



BOX-PAK (MALAYSIA) BHD.

(Incorporated in Malaysia)

(Co. No. 21338-W)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the third quarter ended 30 September 2017

(The figures have not been audited)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year	Preceding Year	Changes	Current	Preceding	Changes
	Quarter Ended	Quarter Ended		Year-To-Date	Year-To-Date	
Note	30.09.2017 RM'000	30.09.2016 RM'000	%	30.09.2017 RM'000	30.09.2016 RM'000	%
Revenue	144,245	123,702	16.6%	402,402	367,217	9.6%
Cost of sales	(135,144)	(114,149)	18.4%	(374,638)	(332,843)	12.6%
Gross profit	9,101	9,553	(4.7%)	27,764	34,374	(19.2%)
Other income	2,254	572	294.1%	6,705	5,669	18.3%
Operating expenses	(13,162)	(7,147)	84.2%	(40,878)	(30,036)	36.1%
Finance costs	(2,380)	(2,290)	3.9%	(6,899)	(5,841)	18.1%
(Loss)/Profit Before Taxation	19 (4,187)	688	(708.6%)	(13,308)	4,166	(419.4%)
Taxation	21 (240)	2,596	(109.2%)	(1,229)	1,261	(197.5%)
(Loss)/Profit for the period	(4,427)	3,284	(234.8%)	(14,537)	5,427	(367.9%)
Other comprehensive (loss)/income, net of tax						
Foreign currency translation differences for foreign operations	(2,327)	4,034	(157.7%)	(8,499)	(3,605)	135.8%
Other comprehensive (loss)/income for the period, net of tax	(2,327)	4,034	(157.7%)	(8,499)	(3,605)	135.8%
Total comprehensive (loss)/income for the period	(6,754)	7,318	(192.3%)	(23,036)	1,822	(1,364.3%)
(Loss)/Profit attributable to:						
Owners of the company	(4,427)	3,284	(234.8%)	(14,537)	5,427	(367.9%)
Total comprehensive (loss)/income attributable to:						
Owners of the company	(6,754)	7,318	(192.3%)	(23,036)	1,822	(1,364.3%)
(Loss)/Earnings per share attributable to owners of the company:						
Basic (sen)	(3.69)	5.47	(167.5%)	(12.11)	9.04	(234.0%)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements

**BOX-PAK (MALAYSIA) BHD.**

(Incorporated in Malaysia)

(Co. No. 21338-W)

Condensed Consolidated Statement of Financial Position**As at 30 September 2017**

	Note	As at 30.09.2017 RM'000 Unaudited	As at 31.12.2016 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant & equipment		220,442	224,319
Land use rights		43,403	47,150
Intangible assets		1,264	570
Other assets		9,175	335
		<u>274,284</u>	<u>272,374</u>
Current Assets			
Inventories		76,389	52,126
Trade and other receivables		147,135	129,531
Other assets		548	2,549
Tax recoverable		2,391	2,089
Amount due from related companies		339	221
Cash and bank balances and short term funds		79,106	25,466
		<u>305,908</u>	<u>211,982</u>
TOTAL ASSETS		<u><u>580,192</u></u>	<u><u>484,356</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		167,363	60,023
Share premium		-	24
Warrants reserves		6,056	-
Other reserves		19,677	28,176
Retained earnings	23	79,283	93,820
Total Equity		<u>272,379</u>	<u>182,043</u>
Non-Current Liabilities			
Retirement benefit obligation		1,123	1,103
Borrowings	25	53,381	60,166
Deferred tax liabilities		2,741	2,836
Derivative financial instrument		3,389	8,136
		<u>60,634</u>	<u>72,241</u>
Current Liabilities			
Provisions		16	-
Retirement benefit obligation		60	-
Borrowings	25	117,959	106,604
Amount due to related companies		19,129	22,872
Trade and other payables		105,669	94,842
Tax payable		280	1,316
Derivative financial instrument		4,066	4,438
		<u>247,179</u>	<u>230,072</u>
Total Liabilities		<u>307,813</u>	<u>302,313</u>
TOTAL EQUITY AND LIABILITIES		<u><u>580,192</u></u>	<u><u>484,356</u></u>
Net assets per share attributable to owners			
of the Company (RM)		2.27	3.03

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements



BOX-PAK (MALAYSIA) BHD.

(Incorporated in Malaysia)
(Co. No. 21338-W)

**Condensed Consolidated Statement of Changes in Equity
For the third quarter ended 30 September 2017**

	Attributable to Owners of the Company					Total RM'000
	Non-distributable			Distributable		
	Share Capital RM'000	Share Premium RM'000	Warrants Reserves RM'000	Other Reserve RM'000	Retained Earnings RM'000	
As at 1 January 2017	60,023	24	-	28,176	93,820	182,043
Adjustments for effects of Companies Act 2016 (Note a)	24	(24)	-	-	-	-
Issuance of shares	107,316	-	6,056	-	-	113,372
Loss for the period	-	-	-	-	(14,537)	(14,537)
Currency translation differences	-	-	-	(8,499)	-	(8,499)
Total comprehensive loss for the period	-	-	-	(8,499)	(14,537)	(23,036)
As at 30 September 2017	167,363	-	6,056	19,677	79,283	272,379
As at 1 January 2016	60,023	24	-	22,563	94,689	177,299
Profit for the period	-	-	-	-	5,427	5,427
Currency translation differences	-	-	-	(3,605)	-	(3,605)
Total comprehensive (loss)/income for the period	-	-	-	(3,605)	5,427	1,822
As at 30 September 2016	60,023	24	-	18,958	100,116	179,121

Note a

With the Companies Act 2016 ("New Act") which came into effect on 31 January 2017, the credit standing in the share premium account of RM24,000, has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the New Act.

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements

**BOX-PAK (MALAYSIA) BHD.**

(Incorporated in Malaysia)

(Co. No. 21338-W)

Condensed Consolidated Statement of Cash Flows
For the third quarter ended 30 September 2017

	Current Year-To-Date 30.09.2017 RM'000 Unaudited	Preceding Year-To-Date 30.09.2016 RM'000 Unaudited
Net cash (used in)/generated from operating activities		
Receipts from customers	383,503	366,780
Payments to suppliers	(418,123)	(336,239)
Cash generated from operations	<u>(34,620)</u>	<u>30,541</u>
Interest paid	(6,899)	(5,841)
Income tax paid	(2,662)	(2,926)
	<u>(44,181)</u>	<u>21,774</u>
Net cash used in investing activities		
Acquisition of property, plant and equipment	(21,158)	(80,051)
Proceeds from disposal of property, plant and equipment	11	73
Interest received	1,376	686
	<u>(19,771)</u>	<u>(79,292)</u>
Net cash generated from financing activities		
Proceeds from term loans, trade facilities and revolving credit	6,950	31,936
Inter-company (repayment)/advances	(3,862)	15,813
Proceeds from issuance of shares	113,372	-
	<u>116,460</u>	<u>47,749</u>
Net increase/(decrease) in Cash and Cash Equivalents	52,508	(9,769)
Effect of Exchange Rate Changes	1,132	(27)
Cash and Cash Equivalents at 1 January	25,466	37,915
Cash and Cash Equivalents at 30 September	<u><u>79,106</u></u>	<u><u>28,119</u></u>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 comply 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 2016. 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 2016.

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 2016.

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 2017:

Amendments to MFRS 12 Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 107 Disclosure Initiative
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these 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:

Amendments to MFRS 1 Annual Improvements to MFRS Standards 2014 - 2016 Cycle
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
Clarifications to MFRS 15
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 128 Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 140 Transfers of Investment Property
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
MFRS 16 Leases
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

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 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 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 a material effect on 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, repurchase, resale and repayment 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 2017 are as follows:

	Malaysia RM'000	Vietnam RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External sales	92,804	309,598	-	402,402	-	402,402
Inter-segmental sales	-	-	-	-	-	-
Total revenue	92,804	309,598	-	402,402	-	402,402
RESULTS						
Segment results	(17,942)	7,087	(2,259)	(13,114)	-	(13,114)
Other income	7,028	898	36	7,962	(1,257)	6,705
Finance costs	(2,272)	(5,884)	-	(8,156)	1,257	(6,899)
Loss before taxation						(13,308)
Taxation						(1,229)
Loss after taxation						(14,537)
ASSETS AND LIABILITIES						
Segment assets	341,774	397,648	98,898	838,320	(260,519)	577,801
Unallocated corporate assets						2,391
Consolidated total assets						580,192
Segment liabilities	122,080	261,478	17,942	401,500	(104,163)	297,337
Unallocated corporate liabilities						10,476
Consolidated total liabilities						307,813
OTHER INFORMATION						
Capital Expenditure	4,564	9,633	6,961	21,158	-	21,158
Depreciation and amortisation	2,905	12,236	901	16,042	-	16,042
Non-cash expenses other than depreciation	5,332	258	1	5,591	-	5,591

**BOX-PAK (MALAYSIA) BHD. (21338-W)****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****9. Segmental Reporting (Cont'd)**

Segmental results for the period ended 30 September 2016 are as follows:

	Malaysia RM'000	Vietnam RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External sales	84,174	283,043	-	367,217	-	367,217
Inter-segmental sales	16,529	-	-	16,529	(16,529)	-
Total revenue	100,703	283,043	-	383,746	(16,529)	367,217
RESULTS						
Segment results	2,671	18,547	(351)	20,867	(16,529)	4,338
Other income	5,331	661	(4)	5,988	(319)	5,669
						10,007
Finance costs	(2,095)	(4,065)	-	(6,160)	319	(5,841)
Profit before taxation						4,166
Taxation						1,261
Profit after taxation						5,427
ASSETS AND LIABILITIES						
Segment assets	247,949	357,932	67,731	673,612	(218,715)	454,897
Unallocated corporate assets						1,770
Consolidated total assets						456,667
Segment liabilities	132,995	222,840	55	355,890	(92,878)	263,012
Unallocated corporate liabilities						18,410
Consolidated total liabilities						281,422
OTHER INFORMATION						
Capital Expenditure	5,993	49,369	24,689	80,051	-	80,051
Depreciation and amortisation	2,005	10,883	-	12,888	-	12,888
Non-cash expenses other than depreciation	5,469	325	320	6,114	-	6,114

[The rest of this page has been intentionally left blank]

**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 material events subsequent to the end of the period under review up to the date of this announcement that have not been disclosed in this 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 2017 is as follows:

	RM'000
Approved and contracted for	<u>124,965</u>

15. Related Party Transactions

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

	Current Year-To-Date 30.09.2017 RM'000
Sales to holding company	215
Sales to related companies	5,221
Rental income from a related company	146
Rental payable to a related company	716
Interest payable to holding company	<u>678</u>

Nature of transaction	Identity	
Sales of trading inventories	Aik Joo Can Factory Sdn. Berhad ⁽ⁱ⁾	36
	F & B Nutrition Sdn. Bhd. ⁽ⁱⁱ⁾	5,330
	Canzo Sdn. Bhd. ⁽ⁱⁱⁱ⁾	15

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 2017 ("Q3, 2017") versus Third Quarter ended 30 September 2016 ("Q3, 2016")***

For Q3, 2017, the Group recorded a revenue of RM144.2 million, an increase of 16.6% from RM123.7 million in Q3, 2016. The increase in revenue was contributed by increase in sales in Malaysia and Vietnam from existing and new customers. The relative strengthening of Vietnam Dong ("VND") and USD against RM has also contributed to the increase in revenue.

Gross profit decreased from RM9.6 million in Q3, 2016 to RM9.1 million in Q3, 2017 due to the margin compression attributable to rising paper cost. Paper cost has risen more than 15% compared to Q3, 2016.

Consequently, the Group recorded a loss before tax of RM4.2 million in the current quarter, from a profit before tax of RM0.7 million in Q3, 2016. Apart from the lower gross profit, higher finance cost and pre-operating expenses incurred in Myanmar also contributed to the loss recorded in Q3, 2017.

Year-To-Date ended 30 September 2017 ("YTD 2017") versus Year-To-Date ended 30 September 2016 ("YTD 2016")

In YTD 2017, the Group's revenue was RM402.4 million, an increase from RM367.2 million recorded in YTD 2016. Higher revenue was contributed by footwear, and food and beverage segments in Malaysia and Vietnam.

Escalating paper cost and production cost had contributed to a lower gross profit of RM27.8 million in YTD 2017 as compared to RM34.4 million in YTD 2016. Cost of paper roll has increased by more than 20% as compared to YTD 2016.

As a result, a loss before tax of RM13.3 million was recorded in YTD 2017, compared to a profit before tax of RM4.2 million in YTD 2016. This was also contributed by higher finance cost and pre-operating expenses incurred for the Myanmar plant.

17. Material Change in Performance of Operating Segments for Q3, 2017 compared with Immediate Preceding Quarter Ended 30 June 2017 ("Q2, 2017")

	Current Quarter Ended 30.09.2017 RM'000	Immediate Preceding Quarter Ended 30.06.2017 RM'000	Changes %
Revenue	144,245	135,288	6.6%
Operating Loss	(4,061)	(4,281)	(5.1%)
Loss Before Interest and Tax	(1,807)	(1,608)	12.4%
Loss Before Tax	(4,187)	(3,874)	8.1%
Loss After Tax	(4,427)	(4,328)	2.3%
Loss attributable to:			
Owners of the company	(4,427)	(4,328)	2.3%

For the current quarter under review, the Group's net revenue increased to RM144.2 million from RM135.3 million in the immediate preceding quarter. Revenue increased in Malaysia due mainly to adjustment in selling price and higher demand from customers.

Gross profit reduced slightly from RM10.2 million in the immediate preceding quarter to RM9.1 million in Q3, 2017 due to higher paper cost.

**BOX-PAK (MALAYSIA) BHD. (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****17. Material Change in Performance of Operating Segments for Q3, 2017 compared with Immediate Preceding Quarter Ended 30 June 2017 ("Q2, 2017") (Cont'd)**

Consequently, the Group recorded a loss before taxation of RM4.2 million in Q3, 2017 from a loss of RM3.9 million in the immediate preceding quarter.

18. Commentary on Prospects

The main challenges faced by the Group in the current financial year is the sharp and continuous increase in paper cost (since the end of 2016) and the rising competition in Malaysia and Vietnam. Since the end of the previous financial year, average cost of the main paper materials used by the Group has increased by more than 20% and is expected to increase further.

Labour cost has also increased due to the revision in minimum wage rate in Malaysia (since July 2016) and Vietnam (since January 2017). The Vietnam government has in August 2017 announced further increase in minimum wage in Vietnam of approximately 6.5%-7.0%, effective 1 January 2018.

To address the challenges faced, the Group is in the process of upgrading its production facilities in Malaysia and implementing cost cutting initiatives to reduce production cost. The management is also actively negotiating with its key customers to share the burden of escalating cost.

The Group's investment in Myanmar is in progress but it is not expected to contribute to the Group's results in 2017. However, pre-operating cost will continue to be incurred.

The Board will continuously work towards improving the Group's results in the final quarter of 2017.

19. (Loss)/Profit Before Taxation

Included in (loss)/profit before taxation are the following items:

	Current Year Quarter Ended 30.09.2017 RM'000	Preceding Year Quarter Ended 30.09.2016 RM'000	Current Year-To-Date 30.09.2017 RM'000	Preceding Year-To-Date 30.09.2016 RM'000
Other (income)/expenses:-				
- Interest income	(632)	(230)	(1,376)	(686)
- Income distribution from short term funds	(10)	(55)	(21)	(55)
- (Gain)/Loss on derivatives	(1,464)	78	(5,119)	(4,423)
- Gain on disposal of assets	(5)	(41)	(8)	(58)
- Realised foreign exchange gain	-	-	-	-
- Others	(143)	(324)	(181)	(447)
	(2,254)	(572)	(6,705)	(5,669)
Interest expense	2,380	2,290	6,899	5,841
Depreciation and amortisation	5,042	4,826	16,042	12,888
Provision for waste disposal	60	60	180	180
Net foreign exchange loss/(gain)	1,388	(427)	4,205	5,039

**BOX-PAK (MALAYSIA) BHD. (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****20. Variance from Forecast Profit and shortfall in Profit Guarantee**

No profit forecast or guarantee was issued by the Group.

21. Taxation

	Current Year Quarter Ended 30.09.2017 RM'000	Preceding Year Quarter Ended 30.09.2016 RM'000	Current Year-To-Date 30.09.2017 RM'000	Preceding Year-To-Date 30.09.2016 RM'000
Income Tax				
- current year	(271)	(1,031)	(1,323)	(2,662)
Deferred taxation	31	3,627	94	3,923
	<u>(240)</u>	<u>2,596</u>	<u>(1,229)</u>	<u>1,261</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. Status of Corporate Proposals**Renounceable rights issue of new ordinary shares in Box-Pak (Malaysia) Bhd. together with free detachable warrants ("Rights Issue with Warrants")**

The Rights Issue with Warrants was completed on 21 March 2017. The status of the utilisation of proceeds from the Rights Issue with Warrants as at 30 September 2017, are summarised as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation to-date RM'000	Intended Timeframe (within)	Balanced to be utilised RM'000	%
Business expansion in Malaysia	24,000	7,450	24 months	16,550	14.60
Business venture in Myanmar	50,000	1,150	24 months	48,850	43.10
Repayment of short term borrowings and working capital	38,500	38,500	12 months	-	-
Expenses in relation to the corporate exercise [^]	900	900	1 month	-	-
	<u>113,400</u>	<u>48,000</u>		<u>65,400</u>	<u>57.70</u>

Note:

[^] The amount of RM867,000 had been utilised to pay for expenses in relation to the corporate exercise. The excess amount of RM33,000 was utilised for working capital purpose.

Save as disclosed above, there were no other corporate proposal announced as at the date of issue of this quarterly report.

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

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
Total retained earnings of the Group:		
- Realised	97,515	116,332
- Unrealised	(14,232)	(18,512)
	<hr/>	<hr/>
Consolidation adjustments	83,283 (4,000)	97,820 (4,000)
	<hr/>	<hr/>
Total Group retained earnings as per Consolidated Accounts	79,283	93,820

24. Material Litigations

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

25. Group Borrowings and Debt Securities

Total Group borrowings are as follows:

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
Current - unsecured		
- Revolving credit	34,100	37,000
- Trade facilities	73,428	58,622
- Term loans	10,431	10,982
	<hr/>	<hr/>
	117,959	106,604
Non-current - unsecured		
- Term loans	53,381	60,166
	<hr/>	<hr/>
	171,340	166,770

Borrowings which are denominated in foreign currencies are as follows:

Current - unsecured		
- Trade facilities (denominated in VND)	57,934	42,152
- Trade facilities (denominated in USD)	944	-
- Term loans (denominated in USD)	1,437	1,987
	<hr/>	<hr/>
Non-current - unsecured		
- Term loans (denominated in VND)	43,278	47,412
- Term loans (denominated in USD)	359	1,525
	<hr/>	<hr/>

The interest rates for the borrowings are as follows:

Term loans:		
- Fixed rates	3.50%	3.50%
- Floating rates	3.05% - 6.55%	2.45% - 6.55%
Trade facilities	1.97% - 6.50%	3.10% - 6.50%
Revolving credits	4.83%	4.69%

**BOX-PAK (MALAYSIA) BHD. (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****25. Group Borrowings and Debt Securities (Cont'd)**

Hedging activities on major borrowings

- (a) In 2012, the Group entered into a USD/RM cross currency swap contract with a financial institution to hedge the interest rate and foreign currency exposure in respect of a long term loan obtained in Malaysia and advanced to a foreign subsidiary. The outstanding balance of the said term loan amounted to RM18.74 million (2016: RM25.48 million).
- (b) No hedging was done on borrowings denominated in VND as the borrowings obtained by subsidiaries in Vietnam will be retired in the same currency.

26. Dividend

No dividend has been declared for the financial period under review.

27. (Loss)/Earnings Per Share**(a) Basic**

Basic (loss)/earnings per ordinary share for the financial period ended is calculated by dividing (loss)/profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period.

	Current Year Quarter Ended 30.09.2017	Preceding Year Quarter Ended 30.09.2016	Current Year-To-Date 30.09.2017	Preceding Year-To-Date 30.09.2016
(Loss)/Profit attributable to owners of the company (RM '000)	(4,427)	3,284	(14,537)	5,427
Weighted average number of ordinary shares in issue ('000)				
At beginning of the period	120,047	60,023	120,047	60,023
Effect on ordinary shares issued	-	-	-	-
At end of the period	120,047	60,023	120,047	60,023
Basic (loss)/earnings per share (sen)	(3.69)	5.47	(12.11)	9.04

(b) Diluted

For the financial period under review, the outstanding warrants does not have a dilutive effect to the (loss)/earnings per ordinary share as the average market price of ordinary shares as at the end of the reporting period was below the exercise price of the warrants.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 22 November 2017.

Batu Caves, Selangor Darul Ehsan
22 November 2017