



## BOX-PAK (MALAYSIA) BHD

(Incorporated in Malaysia)

(Co. Reg. No. 21338-W)

### Condensed Consolidated Statement of Comprehensive Income for the third quarter ended 30 September 2015

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2015 RM'000 Unaudited	Preceding Year Corresponding Quarter 30.09.2014 RM'000 Unaudited	Current Year Quarter Ended 30.09.2015 RM'000 Unaudited	Preceding Year Quarter Ended 30.09.2014 RM'000 Unaudited
Revenue		112,396	88,675	306,317	255,146
Cost of sales		(100,694)	(78,083)	(274,142)	(229,312)
Gross profit		11,702	10,592	32,175	25,834
Other income		(476)	276	163	907
Operating expenses		(6,463)	(4,687)	(17,877)	(16,063)
Finance costs		(1,099)	(896)	(2,818)	(2,508)
Profit Before Taxation	19	3,664	5,285	11,643	8,170
Taxation	21	(1,344)	(615)	(2,234)	(1,305)
<b>Profit for the period</b>		<b>2,320</b>	<b>4,670</b>	<b>9,409</b>	<b>6,865</b>
<b>Other comprehensive income, net of tax</b>					
Foreign currency translation differences for foreign operations		14,976	1,829	19,463	(2,391)
Actuarial loss recognised on defined benefit plan		-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>14,976</b>	<b>1,829</b>	<b>19,463</b>	<b>(2,391)</b>
<b>Total comprehensive income for the period</b>		<b>17,296</b>	<b>6,499</b>	<b>28,872</b>	<b>4,474</b>
<b>Profit attributable to:</b>					
Owners of the company		2,320	4,670	9,409	6,865
<b>Total comprehensive income attributable to:</b>					
Owners of the company		17,296	6,499	28,872	4,474
<b>Earnings per share attributable to owners of the company:</b>					
Basic (sen)		3.87	7.78	15.68	11.44

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

**BOX-PAK (MALAYSIA) BHD**

(Incorporated in Malaysia)

(Co. Reg. No. 21338-W)

**Condensed Consolidated Statement of Financial Position  
As at 30 September 2015**

	Note	As at 30.09.2015 RM'000 Unaudited	As at 31.12.2014 RM'000 Audited
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		168,048	150,104
Land use rights		21,328	18,127
Investment properties		5,703	5,809
Intangible assets		2,436	2,453
		<u>197,515</u>	<u>176,493</u>
<b>Current Assets</b>			
Inventories		41,774	39,909
Trade and other receivables		97,117	80,625
Other assets		9,078	1,360
Amount due from related companies		1,474	1,326
Cash and bank balances and short term funds		35,632	11,872
		<u>185,075</u>	<u>135,092</u>
<b>TOTAL ASSETS</b>		<u><u>382,590</u></u>	<u><u>311,585</u></u>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the company			
Share capital		60,023	60,023
Share premium		24	24
Other reserves		24,270	4,807
Retained earnings	22	94,343	84,934
<b>Total Equity</b>		<u>178,660</u>	<u>149,788</u>
<b>Non-Current Liabilities</b>			
Retirement benefit obligation		1,065	992
Borrowings	24	28,841	39,520
Deferred tax liabilities		6,838	6,868
Derivative financial instrument		14,054	5,968
		<u>50,798</u>	<u>53,348</u>
<b>Current Liabilities</b>			
Provisions		20	6
Borrowings	24	58,035	48,009
Amount due to related companies		17,223	8,155
Trade and other payables		74,082	50,685
Tax payable		259	37
Derivative financial instrument		3,513	1,557
		<u>153,132</u>	<u>108,449</u>
<b>Total Liabilities</b>		203,930	161,797
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>382,590</u></u>	<u><u>311,585</u></u>
<b>Net assets per share attributable to owners</b>			
of the Company (RM)		2.98	2.50

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

**BOX-PAK (MALAYSIA) BHD**

(Incorporated in Malaysia)

(Co. Reg. No. 21338-W)

**Condensed Consolidated Statement of Changes in Equity  
For the period ended 30 September 2015**

	Attributable to Owners of the Company				Total RM'000
	Non-distributable			Distributable	
	Share Capital RM'000	Share Premium RM'000	Other Reserve RM'000	Retained Earnings RM'000	
<b>At 1 January 2014</b>	60,023	24	63	81,584	141,694
Profit for the period	-	-	-	6,865	6,865
Currency translation differences	-	-	(2,391)	-	(2,391)
Total comprehensive income for the period	-	-	(2,391)	6,865	4,474
Dividends	-	-	-	(4,502)	(4,502)
Dividend paid to non-controlling interest	-	-	-	-	-
<b>At 30 September 2014</b>	60,023	24	(2,328)	83,947	141,666
<b>At 1 January 2015</b>	60,023	24	4,807	84,934	149,788
Profit for the period	-	-	-	9,409	9,409
Currency translation differences	-	-	19,463	-	19,463
Total comprehensive income for the period	-	-	19,463	9,409	28,872
<b>At 30 September 2015</b>	60,023	24	24,270	94,343	178,660

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

**BOX-PAK (MALAYSIA) BHD**

(Incorporated in Malaysia)

(Co. Reg. No. 21338-W)

**Condensed Consolidated Statement of Cash Flows  
For the period ended 30 September 2015**

	<b>9 months ended 30.09.2015 RM'000 Unaudited</b>	<b>9 months ended 30.09.2014 RM'000 Unaudited</b>
<b>Net cash generated from/(used in) operating activities</b>		
Receipts from customers	338,744	251,894
Payments to suppliers	(290,064)	(230,453)
Cash generated from operations	<u>48,680</u>	<u>21,441</u>
Interest paid	(3,094)	(2,526)
Income tax paid	(2,215)	(1,922)
	<u>43,371</u>	<u>16,993</u>
<b>Net cash generated from/(used in) investing activities</b>		
Acquisition of property, plant and equipment	(10,393)	(18,064)
Proceeds from disposal of property, plant and equipment	69	64
Dividends received from a joint venture/short term investment	20	-
Interest received	138	327
	<u>(10,166)</u>	<u>(17,673)</u>
<b>Net cash generated from/(used in) financing activities</b>		
Proceeds from term loans, bankers' acceptances and revolving credit	(18,810)	2,034
Dividends paid	-	(4,502)
Inter-company advance	8,101	4,030
	<u>(10,709)</u>	<u>1,562</u>
Net decrease in Cash and Cash Equivalents	22,496	882
Effect of Exchange Rate Changes	1,264	536
Cash and Cash Equivalents at 1 January	11,872	12,620
Cash and Cash Equivalents at 30 September	<u>35,632</u>	<u>14,038</u>
Cash and Cash Equivalents at 30 September comprised the following:		
Cash and bank balances	19,709	12,838
Short term funds	15,923	1,200
	<u>35,632</u>	<u>14,038</u>

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements**



**BOX-PAK (MALAYSIA) BHD (21338-W)**  
**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

---

**1. Basis of Preparations**

The Interim Financial Statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1965 in Malaysia, and complies with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014. The explanatory notes attached to the condensed report provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014.

**2. Significant Accounting Policies**

The accounting policies adopted in the preparation of this report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2014.

**2.1 Adoption of Standards, Amendments and IC Interpretations**

There were no changes to the Accounting Standards adopted by the Group since the previous report for the year ended 31 December 2014.

**2.2 MFRSs, Amendments to MFRS and IC Interpretation Issued But Not Yet Effective**

As at the date of authorisation of this report, the following Standard, Amendments and Annual Improvements to Standards were issued but not yet effective and have not been adopted by the Group:

Annual Improvements to MFRSs 2012 - 2014 Cycle  
Amendments to MFRS 116 and MFRS 138:  
Clarification of Acceptable Methods of Depreciation and Amortisation  
Amendments to MFRS 127: Equity Method in Separate Financial Statements  
Amendments to MFRS 101: Disclosure Initiatives  
Amendments to MFRS 10, MFRS 12 and MFRS 128:  
Investment Entities Applying the Consolidation Exception  
MFRS 15: Revenue from Contracts with Customers  
MFRS 9: Financial Instruments

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon their initial application.

**3. Qualification of Audit Report of the Preceding Annual Financial Statements**

The financial statements for the year ended 31 December 2014 were not subject to any audit qualification.

**4. Seasonal or Cyclical Factors**

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



**BOX-PAK (MALAYSIA) BHD (21338-W)**  
**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

**6. Changes in Estimates**

There were no changes in estimates that had any material effect to the financial statements in the period under review.

**7. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

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

**8. Dividends Paid**

There were no dividends paid during the period under review.

**9. Segmental Reporting**

Segmental results for the period ended 30 September 2015 are as follows:

	Malaysia RM'000	Vietnam RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>						
External sales	67,778	238,539	-	306,317	-	306,317
Inter-segmental sales	2,966	2,501	-	5,467	(5,467)	-
<b>Total revenue</b>	<b>70,744</b>	<b>241,040</b>	<b>-</b>	<b>311,784</b>	<b>(5,467)</b>	<b>306,317</b>
<b>RESULTS</b>						
Segment results	1,994	10,896	1,408	14,298	-	14,298
Other income	177	106	-	283	(120)	163
						14,461
Finance costs	(776)	(2,162)		(2,938)	120	(2,818)
Profit before taxation						11,643
Taxation						(2,234)
Profit after taxation						9,409
<b>ASSETS AND LIABILITIES</b>						
Segment assets	181,604	267,511	7,146	456,261	(76,046)	380,215
Unallocated corporate assets						2,375
<b>Consolidated total assets</b>						<b>382,590</b>
Segment liabilities	102,184	152,140	1,575	255,899	(76,004)	179,895
Unallocated corporate liabilities						24,035
<b>Consolidated total liabilities</b>						<b>203,930</b>
<b>OTHER INFORMATION</b>						
Capital Expenditure	4,110	29,404	-	33,514	-	33,514
Depreciation and amortisation	2,017	10,710	-	12,727	-	12,727
Non-cash expenses other than depreciation	10,042	-		10,042	-	10,042



**BOX-PAK (MALAYSIA) BHD (21338-W)**  
**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**10. Valuation of Property, Plant and Equipment**

The Group did not carry out any revaluation exercise for accounting purposes during the period under review.

**11. Material Events Subsequent to the End of the Interim Period**

There were no other material events subsequent to the end of the period under review up to the date of this announcement that are not disclosed in the quarterly financial statements.

**12. Changes in the Composition of the Group**

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

**13. Changes in Contingent Liabilities or Contingent Assets**

There were no material changes in contingent liabilities or contingent assets since the end of the previous financial year.

**14. Capital Commitments**

The amount of capital commitments as at 30 September 2015 is as follows:

	<b>RM'000</b>
Approved and contracted for	70,866

**15. Related Party Transactions**

The Group has also entered into the following related party transactions : -

	<b>Financial Period to date 30.09.2015 RM'000</b>
Sales to holding company	156
Sales to related companies	3,649
Rental payable to a related company	743

<b>Nature of transaction</b>	<b>Identity</b>	
Sales of trading inventories	Aik Joo Can Factory Sdn. Berhad <sup>(i)</sup>	22
	F & B Nutrition Sdn. Bhd. <sup>(ii)</sup>	2,462
	Canzo Sdn. Bhd. <sup>(iii)</sup>	42

Parties (i), (ii) and (iii) are deemed to be related to the Group by virtue of:

- (a) common directorship held by a director of the Group, Yeoh Jin Hoe; and
- (b) being subsidiaries of Can-One Berhad, which is the holding company of Can-One International Sdn. Bhd., a major shareholder of the immediate holding company of the Group, Kian Joo Can Factory Berhad.

The above transactions were entered into in the normal course of business on terms that the Directors considered comparable to transactions entered into with third parties.



**BOX-PAK (MALAYSIA) BHD (21338-W)**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD**

---

**16. Operating Segments Review**

***Third Quarter Ended 30 September 2015 (Q3, 2015) versus Third Quarter Ended 30 September 2014 (Q3, 2014)***

The Group recorded a total revenue of RM112.4 million in Q3, 2015, an increase from RM93.5 million in Q3, 2014. However, the Group's profit before taxation dropped to RM3.7 million in Q3, 2015, compared to RM5.3 million in Q3, 2014.

The increase in revenue was contributed mainly by the increased revenue from plants in Vietnam and the relative strengthening of Vietnam Dong against Ringgit Malaysia.

The drop in profit before taxation is due mainly to drop in profit margin due to additional depreciation on new machine in Vietnam and loss arising from derivative financial instrument.

***Financial Period Ended 30 September 2015 ("YTD 2015") versus Financial Period Ended 30 September 2014 ("YTD 2014")***

The Group registered an increase in revenue of RM51.2 million, from RM255.1 million in YTD 2014 to RM306.3 million in YTD 2015. Profit before taxation also improved in tandem by RM3.4 million, from RM8.2 million in YTD 2014 to RM11.6 million in YTD 2015.

The increase in revenue was contributed mainly by the increased revenue from plants in Vietnam and the relative strengthening of Vietnam Dong against Ringgit Malaysia.

The increase in profit before taxation is attributable to increase in profit contributed by the Vietnam plant in line with the increase in revenue and relative strengthening of Vietnam Dong against Ringgit Malaysia.

**17. Material Change in Performance of Operating Segments of Current Quarter Ended 30 September 2015 (Q3, 2015) Compared with immediate Preceding Quarter Ended 30 June 2015 (Q2, 2015)**

The Group recorded a revenue of RM112.4 million in Q3, 2015, an increase from RM97.8 million in Q2, 2015. Profit before taxation decreased from RM4.7 million in Q2, 2015 to RM3.7 million in Q2, 2015.

The Group's increase in revenue was contributed mainly by increase in demand in Vietnam. The reduction in profit before taxation is due mainly to higher depreciation charge and interest expense during the period under

**18. Commentary on Prospects**

The strengthening of US Dollar against regional currencies in 2015 poses a challenge for the Group as some of the materials bought by the Group are denominated in US Dollar. Since the end of the previous financial year, Ringgit Malaysia and Vietnam Dong had devalued more than by more than 20% and 5% respectively against the US Dollar.

Competition in the packaging industry in Malaysia and Vietnam has remained stiff and in order to maintain its market share, the Group will need to constantly review its price structure.

Furthermore, the implementation of Goods and Services Tax in Malaysia in 2015 have an adverse cash flow impact to the Group.

Despite these challenges, the Group will constantly review its market position and operational efficiency and continue to remain resilient and profitable in 2015.



**BOX-PAK (MALAYSIA) BHD (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD****19. Profit Before Taxation**

Included in profit before taxation are the following items:

	<b>Current Year Quarter 30.09.2015 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.09.2014 RM'000</b>	<b>Financial Period to date ended 30.09.2015 RM'000</b>	<b>Preceding Year Financial Period to date ended 30.09.2014 RM'000</b>
Interest income	(100)	(79)	(138)	(331)
Interest expense	1,099	878	2,818	2,508
Depreciation and amortisation	6,942	2,487	12,728	7,383
Dividend income	-	(2)	(20)	(4)
Provision for waste disposal	65	48	155	136
Non-current assets written off	-	-		
Foreign exchange (gain)/loss	(7,702)	(1,742)	(11,524)	(747)
(Gain)/loss on derivatives	7,175	555	10,043	(463)
Rental income	-	(195)	-	(572)

**20. Variance from Forecast Profit and Profit Guarantee**

No profit forecast or guarantee was issued by the Group.

**21. Taxation**

	<b>Current Year Quarter 30.09.2015 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.09.2014 RM'000</b>	<b>Financial Period to date ended 30.09.2015 RM'000</b>	<b>Preceding Year Financial Period to date ended 30.09.2014 RM'000</b>
Group				
Income Tax				
- current year	1,247	597	2,264	1,347
- prior year	53	-	-	-
Deferred taxation	44	23	(30)	(42)
	<u>1,344</u>	<u>620</u>	<u>2,234</u>	<u>1,305</u>

The effective tax rate for the financial period under review was lower than the statutory tax rate due to lower tax rate in Vietnam.

**22. Retained Earnings**

	<b>As at 30.09.2015 RM'000</b>	<b>As at 31.12.2014 RM'000</b>
Total retained earnings of Group:		
- Realised	119,009	85,060
- Unrealised	(23,041)	(767)
	<u>95,968</u>	<u>84,293</u>
Consolidation adjustments	(1,625)	641
Total Group retained earnings as per Consolidated Accounts	<u>94,343</u>	<u>84,934</u>

**BOX-PAK (MALAYSIA) BHD (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD****23. Material Litigations**

There were no pending material litigation against the Group at the end of the period under review.

**24. Group Borrowings and Debt Securities**

Total Group borrowings are as follows:

	<b>As at 30.09.2015 RM'000</b>	<b>As at 31.12.2014 RM'000</b>
Current - unsecured		
- Revolving credit	15,000	23,709
- Trade facilities	28,080	13,000
- Term loans	14,955	11,300
	<hr/> 58,035	<hr/> 48,009
Non-current - unsecured		
- Term loans	28,841	39,520
	<hr/> 86,876	<hr/> 87,529

Borrowings which are denominated in foreign currencies are as follows:

Current - unsecured		
- Trade facilities (denominated in VND)	15,116	21,192
- Term loans (denominated in USD)	335	2,307
	<hr/> 1,826	<hr/> 5,043
Non-current - unsecured		
- Term loans (denominated in USD)	1,826	5,043
	<hr/> 1,826	<hr/> 5,043

**25. Dividend**

The Board does not recommend any dividend for the financial period under review.

**26. Earnings Per Share**

	<b>Current Year Quarter 30.09.2015</b>	<b>Preceding Year Corresponding Quarter 30.09.2014</b>	<b>Financial Period to date ended 30.09.2015</b>	<b>Preceding Year Financial Period to date ended 30.09.2014</b>
Profit attributable to owners of the company (RM '000)	2,320	4,670	9,409	6,865
Weighted average number of ordinary shares ('000)	60,023	60,023	60,023	60,023
<b>Basic earnings per share (sen)</b>	<hr/> 3.87	<hr/> 7.78	<hr/> 15.68	<hr/> 11.44



**BOX-PAK (MALAYSIA) BHD (21338-W)**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD**

---

**27. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 17 November 2015.

Batu Caves, Selangor Darul Ehsan  
17 November 2015