land is amortised to write off the value of leasehold land over the unexpired lease term of 73 years. All other property, plant and equipment are depreciated on a straight-line basis calculated to write off the assets over their estimated useful lives at the following annual rates:

	%
Building	2
Plant, machinery and equipment	10
Furniture and fittings	10
Motor vehicles	20
Office equipment	10 - 33 1/3
Canteen equipment	10
Electrical installation	10



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Inventories

Inventories are stated at the lower of cost and net realisable value.

Raw materials comprise the purchase price including duties and other attributable expenses and are determined using the first-in first-out basis. Work-in-progress and finished goods include direct materials, direct labour, other direct costs and appropriate production overheads and are based on standard cost, which approximates actual cost.

Net realisable value represents the estimated selling price less estimated costs to completion and costs to be incurred in marketing, selling and distribution. In arriving at net realisable value, due allowance is made for all obsolete and slow moving items.

(d) Financial Instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Trade and Other Receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) Trade and Other Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iii) Interest-Bearing Borrowings

Interest-bearing bank borrowings and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

(iv) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(e) Provisions for Liabilities

Provisions for liabilities are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Retirement Benefit

The Company has a defined retirement scheme and provision is made at contracted rates for benefits that would become payable on the retirement of eligible employees.

(g) Operating Leases

Lease income and payments for operating leases, where substantially all the risks and rewards remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the relevant lease.

(h) Deferred Taxation

The tax expense for the year is based on the profit for the year, as adjusted for tax purposes, together with a charge or credit for deferred taxation.

Deferred taxation is provided for by the liability method for all timing differences except when there is reasonable evidence that these timing differences will not reverse in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

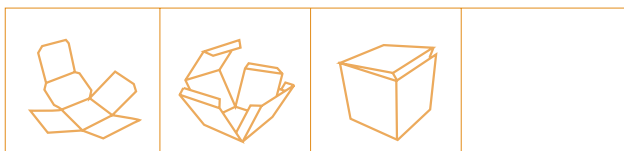
(i) Transaction in Foreign Currencies

Transactions in foreign currencies are initially converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange differences are recognised in the income statement.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:

	<u>2002</u> RM	<u>2001</u> RM
One (1) United States Dollar	3.8000	3.8000
One (1) Singapore Dollar	2.1915	2.0535
One (1) Japanese Yen	0.0321	0.0289
One (1) Euro	3.9805	3.3662



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets, other than inventories, assets arising from construction contracts, deferred tax assets, assets arising from employee benefits and financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(k) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from sale of goods is recognised when the goods are delivered and accepted by customer.

(l) Cash and Cash Equivalents

Cash comprises cash and bank balances and deposits with licensed banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

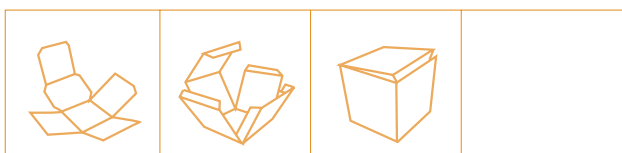
3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings RM	Buildings RM	Plant, machinery and equipment RM	Furniture and fittings RM
<u>COST</u>				
At 1 January	23,705,304	3,246,969	31,836,190	532,176
Additions	-	-	5,400	3,650
Disposals	-	-	(529,775)	-
At 31 December	23,705,304	3,246,969	31,311,815	535,826
<u>ACCUMULATED DEPRECIATION</u>				
At 1 January	3,343,139	457,499	24,093,616	416,418
Charge for the year	378,627	64,940	3,031,462	46,499
Disposals	-	-	(529,775)	-
At 31 December	3,721,766	522,439	26,595,303	462,917
<u>NET BOOK VALUE</u>				
At 31 December 2002	19,983,538	2,724,530	4,716,512	72,909
At 31 December 2001	20,362,165	2,789,470	7,742,574	115,758
<u>ANALYSIS OF COST</u>				
At deemed cost (or valuation) in 1996	23,705,304	-	-	-
At cost	-	3,246,969	31,311,815	535,826
	23,705,304	3,246,969	31,311,815	535,826

The net book value of leasehold land and buildings stated at deemed cost, had the properties been disclosed at historical cost less depreciation, would have been:

	Leasehold land and buildings RM
At 31 December 2002	
Cost	19,184,733
Accumulated depreciation	(3,594,495)
Net book value	15,590,238

The leasehold land and building of the Company which were revalued by independent professional valuers in 1996 on an open market value basis are now carried at deemed cost as permitted by MASB Standard No. 15, Property, Plant and Equipment.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

<u>Motor vehicles</u> RM	<u>Office equipment</u> RM	<u>Canteen equipment</u> RM	<u>Electrical installation</u> RM	<u>Total</u>	
				<u>2002</u> RM	<u>2001</u> RM
1,042,842	1,013,709	39,844	272,848	61,689,882	63,558,559
227,206	54,981	-	-	291,237	780,188
(132,169)	(170,281)	-	-	(832,225)	(2,648,865)
1,137,879	898,409	39,844	272,848	61,148,894	61,689,882
866,310	895,306	35,534	155,852	30,263,674	29,060,153
122,440	96,476	2,139	21,307	3,763,890	3,796,386
(132,169)	(170,281)	-	-	(832,225)	(2,592,865)
856,581	821,501	37,673	177,159	33,195,339	30,263,674
281,298	76,908	2,171	95,689	27,953,555	-
176,532	118,403	4,310	116,996	-	31,426,208
-	-	-	-	23,705,304	23,705,304
1,137,879	898,409	39,844	272,848	37,443,590	37,984,578
1,137,879	898,409	39,844	272,848	61,148,894	61,689,882

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

4. INVENTORIES

	<u>2002</u> RM	<u>2001</u> RM
At cost:		
Raw materials	3,908,283	4,436,004
Work-in-progress	135,691	159,637
Finished goods	292,050	261,622
	<u>4,336,024</u>	<u>4,857,263</u>

5. TRADE RECEIVABLES

Included in trade receivables is an amount of RM71,486 (2001: RM84,462) due from an associate of the holding company.

The Company's normal trade credit term ranges from 30 to 120 days.

The Company has no significant credit risk concentration that may arise from exposures to a single debtor or to a group of debtors.

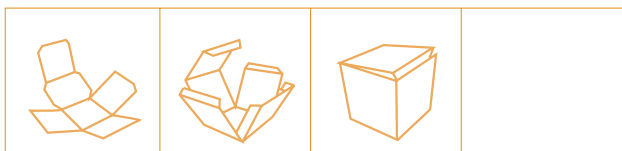
6. OTHER RECEIVABLES AND DEPOSITS

	<u>2002</u> RM	<u>2001</u> RM
Other receivables	696,609	168,418
Deposits	69,631	102,481
	<u>766,240</u>	<u>270,899</u>

The Company has no significant credit risk concentration that may arise from exposures to a single debtor or to a group of debtors.

7. SHORT TERM DEPOSITS

	<u>2002</u> RM	<u>2001</u> RM
Deposits placed with:		
- licensed banks	22,786,936	27,701,988
- licensed finance companies	2,032,242	3,045,312
- other financial institutions	6,941,406	-
	<u>31,760,584</u>	<u>30,747,300</u>



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

7. SHORT TERM DEPOSITS (CONT'D)

The Company's interest rates during the financial year and the maturity of deposits as at 31 December 2002 are as follows:

	Interest rate %	Maturities periods Days
Licensed banks	3.20 to 4.05	15 to 174
Licensed finance companies	3.20 to 4.05	14 to 175
Other financial institutions	3.35 to 4.40	30

8. TRADE PAYABLES

The normal trade credit term granted to the Company ranges from 30 to 90 days.

9. OTHER PAYABLES AND ACCRUALS

	2002 RM	2001 RM
Other payables	262,440	216,882
Accrued expenses	2,280,177	3,242,359
Provision (Note a)	851,038	680,768
	3,393,655	4,140,009

Note

(a)	Retirement benefits RM	Solid waste disposal RM	Total RM
At 1 January 2002	460,659	220,109	680,768
Utilised during the year	(7,184)	(148,890)	(156,074)
Current year's provision	164,496	159,680	324,176
Under provision in prior year	2,168	-	2,168
At 31 December 2002	620,139	230,899	851,038

(b) Retirement Benefits

The Company has a defined retirement scheme and provision is made at contracted rates for benefits that would become payable on retirement of eligible employees.

Included in provision for retirement benefits is an amount payable to Directors of the Company amounting to RM575,022 (2001: RM410,526).

(c) Solid Waste Disposal

The Company has to dispose of solid waste in accordance with environmental requirements. A provision has been made for estimated solid waste based on service provider's price quotation.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

10. BANK OVERDRAFT (UNSECURED)

The bank overdraft is secured by a negative pledge on the assets of the Company and bears interest at rates ranging from 6.90% to 7.30% (2001: 6.90% to 7.30%) per annum.

11. SHARE CAPITAL

	Number of ordinary shares of RM 1.00 each		Amount	
	2002 RM	2001 RM	2002 RM	2001 RM
Authorised:				
At beginning of the year	50,000,000	50,000,000	50,000,000	50,000,000
Created during the year	20,000,000	-	20,000,000	-
At end of the year	70,000,000	50,000,000	70,000,000	50,000,000
Issued and fully paid:				
At beginning of the year	40,000,000	40,000,000	40,000,000	40,000,000
Issued in respect of:				
- Employees' Share Option Scheme (i)	9,000	-	9,000	-
- Bonus Issue (ii)	20,004,490	-	20,004,490	-
At end of the year	60,013,490	40,000,000	60,013,490	40,000,000

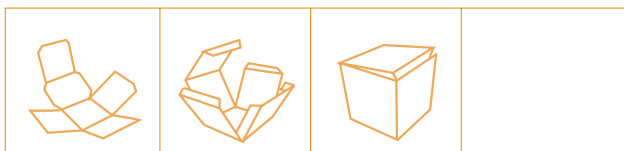
During the financial year, the Company increased its authorised share capital from RM50,000,000 to RM70,000,000 by the creation of an additional 20,000,000 ordinary shares of RM1.00 each.

The Company's issued and fully paid-up share capital was also increased from RM40,000,000 to RM60,013,490 by:

- (i) the issuance of 9,000 new ordinary shares of RM1.00 each issued at RM2.74 each pursuant to the Employees' Share Option Scheme; and
- (ii) a bonus issue of 20,004,490 new ordinary shares of RM1.00 each on the basis of one ordinary share for every two existing ordinary shares held after (i) above by way of capitalisation of the Company's retained profit.

The new ordinary shares issued shall rank pari passu in all respects with existing ordinary shares of the Company.

The Employees' Share Option Scheme ("Scheme") was approved by the shareholders at an Extraordinary General Meeting held on 31 January 2002.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

11. SHARE CAPITAL (CONT'D)

The main features of the Scheme are:

- (a) Eligible persons are employees of the Company (including full-time Executive Directors) in the employment of the Company with at least two years of service as at the offer date. Foreign employees of the Company (save for the Executive Directors) are not entitled to the scheme. No employee and Executive Director shall participate at anytime in more than one (1) Employee Share Option Scheme implemented by any company within the group of its holding company, Kian Joo Can Factory Berhad.
- (b) The total number of shares to be offered shall not exceed 10% of the enlarged issued and paid-up ordinary share capital of the Company at any point of time during the existence of the Scheme.
- (c) No option shall be granted for less than 1,000 ordinary shares and not more than 400,000 ordinary shares to any individual eligible employee.
- (d) The option price shall be at a discount of not more than 10% from the weighted average market price of the shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the offer date, or at par value of the shares of the Company, whichever is higher.
- (e) The Scheme shall be in force at the discretion of the Committee appointed by the Board of Directors subject to the maximum period of five years from the date of its approval by the Company in a general meeting or the date of the last approval by relevant authorities, whichever shall be the latest date subject to any extension as may be approved by the aforesaid authorities.
- (f) The maximum allowable allotment for each eligible employee is based on a predetermined scale of maximum entitlement for each category and grade of employee. The criteria for the basis of allotment would be based on seniority, performance and length of service.
- (g) A grantee will be allowed to exercise not more than 20% of the options granted to him per year.
- (h) In the event of any alteration in the capital structure of the Company during the option period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:
 - the number of shares which a grantee shall be entitled to subscribe for upon the exercise of each option; and/or
 - the subscription price

as shall be necessary to give a grantee the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

11. SHARE CAPITAL (CONT'D)

As at 31 December 2002, the total number of options granted and the movements in the options to take up the unissued ordinary shares of RM1.00 each of the Company are as follows:

Option granted on	Option price RM	At 1.1.02	No. of options over ordinary shares of RM1.00 each				At 31.12.02
			Granted	Adjustment for bonus issue	Exercised	Lapsed due to resignation	
8.4.2002	1.83	-	1,770,000	847,000	(9,000)	(26,000)	2,582,000

Of the above total, Executive Directors had been granted options to subscribe for 600,000 ordinary shares of RM1.00 each.

As a consequence of the bonus issue during the financial year, the option price for the options granted on 8 April 2002 was adjusted from RM2.74 per share to RM1.83 per share.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings. The interest of Directors in office at the end of the financial year in options under the Scheme are disclosed in "Directors' Interest In Shares" of the Directors' Report.

Options exercisable in a particular year but not exercised can be carried forward to subsequent years provided that no options shall be exercised beyond the date of the expiry of the Scheme.

12. RESERVE

	2002 RM	2001 RM
Non-distributable:		
Share premium (Note a)	15,660	-
Capital reserve (Note b)	4,640,000	4,640,000
	4,655,660	4,640,000
Distributable:		
Retained profit (Note c)	6,043,234	26,549,519
	10,698,894	31,189,519

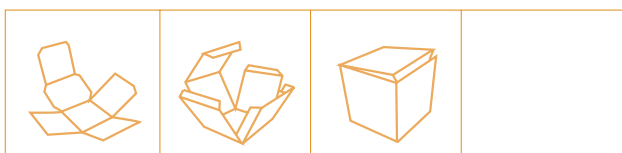
NOTE

(a) This arose from the 9,000 ordinary shares of RM1.00 each issued at RM2.74 each pursuant to the Employees' Share Option Scheme as disclosed in Note 11 to the financial statements.

(b) This represents revaluation surplus arising from the revaluation of leasehold land and buildings as disclosed in Note 3 to the financial statements.

The tax effect in connection with the surplus arising from the revaluation of leasehold land and buildings is not disclosed as there is no intention to dispose of these properties in the foreseeable future.

(c) Subject to the agreement of the Inland Revenue Board, the Company has approximately RM991,000 (2001: RM6,988,000) tax exempt income available for distribution as tax exempt dividend and based on estimated Section 108 tax credits available, the entire retained profit of the Company is available for distribution by way of cash dividends without incurring additional tax liability.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

13. DEFERRED TAXATION

	<u>2002</u> RM	<u>2001</u> RM
At 1 January	776,000	641,000
Transfer from income statement (Note 17)	26,000	135,000
At 31 December	<u>802,000</u>	<u>776,000</u>

14. REVENUE

This represents the invoiced value of goods sold less trade discounts and returns.

15. PROFIT FROM OPERATIONS

	<u>2002</u> RM	<u>2001</u> RM
This is arrived at after charging/(crediting):		
Directors' remuneration		
- fees	120,000	105,000
- emoluments	1,101,456	1,379,336
Auditors' remuneration	25,000	25,000
Hire of machinery	-	111,600
Rental		
- staff quarters	19,200	24,600
- warehouse	136,685	122,447
Provision for retirement benefits		
- current	164,496	29,419
- underprovision in prior year	2,168	-
Provision for solid waste disposal	159,680	174,000
Realised foreign exchange gain	(2,649)	(4,746)
Recovery of bad debts written off	-	(11,605)
Gain on disposal of property, plant and equipment	(38,501)	(643,543)
Rental income	(2,190,542)	(2,190,542)
Interest income	(1,182,097)	(968,793)
(a) Employee information		
Number of employees (excluding Directors)	<u>199</u>	<u>193</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

16. FINANCE COST

	<u>2002</u> RM	<u>2001</u> RM
Interest on bank overdrafts	2,960	5,558

17. TAXATION

	<u>2002</u> RM	<u>2001</u> RM
Malaysian taxation based on results for the year:		
- current year	2,969,979	3,591,895
- deferred taxation (Note 13)	26,000	135,000
	<u>2,995,979</u>	<u>3,726,895</u>
Overprovision in prior years	(897,574)	-
	<u>2,098,405</u>	<u>3,726,895</u>

The tax charge for the year is higher than the statutory tax rate due to certain expenses being disallowed for tax purposes.

18. EARNINGS PER SHARE

(a) Basic earnings per share

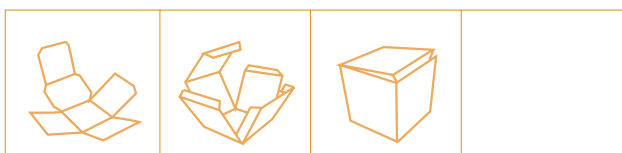
The Company's earnings per ordinary share is calculated by dividing the Company's net profit after taxation by the weighted average number of ordinary shares in issue during the financial year.

	<u>2002</u>	<u>2001</u>
Profit after taxation (RM)	6,938,529	7,778,613
Weighted average number of ordinary shares in issue	60,009,265	60,000,000
Basic earnings per share (sen)	<u>11.56</u>	<u>12.96</u>

Comparative basic earnings per share for the financial year ended 31 December 2001 has been restated to take into account the effect of the Bonus Issues disclosed in Note 11 to the financial statements.

(b) Diluted earnings per share

The Company's diluted earnings per ordinary share is calculated by dividing the Company's net profit after taxation by the weighted average number of ordinary shares that would be in issue at the end of the financial year had all the exercisable share options as at the end of the financial year under the Company's Employees' Share Option Scheme been exercised.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

18. EARNINGS PER SHARE

	<u>2002</u>
Profit after taxation (RM)	6,938,529
Weighted average number of ordinary shares in issue	
- as above	60,009,265
- adjusted for assumed exercise of share option	711,063
Weighted average number of ordinary shares for diluted earnings per share	60,720,328
Diluted earnings per share (sen)	11.43

Comparative diluted earnings per share has not been presented as there were no potential ordinary shares during the previous financial year.

19. DIVIDENDS

(i) Paid and proposed dividends

Net dividends per share as disclosed in the income statement is computed as follows:

		<u>2002</u>	<u>2001</u>
		Sen	Sen
Paid			
Interim dividend of 5% less 28% taxation	(a)	3.60	3.60
Proposed:			
Final dividend of 15% tax exempt	(b)	-	15.00
Final dividend of 10% less 28% taxation	(b)	7.2	-
		<u>10.80</u>	<u>18.60</u>

(a) The net interim dividend per share is calculated by dividing the interim dividend declared for the year of RM1,440,324 (2001: RM1,440,000) by the number of ordinary shares of RM1.00 each in issue of 40,009,000 (2001: 40,000,000). The number of ordinary shares in issue is calculated after taking into account 9,000 (2001: Nil) ordinary shares issued pursuant to the Employees' Share Option Scheme but before the Bonus Issue of 20,004,490 (2001: Nil).

(b) The net final dividend per share is calculated by dividing the final dividend proposed for the year of RM4,320,971 (2001: RM6,000,000) by the number of ordinary shares of RM1.00 each in issue of 60,013,490 (2001: 40,000,000). The number of ordinary shares in issue is calculated after taking into account 9,000 (2001: Nil) ordinary shares issued pursuant to the Employees' Share Option Scheme and the Bonus Issue of 20,004,490 (2001: Nil).

As indicated in Note 27 to the financial statements, the proposed final dividend of 10% less taxation (2001: 15% tax exempt) has not been accounted for in the financial statements of the Company in accordance with MASB Standard No. 19, Events After the Balance Sheet Date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

19. DIVIDENDS (CONT'D)

(ii) Dividend accounted for in the financial statements

	<u>2002</u> RM	<u>2001</u> RM
Dividend payment:		
- Interim dividend paid	1,440,324	1,440,000
- Final dividend proposed in 2000 paid in 2001	-	6,000,000
- Final dividend proposed in 2001 paid in 2002	6,000,000	-
	<u>7,440,324</u>	<u>7,440,000</u>

At the forthcoming Annual General Meeting, a final dividend of 10% less 28% taxation amounting to RM4,320,971 (7.2 sen net per share) in respect of current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2003.

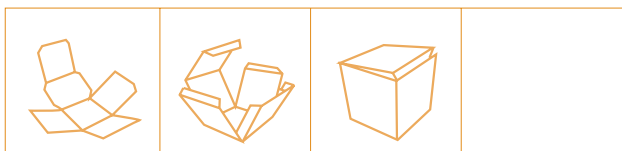
20. DIRECTORS' REMUNERATION

(i) The details of the Directors' remuneration for the current financial year are as follows:

	<u>2002</u> RM	<u>2001</u> RM
Executive:		
Salaries and other emoluments	844,730	783,616
Fees	55,000	55,000
Bonus	92,230	82,400
Retirement benefits	164,496	513,320
	1,156,456	1,434,336
Non-Executive:		
Fees	65,000	50,000
Total Directors' remuneration	<u>1,221,456</u>	<u>1,484,336</u>

(ii) The number of Directors of the Company whose total remuneration fall within the respective bands are analysed as follows:

	<u>Number of Directors</u>	
	<u>Executive</u>	<u>Non-executive</u>
Below RM50,000	2	4
RM250,001 - RM300,000	1	-
RM450,001 - RM500,000	1	-
RM600,001 - RM650,000	1	-



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

21. HOLDING COMPANY

The holding company is Kian Joo Can Factory Berhad, a company incorporated in Malaysia.

22. SIGNIFICANT RELATED COMPANY TRANSACTIONS

	<u>2002</u> RM	<u>2001</u> RM
Purchases from a related company	-	324
Sales to holding company	139,442	177,389
Sales to related companies	944,727	1,564,425

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

Related companies

Canco Engineering & Machinery Sdn. Bhd.
Federal Metal Printing Factory Sdn. Bhd.
Metal-Pak (Malaysia) Sdn. Bhd.
Multi-Pet Sdn. Bhd.
Kian Joo Packaging Sdn. Bhd.
KJ Can (Johore) Sdn. Bhd.
KJ Can (Selangor) Sdn. Bhd.
KJM Aluminium Can Sdn. Bhd.

Relationship

Subsidiary of the holding company
Subsidiary of the holding company
Subsidiary of the holding company
Subsidiary of the holding company
Subsidiary of the holding company
Subsidiary of the holding company
Subsidiary of the holding company
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.

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following related party transactions:

(i) <u>Nature of transaction</u>	<u>Identity of related party</u>	<u>2002</u> RM	<u>2001</u> RM
Sales of trading) inventories)	Kian Joo-Visypak Sdn. Bhd. ("KJV")	377,584	352,367
Rental income) receivable)		2,190,542	2,190,542

The party is an associate of the holding company. This party is also deemed related to the Company by virtue of common directorship held by Y.A.M. Tunku Dato' Seri Nadzaruddin Ibbi Tuanku Ja'afar, Dato' Anthony See Teow Guan and Dato' See Teow Chuan in KJV and the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

23. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(ii) <u>Nature of transaction</u>	<u>Identity of related party</u>	<u>2002</u> RM	<u>2001</u> RM
Sales of trading inventories	Hercules Sdn. Bhd. ("Hercules")	505,858	452,706

The party is deemed related to the Company by virtue of common directorship held by See Leong Chye @ Sze Leong Chye in Hercules and the 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.

24. CAPITAL COMMITMENTS

Capital expenditure for property, plant and equipment not provided for in the financial statements was as follows:

	<u>2002</u> RM	<u>2001</u> RM
Approved and contracted for	-	185,000

25. OPERATING LEASES

(a) Operating Lease Payables

The future minimum lease payables under non-cancellable operating leases are summarised as follows:

	<u>2002</u> RM	<u>2001</u> RM
1 year after balance sheet date	126,804	153,485
More than 1 year but not later than 5 years	7,200	117,204

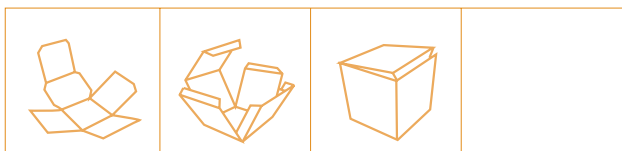
The above lease payables are in respect of the rental of staff quarters, warehouse and machinery, on terms and conditions mutually agreed by both parties.

(b) Operating Lease Receivable

The future minimum lease receivable under non-cancellable operating leases are summarised as follows:

	<u>2002</u> RM	<u>2001</u> RM
1 year after balance sheet date	1,095,271	2,190,542
More than 1 year but not later than 5 years	-	1,095,271

The above lease receivable is in respect of the rental income from letting of factory building to an associate of the holding company, determined based on per square foot basis pursuant to rental agreement dated 20 June 2001. The agreement shall expire on 30 June 2003.



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

26. SEGMENTAL REPORTING

There is no disclosure of Segmental Information as required by MASB Standard No. 23, Segmental Reporting, as the Company operates principally within one industry and in the country.

27. PRIOR YEAR ADJUSTMENT

In compliance with MASB Standard No. 19, Events After the Balance Sheet Date, the Company discontinued the recognition of dividend declared or proposed after the balance sheet date as a liability. This change has been applied retrospectively with the resulting adjustment reported as an adjustment to opening balance of retained profit of the Company. In this respect, retained profit as at 31 December 2001 of the Company has increased by RM6,000,000 with a corresponding decrease in proposed dividend.

This change in accounting policy has no effect on the Income Statements of the current and previous financial years.

28. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Company's primary interest rate risk relates to interest-bearing debt, as the Company had no substantial long-term interest-bearing assets as at 31 December 2002. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits which yield better returns than cash at bank.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

(c) Foreign Currency Risk

The Company operates domestically but is exposed to various currencies, mainly United States Dollar ("USD"), Singapore Dollar ("SGD"), European Dollar ("EURO") and Japanese Yen ("JPY") arising from its imports and exports. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The Company does not engage in any hedging transactions.

The net unhedged financial liabilities of the Company as at 31 December 2002 that are not denominated in their functional currencies are as follows:

	Total RM
Trade payables	
USD	679,007
SGD	39,447
EURO	17,659
JPY	19,480
	755,663

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002 (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(d) Liquidity Risk

The Company actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements. In addition, the Company strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Company raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(e) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Company management reporting procedures. The Company does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

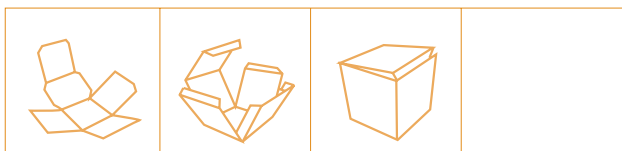
(f) Fair Values

The fair value of financial assets and financial liabilities of the Company approximates their carrying value and the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

29. COMPARATIVE FIGURES

The following comparative figures of the Company's financial statements and notes thereto have been restated due to the adoption of MASB Standard No. 19, Events After the Balance Sheet Date as disclosed in Note 27 to the financial statements.

BALANCE SHEET	<u>As restated</u> RM	<u>As previously reported</u> RM
Proposed dividend	-	6,000,000
Retained profit	26,549,519	20,549,519



LIST OF PROPERTIES

as at 31 DECEMBER 2002

Location	Description	Area (sq.m)	Tenure	Expiry Date	Age of Buildings (Years)	NBV as at 31.12.2002	
						Land (RM'000)	Building (RM'000)
Lot 4 Jalan Perusahaan 2 Batu Caves, Selangor	Factory Building	18,848	Leasehold	05.09.2074	10	6,453	8,031
Lot 7 Jalan Perusahaan 2 Batu Caves, Selangor	Factory Building	12,840	Leasehold	05.09.2074	18	4,382	3,842

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2003

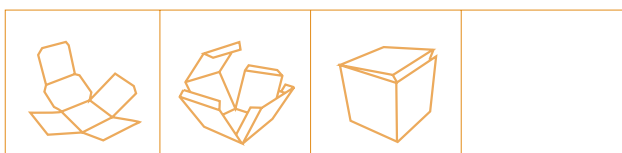
Authorised Share Capital	RM70,000,000
Issued & Fully Paid-up Capital	RM60,013,490
Class of Shares	Ordinary share of RM1.00 each
Voting Rights	One vote per ordinary share
Number of Shareholders	2,157

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Holders	% of Holders	No of Holders	% of Share
1 - 1,000	89	4.12	56,212	0.09
1,001 - 10,000	1,910	88.55	5,421,278	9.03
10,001 - 100,000	149	6.91	3,485,000	5.81
100,001 - to less than 5% of issues shares	6	0.28	5,386,500	8.98
5% and above of issued shares	3	0.14	45,664,500	76.09
	2,157	100.00	60,013,490	100.00

THIRTY LARGEST SHAREHOLDERS AS AT 30 APRIL 2003

Name	No of shares	% of Shares
1. Kian Joo Can Factory Berhad	32,910,000	54.84
2. Amanah Raya Nominees (Tempatan) Sdn Bhd	9,000,000	15.00
3. Permodalan Nasional Berhad	3,754,500	6.26
4. HSBC Nominees (Tempatan) Sdn Bhd	2,512,500	4.19
5. Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	2,329,500	3.88
6. Dato' See Teow Chuan	220,500	0.37
7. Mayban Securities Nominees (Tempatan) Sdn Bhd	176,000	0.29
8. Chan Thong Aun	135,000	0.22
9. DB (Malaysia) Nominee (Tempatan) Sdn Bhd	129,000	0.21
10. TA Nominees (Tempatan) Sdn Bhd	121,500	0.20
11. Kuar Leong Chee	114,000	0.19
12. Kheng Hwa Paper Products Sdn Bhd	103,500	0.17
13. Public Nominees (Tempatan) Sdn Bhd	93,000	0.15
14. Yoe Shan Khiam @ Yee Shan Khiam	90,000	0.15
15. Gan Seng Chong	90,000	0.15



ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2003 (CONT'D)

THIRTY LARGEST SHAREHOLDERS AS AT 30 APRIL 2003 (CONT'D)

<u>Name</u>	<u>No of shares</u>	<u>% of Shares</u>
16. See Sew Chew @ See Siew Choo	77,000	0.13
17. HSBC Nominees (Asing) Sdn Bhd	69,000	0.11
18. Foo Kim Fong @ Foo Ah Fook	67,500	0.11
19. Lim Siew Jong	66,000	0.11
20. Tan Han Hon	60,000	0.10
21. Chan Chai Kok	55,500	0.09
22. Dato' Anthony See Teow Guan	55,500	0.09
23. Mayban Nominees (Tempatan) Sdn Bhd	55,000	0.09
24. Tan Yew	54,000	0.09
25. Citicorp Nominees (Tempatan) Sdn Bhd	53,500	0.09
26. Ding Poi Chung	52,500	0.09
27. Kheng Hwa Tin Factory Sdn Bhd	51,000	0.08
28. Ong Teng Ki	50,000	0.08
29. Wong Lee Cheng	49,500	0.08
30. Lee Chee Keong	49,000	0.08

SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2003

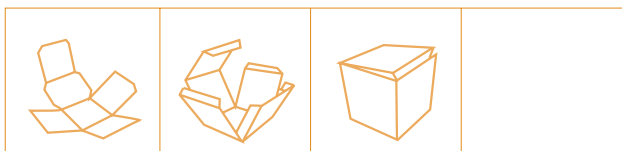
<u>Name</u>	<u>Direct Interest</u>		<u>Indirect Interest</u>	
	<u>No of Shares</u>	<u>%</u>	<u>No of Shares</u>	<u>%</u>
1. Kian Joo Can Factory Berhad	32,910,000	54.84	-	-
2. Amanah Raya Nominees (tempatan) Sdn Bhd	9,000,000	15.00	-	-
3. Permodalan Nasional Berhad	3,754,500	6.26	-	-
4. Dato See Teow Chuan	220,500	0.37	32,959,000	54.92
5. Dato Anthony See Teow Guan	55,500	0.09	32,985,000	54.96
6. Mr See Teow Koon	-	0.00	32,910,000	54.84
7. Mr See Tiau Kee	-	0.00	32,910,000	54.84

ANALYSIS OF SHAREHOLDINGS AS AT 30 APRIL 2003 (CONT'D)

DIRECTORS' SHAREHOLDINGS AS AT 30 APRIL 2003

<u>Name of Director</u>	<u>Direct Interest No of Shares</u>	<u>%</u>	<u>Indirect Interest No of Shares</u>	<u>%</u>	<u>No of Option*</u>
1. Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	2,329,500	3.88	-	-	-
2. Dato' See Teow Chuan	220,500	0.37	32,959,000	54.92	-
3. Dato' Anthony See Teow Guan	55,500	0.09	32,985,000	54.96	-
4. Mr See Teow Koon	-	-	32,910,000	54.84	-
5. Mr See Tiau Kee	-	-	32,910,000	54.84	-
6. Mr Tan Kim Seng	12,000	0.02	66,000	0.11	600,000
7. Mr See Leong Chye @ Sze Leong Chye	12,000	0.02	-	-	-
8. Dato' Nik Mohamed Bin Nik Mohd Salleh	-	-	-	-	-
9. Dato' Michael Tan Guan Cheong	-	-	-	-	-

Note : * Options granted pursuant to the Company's Employee Share Option Scheme.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of Box-Pak (Malaysia) Berhad will be held at the Conference Room, Lot 4, Jalan Perusahaan 2, 68100, Batu Caves, Selangor Darul Ehsan on Wednesday, 18 June 2003 at 11.00 a.m. for the following purposes -

AGENDA

As Ordinary Business

- | | Resolution No |
|---|----------------------|
| 1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2002 together with the Directors' and Auditors' Reports thereon. | <i>Resolution 1</i> |
| 2. To declare a final dividend of 10% less 28% tax for financial year ended 31 December 2002. | <i>Resolution 2</i> |
| 3. To approve the payment of Directors' Fees amounting to RM120,000 for the financial year ended 31 December 2002. | <i>Resolution 3</i> |
| 4. To re-elect the following directors retiring by rotation pursuant to Article 93 of the Company's Articles of Association - | |
| i) Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar | <i>Resolution 4</i> |
| ii) See Tiau Kee | <i>Resolution 5</i> |
| iii) See Leong Chye @ Sze Leong Chye | <i>Resolution 6</i> |
| 5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. | <i>Resolution 7</i> |

As Special Business

6. To consider and, if thought fit, to pass the following Ordinary resolution:-
- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** *Resolution 8*
- "THAT, subject always to the Listing Requirements of the Kuala Lumpur Stock Exchange, the Company is hereby authorised to enter into or transact all recurrent related party transactions of a revenue and trading nature which are necessary for the day to day operations of the Company from time to time, the nature and the contracting parties are set out in a table under Section 2.1 of the Circular to Shareholders dated 27 May 2003 PROVIDED THAT
- (i) the transactions are in the ordinary course of business on an arm's length basis, on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (ii) disclosure of the aggregate value of the transactions conducted pursuant to this shareholders' mandate during the financial year of the Company is made in the annual report by providing a breakdown of the aggregate value of the transactions, amongst others, based on the following information:-
- (a) the type of transactions made; and
- (b) the names of the related parties involved in each type of transactions made and their relationships with the Company and its subsidiaries.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of next AGM of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
- (c) revoke or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

7. To transact any other business of the Annual General Meeting.

By order of the Board,

Chia Kwok Why
Company Secretary

Batu Caves, Selangor
Date : 27 May 2003

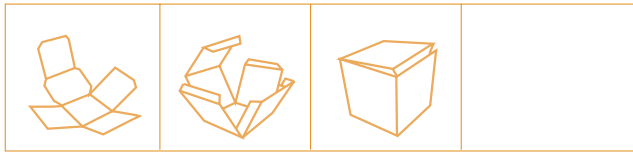
Notes :

1. A member of the company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy may but need not be a member of the Company. However, pursuant to Article 77 of the Articles of Associates, no person shall be appointed a proxy unless he is a Member of the Company and qualified to vote or an advocate, and approved Company auditors or person approved by Registrar, or a person approved in writing by the Director.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, under its common seal or the hands of its attorney.
3. Duly completed forms of proxy should be deposited to Signet Share Registration Services Sdn Bhd at 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 8 seek to secure mandate from Shareholders to enable the Company to enter into recurrent related party transactions of revenue or trading nature. The Mandate from Shareholders is on an annual basis and subject to renewal at the next AGM.

Relevant information on the Proposed Renewal of Shareholders' Mandate are set out in the Circular to Shareholders dated 27 May 2003 which is despatched together with the Company's annual report 2002.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election are:-

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar
See Tiau Kee
See Leong Chye @ Sze Leong Chye

The details of the above Directors are set out on pages 4 to 7.

2. Details of Attendance of Directors at Board Meetings: -

There were a total of four (4) board meetings held during the financial year ended 31 December 2002 and the details of the attendance of the Directors are set out on page 8.

3. Date, Time and Place of the 29th Annual General Meeting:-

Date : Wednesday, 18 June 2003
Time : 11.00 am
Place : Conference Room
Lot 4 Jalan Perusahaan 2
68100 Batu Caves
Selangor Darul Ehsan



NOTES

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**BOX-PAK (MALAYSIA) BERHAD**Company No. 21338-W
(Incorporated in Malaysia)**PROXY FORM**I/We _____
(Full Name)of _____
(Address)being a member of Box-Pak (Malaysia) Berhad hereby appoint The Chairman of the meeting or _____
(Full Name)of _____ or failing
(Address)him _____
(Full Name)of _____
(Address)

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Conference Room, Lot 4, Jalan Perusahaan 2, 68100 Batu Caves, Selangor, Malaysia on Wednesday 18 June 2003 at 11.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your votes to be cast on the resolutions specified in the Notice of Meeting.

RESOLUTION	FOR	AGAINST
1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2002 together with the Directors' and Auditors' Reports thereon. (Resolution 1)		
2. To declare a final dividend of 10% less 28% tax for financial year ended 31 December 2002. (Resolution 2)		
3. To approve the payment of Directors' Fees amounting to RM120,000 for the financial year ended 31 December 2002. (Resolution 3)		
4. To re-elect the following directors retiring by rotation pursuant to Article 93 of the Company's Articles of Association - i) Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar (Resolution 4) ii) See Tiau Kee (Resolution 5) iii) See Leong Chye @ Sze Leong Chye (Resolution 6)		
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)		
As Special Business		
6. To consider and, if thought fit, to pass the following Ordinary resolution: (Resolution 8)		

Subject to any voting instruction so given, the proxy/proxies will vote, or abstain from voting on the resolution as he may think fit.

Signed this _____ day of _____ 2003

Signature of Member(s)**Notes :**

1. A member of the company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy may but need not be a member of the Company. However, pursuant to Article 77 of the Articles of Associates, no person shall be appointed a proxy unless he is a Member of the Company and qualified to vote or an advocate, and approved Company auditors or person approved by Registrar, or a person approved in writing by the Director.
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Affix
stamp
here

The Share Registrars
BOX-PAK (MALAYSIA) BERHAD (21338-W)
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur

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