

**BOX-PAK (MALAYSIA) BHD**

(Incorporated in Malaysia)

(Co. Reg. No. 21338-W)

**Condensed Consolidated Statement of Comprehensive Income for the first quarter ended 31 March 2016**

(The figures have not been audited)

|                                                                        | Note | CUMULATIVE QUARTER                                                 |                                                                      |
|------------------------------------------------------------------------|------|--------------------------------------------------------------------|----------------------------------------------------------------------|
|                                                                        |      | Current year<br>Quarter Ended<br>31.03.2016<br>RM'000<br>Unaudited | Preceding year<br>Quarter Ended<br>31.03.2015<br>RM'000<br>Unaudited |
| Revenue                                                                |      | 120,420                                                            | 96,115                                                               |
| Cost of sales                                                          |      | (109,122)                                                          | (87,146)                                                             |
| Gross profit                                                           |      | <u>11,298</u>                                                      | <u>8,969</u>                                                         |
| Other income                                                           |      | 5,333                                                              | 606                                                                  |
| Operating expenses                                                     |      | (12,563)                                                           | (5,380)                                                              |
| Finance costs                                                          |      | (1,712)                                                            | (945)                                                                |
| Profit Before Taxation                                                 | 19   | <u>2,356</u>                                                       | <u>3,250</u>                                                         |
| Taxation                                                               | 21   | (982)                                                              | (726)                                                                |
| <b>Profit for the period</b>                                           |      | <b><u>1,374</u></b>                                                | <b><u>2,524</u></b>                                                  |
| <b>Other comprehensive (expense)/income, net of tax</b>                |      |                                                                    |                                                                      |
| Foreign currency translation<br>differences for foreign operations     |      | (2,377)                                                            | 4,315                                                                |
| <b>Other comprehensive (expense)/income for the period, net of tax</b> |      | <b><u>(2,377)</u></b>                                              | <b><u>4,315</u></b>                                                  |
| <b>Total comprehensive (expense)/income for the period</b>             |      | <b><u>(1,003)</u></b>                                              | <b><u>6,839</u></b>                                                  |
| <b>Profit attributable to:</b>                                         |      |                                                                    |                                                                      |
| Owners of the company                                                  |      | 1,374                                                              | 2,524                                                                |
| <b>Total comprehensive (expense)/income attributable to:</b>           |      |                                                                    |                                                                      |
| Owners of the company                                                  |      | (1,003)                                                            | 6,839                                                                |
| <b>Earnings per share attributable to owners of the company:</b>       |      |                                                                    |                                                                      |
| Basic (sen)                                                            |      | 2.29                                                               | 4.21                                                                 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements

**BOX-PAK (MALAYSIA) BHD**

(Incorporated in Malaysia)

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**Condensed Consolidated Statement of Financial Position  
As at 31 March 2016**

|                                                                            | Note | As at<br>31.03.2016<br>RM'000<br>Unaudited | As at<br>31.12.2015<br>RM'000<br>Audited |
|----------------------------------------------------------------------------|------|--------------------------------------------|------------------------------------------|
| <b>ASSETS</b>                                                              |      |                                            |                                          |
| <b>Non-Current Assets</b>                                                  |      |                                            |                                          |
| Property, plant & equipment                                                |      | 168,990                                    | 168,182                                  |
| Land use rights                                                            |      | 44,517                                     | 20,748                                   |
| Investment properties                                                      |      | 5,633                                      | 5,668                                    |
| Intangible assets                                                          |      | 47                                         | 52                                       |
| Other assets                                                               |      | 2,448                                      | 15,944                                   |
|                                                                            |      | <u>221,635</u>                             | <u>210,594</u>                           |
| <b>Current Assets</b>                                                      |      |                                            |                                          |
| Inventories                                                                |      | 45,573                                     | 43,795                                   |
| Trade and other receivables                                                |      | 117,415                                    | 112,615                                  |
| Other assets                                                               |      | 1,090                                      | 171                                      |
| Tax recoverable                                                            |      | 1,570                                      | 1,526                                    |
| Amount due from related companies                                          |      | 164                                        | 461                                      |
| Cash and bank balances and short term funds                                |      | 16,874                                     | 37,915                                   |
|                                                                            |      | <u>182,686</u>                             | <u>196,483</u>                           |
| <b>TOTAL ASSETS</b>                                                        |      | <u>404,321</u>                             | <u>407,077</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                                                             |      | 20,186                                     | 22,563                                   |
| Retained earnings                                                          | 22   | 96,063                                     | 94,689                                   |
| <b>Total Equity</b>                                                        |      | <u>176,296</u>                             | <u>177,299</u>                           |
| <b>Non-Current Liabilities</b>                                             |      |                                            |                                          |
| Retirement benefit obligation                                              |      | 1,115                                      | 1,089                                    |
| Borrowings                                                                 | 24   | 34,088                                     | 28,848                                   |
| Deferred tax liabilities                                                   |      | 6,862                                      | 6,879                                    |
| Derivative financial instrument                                            |      | 7,478                                      | 11,245                                   |
|                                                                            |      | <u>49,543</u>                              | <u>48,061</u>                            |
| <b>Current Liabilities</b>                                                 |      |                                            |                                          |
| Provisions                                                                 |      | 19                                         | 15                                       |
| Borrowings                                                                 | 24   | 70,084                                     | 74,027                                   |
| Amount due to related companies                                            |      | 32,046                                     | 24,319                                   |
| Trade and other payables                                                   |      | 73,047                                     | 78,579                                   |
| Tax payable                                                                |      | 647                                        | 808                                      |
| Derivative financial instrument                                            |      | 2,639                                      | 3,969                                    |
|                                                                            |      | <u>178,482</u>                             | <u>181,717</u>                           |
| <b>Total Liabilities</b>                                                   |      | <u>228,025</u>                             | <u>229,778</u>                           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                        |      | <u>404,321</u>                             | <u>407,077</u>                           |
| <b>Net assets per share attributable to owners<br/>of the Company (RM)</b> |      |                                            |                                          |
|                                                                            |      | 2.94                                       | 2.95                                     |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 first quarter ended 31 March 2016**

|                                                     | Attributable to Owners of the Company |                            |                            |                                |                 |
|-----------------------------------------------------|---------------------------------------|----------------------------|----------------------------|--------------------------------|-----------------|
|                                                     | Non-distributable                     |                            |                            | Distributable                  |                 |
|                                                     | Share<br>Capital<br>RM'000            | Share<br>Premium<br>RM'000 | Other<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>RM'000 |
| <b>At 1 January 2015</b>                            | 60,023                                | 24                         | 4,807                      | 84,934                         | 149,788         |
| Profit for the period                               | -                                     | -                          | -                          | 2,524                          | 2,524           |
| Currency translation differences                    | -                                     | -                          | 4,315                      | -                              | 4,315           |
| Total comprehensive income for the period           | -                                     | -                          | 4,315                      | 2,524                          | 6,839           |
| <b>At 31 March 2015</b>                             | 60,023                                | 24                         | 9,122                      | 87,458                         | 156,627         |
| <b>At 1 January 2016</b>                            | 60,023                                | 24                         | 22,563                     | 94,689                         | 177,299         |
| Profit for the period                               | -                                     | -                          | -                          | 1,374                          | 1,374           |
| Currency translation differences                    | -                                     | -                          | (2,377)                    | -                              | (2,377)         |
| Total comprehensive (expense)/income for the period | -                                     | -                          | (2,377)                    | 1,374                          | (1,003)         |
| <b>At 31 March 2016</b>                             | 60,023                                | 24                         | 20,186                     | 96,063                         | 176,296         |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 first quarter ended 31 March 2016**

|                                                                                  | <b>Current year<br/>Quarter Ended<br/>31.03.2016<br/>RM'000<br/>Unaudited</b> | <b>Preceding year<br/>Quarter Ended<br/>31.03.2015<br/>RM'000<br/>Unaudited</b> |
|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>Net cash generated from operating activities</b>                              |                                                                               |                                                                                 |
| Receipts from customers                                                          | 116,782                                                                       | 107,050                                                                         |
| Payments to suppliers                                                            | (113,405)                                                                     | (89,058)                                                                        |
|                                                                                  | <hr/>                                                                         | <hr/>                                                                           |
| Cash generated from operations                                                   | 3,377                                                                         | 17,992                                                                          |
| Interest paid                                                                    | (1,712)                                                                       | (945)                                                                           |
| Income tax paid                                                                  | (1,204)                                                                       | (805)                                                                           |
|                                                                                  | <hr/>                                                                         | <hr/>                                                                           |
|                                                                                  | 461                                                                           | 16,242                                                                          |
| <b>Net cash used in investing activities</b>                                     |                                                                               |                                                                                 |
| Acquisition of property, plant and equipment                                     | (34,263)                                                                      | (2,629)                                                                         |
| Proceed from refund of deposit/disposal of assets                                | 1                                                                             | 18                                                                              |
| Dividends received from a joint venture/short term investment                    | -                                                                             | 8                                                                               |
| Interest received                                                                | 233                                                                           | 28                                                                              |
|                                                                                  | <hr/>                                                                         | <hr/>                                                                           |
|                                                                                  | (34,029)                                                                      | (2,575)                                                                         |
| <b>Net cash generated from/(used in) financing activities</b>                    |                                                                               |                                                                                 |
| Drawdown/(Repayment) of term loans, bankers' acceptances<br>and revolving credit | 1,317                                                                         | (16,191)                                                                        |
| Inter-company advance                                                            | 8,024                                                                         | 2,839                                                                           |
|                                                                                  | <hr/>                                                                         | <hr/>                                                                           |
|                                                                                  | 9,341                                                                         | (13,352)                                                                        |
| Net (decrease)/increase in Cash and Cash Equivalents                             | (24,227)                                                                      | 315                                                                             |
| Effect of Exchange Rate Changes                                                  | 3,186                                                                         | (3,380)                                                                         |
| Cash and Cash Equivalents at 1 January                                           | 37,915                                                                        | 11,872                                                                          |
|                                                                                  | <hr/>                                                                         | <hr/>                                                                           |
| Cash and Cash Equivalents at 31 March                                            | 16,874                                                                        | 8,807                                                                           |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements



## **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 2015. 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 2015.

## **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 2015.

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

The accounting policies adopted are consistent with those of previous financial year except for the adoption of the following new and amended MFRSs and IC Interpretation mandatory for financial periods beginning on or after 1 January 2016:

- 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 116 and MFRS 141: Agriculture: Bearer Plants
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- 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 14: Regulatory Deferral Accounts

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group.

### **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:

- 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 period ended 31 March 2016 were not subject to any audit qualification.

**BOX-PAK (MALAYSIA) BHD (21338-W)****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****4. Seasonal or Cyclical Factors**

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

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

There were no 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 31 March 2016 are as follows:

|                                           | <b>Malaysia<br/>RM'000</b> | <b>Vietnam<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Total<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|-------------------------------------------|----------------------------|---------------------------|--------------------------|-------------------------|-------------------------------|--------------------------------|
| <b>REVENUE</b>                            |                            |                           |                          |                         |                               |                                |
| External sales                            | 27,634                     | 92,786                    | -                        | 120,420                 | -                             | 120,420                        |
| Inter-segmental sales                     | -                          | -                         | -                        | -                       | -                             | -                              |
| <b>Total revenue</b>                      | <b>27,634</b>              | <b>92,786</b>             | <b>-</b>                 | <b>120,420</b>          | <b>-</b>                      | <b>120,420</b>                 |
| <b>RESULTS</b>                            |                            |                           |                          |                         |                               |                                |
| Segment results                           | (5,907)                    | 4,642                     | -                        | (1,265)                 | -                             | (1,265)                        |
| Other income                              | 5,217                      | 221                       | 2                        | 5,440                   | (107)                         | 5,333                          |
|                                           |                            |                           |                          |                         |                               | 4,068                          |
| Finance costs                             | (584)                      | (1,235)                   | -                        | (1,819)                 | 107                           | (1,712)                        |
| Profit before taxation                    |                            |                           |                          |                         |                               | 2,356                          |
| Taxation                                  |                            |                           |                          |                         |                               | (982)                          |
| Profit after taxation                     |                            |                           |                          |                         |                               | 1,374                          |
| <b>ASSETS AND LIABILITIES</b>             |                            |                           |                          |                         |                               |                                |
| Segment assets                            | 238,188                    | 307,344                   | 71,202                   | 616,734                 | (213,983)                     | 402,751                        |
| Unallocated corporate assets              |                            |                           |                          |                         |                               | 1,570                          |
| <b>Consolidated total assets</b>          |                            |                           |                          |                         |                               | <b>404,321</b>                 |
| Segment liabilities                       | 133,221                    | 173,917                   | 32,639                   | 339,777                 | (129,378)                     | 210,399                        |
| Unallocated corporate liabilities         |                            |                           |                          |                         |                               | 17,626                         |
| <b>Consolidated total liabilities</b>     |                            |                           |                          |                         |                               | <b>228,025</b>                 |
| <b>OTHER INFORMATION</b>                  |                            |                           |                          |                         |                               |                                |
| Capital Expenditure                       | 614                        | 8,895                     | 24,754                   | 34,263                  | -                             | 34,263                         |
| Depreciation and amortisation             | 614                        | 3,401                     | -                        | 4,015                   | -                             | 4,015                          |
| Non-cash expenses other than depreciation | 4,814                      | -                         | -                        | 4,814                   | -                             | 4,814                          |



**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 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 31 March 2016 is as follows:

|                             |               |
|-----------------------------|---------------|
|                             | <b>RM'000</b> |
| Approved and contracted for | <u>29,409</u> |

**15. Related Party Transactions**

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

|                                      | <b>Current year<br/>Quarter Ended<br/>31.03.2016<br/>RM'000</b> |
|--------------------------------------|-----------------------------------------------------------------|
| Sales to holding company             | 65                                                              |
| Sales to related companies           | 951                                                             |
| Sales to other related parties       | 1,441                                                           |
| Rental payable to a related company  | 180                                                             |
| Rental income from a related company | 49                                                              |
| Interest payable to holding company  | <u>221</u>                                                      |

| <b>Nature of transaction</b> | <b>Identity of related parties</b>                                          | <b>RM'000</b> |
|------------------------------|-----------------------------------------------------------------------------|---------------|
| Sales of trading inventories | F & B Nutrition Sdn. Bhd. <sup>(i)</sup><br>Canzo Sdn. Bhd. <sup>(ii)</sup> | 1,430<br>11   |

Parties (i) and (ii) 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**

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**16. Operating Segments Review**

***First Quarter Ended 31 March 2016 (Q1, 2016) versus First Quarter Ended 31 March 2015 (Q1, 2015)***

The Group recorded an increase in revenue from RM96.12 million in Q1, 2015 to RM120.42 million in Q1, 2016. Despite the higher revenue in the current quarter, the Group's overall profit before taxation was lower in Q1, 2016 at RM2.36 million, compared to RM3.25 million in Q1, 2015.

The increase in revenue was recorded in both Malaysia and Vietnam operations, with the Vietnam operations being the main contributor of the improvement in revenue.

The lower profit before taxation experienced by the Group in the current quarter was mainly due to higher operating costs .

**17. Material Change in Performance of Operating Segments for Current Quarter Ended 31 March 2016 (Q1, 2016) compared with Immediate Preceding Quarter Ended 31 December 2015 (Q4, 2015)**

For the current quarter ended 31 March 2016, the Group's net revenue decreased by 17% to RM120.42 million from RM145.43 million in the immediate preceding quarter. This decrease was mainly attributable to the Vietnam operations, where a majority of festive season carton sales was accounted for in Q4, 2015, and from the weakening of United States Dollar ("USD") against Ringgit Malaysia ("RM") which resulted in a lower translated revenue amount in RM.

The Group's overall profit before taxation was higher in Q1, 2016 at RM2.36 million compared to RM0.05 million in the immediate preceding quarter. Profit was lower in the preceding quarter due to the write off of goodwill amounting to RM2.4 million.

**18. Commentary on Prospects**

The continued volatility in foreign currency exchange rate remains a challenge for the Group, as some of the materials bought by the Group are denominated in USD. The Group continues to experience margin compression from high material and operating costs, and the increase in minimum wage in Vietnam and the impending further increase in minimum wage in Malaysia will add to the Company's increasing operating costs.

Competition in the packaging industry in Malaysia and Vietnam has remained stiff and in order to operate profitably, the Group would focus its attention to improving its manufacturing efficiency.

Despite these challenges, the Group will constantly review its market position, explore new market potential and improve operational efficiency to remain resilient and profitable in 2016.



**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<br/>Quarter Ended<br/>31.03.2016<br/>RM'000</b> | <b>Preceding year<br/>Quarter Ended<br/>31.03.2015<br/>RM'000</b> |
|-------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|
| Interest income               | (233)                                                           | (28)                                                              |
| Interest expense              | 1,712                                                           | 945                                                               |
| Depreciation and amortisation | 4,015                                                           | 2,882                                                             |
| Dividend income               | -                                                               | (8)                                                               |
| Provision for waste disposal  | 60                                                              | 45                                                                |
| Foreign exchange loss/(gain)  | 4,814                                                           | (3,054)                                                           |
| (Gain)/loss on derivatives    | (5,095)                                                         | 2,660                                                             |
| Loss on disposal of assets    | 16                                                              | -                                                                 |

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

No profit forecast or guarantee was issued by the Group.

**21. Taxation**

|                   | <b>Current year<br/>Quarter Ended<br/>31.03.2016<br/>RM'000</b> | <b>Preceding year<br/>Quarter Ended<br/>31.03.2015<br/>RM'000</b> |
|-------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|
| Income Tax        |                                                                 |                                                                   |
| - current year    | (999)                                                           | (797)                                                             |
| - prior year      | -                                                               | 53                                                                |
| Deferred taxation | 17                                                              | 18                                                                |
|                   | <u>(982)</u>                                                    | <u>(726)</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<br/>31.03.2016<br/>RM'000</b> | <b>As at<br/>31.12.2015<br/>RM'000</b> |
|------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Total retained earnings of Group:                          |                                        |                                        |
| - Realised                                                 | 121,856                                | 113,417                                |
| - Unrealised                                               | (21,793)                               | (14,728)                               |
|                                                            | <u>100,063</u>                         | <u>98,689</u>                          |
| Consolidation adjustments                                  | (4,000)                                | (4,000)                                |
| Total Group retained earnings as per Consolidated Accounts | <u>96,063</u>                          | <u>94,689</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<br/>31.03.2016<br/>RM'000</b> | <b>As at<br/>31.12.2015<br/>RM'000</b> |
|-------------------------|----------------------------------------|----------------------------------------|
| Current - unsecured     |                                        |                                        |
| - Revolving credit      | 15,000                                 | 15,000                                 |
| - Trade facilities      | 51,794                                 | 47,196                                 |
| - Term loans            | 3,290                                  | 11,831                                 |
|                         | <hr/> 70,084                           | <hr/> 74,027                           |
| Non-current - unsecured |                                        |                                        |
| - Term loans            | 34,088                                 | 28,848                                 |
|                         | <hr/> 104,172                          | <hr/> 102,875                          |

Borrowings which are denominated in foreign currencies are as follows:

|                                         |             |             |
|-----------------------------------------|-------------|-------------|
| Current - unsecured                     |             |             |
| - Trade facilities (denominated in VND) | 40,610      | 39,595      |
| - Term loans (denominated in USD)       | 1,041       | 3,364       |
|                                         | <hr/> 4,108 | <hr/> 2,838 |
| Non-current - unsecured                 |             |             |
| - Term loans (denominated in USD)       | 4,108       | 2,838       |
|                                         | <hr/> 4,108 | <hr/> 2,838 |

**25. Dividend**

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

**26. Earnings Per Share**

|                                                           | <b>Current year<br/>Quarter Ended<br/>31.03.2016</b> | <b>Preceding year<br/>Quarter Ended<br/>31.03.2015</b> |
|-----------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------|
| Profit attributable to owners<br>of the company (RM '000) | <hr/> 1,374                                          | <hr/> 2,524                                            |
| Weighted average number of<br>ordinary shares ('000)      | <hr/> 60,023                                         | <hr/> 60,023                                           |
| <b>Basic earnings per share (sen)</b>                     | <hr/> <b>2.29</b>                                    | <hr/> <b>4.21</b>                                      |



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

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

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**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 12 May 2016.

Batu Caves, Selangor Darul Ehsan  
12 May 2016