

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

(Incorporated in Malaysia)

(Co. No. 21338-W)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the first quarter ended 31 March 2019**

(The figures have not been audited)

	Note	CUMULATIVE QUARTER		Changes %
		Current year Quarter Ended 31.03.2019 RM'000 Unaudited	Preceding year Quarter Ended 31.03.2018 RM'000 Audited	
Revenue		149,898	138,292	8.4
Cost of sales		(143,409)	(130,656)	(9.8)
Gross profit		<u>6,489</u>	<u>7,636</u>	(15.0)
Other income		1,177	2,166	(45.7)
Operating expenses		(10,392)	(12,955)	19.8
Finance costs		(3,415)	(2,396)	(42.5)
Loss Before Taxation	19	<u>(6,141)</u>	<u>(5,549)</u>	(10.7)
Taxation	21	(313)	(451)	30.6
Loss for the period		<u>(6,454)</u>	<u>(6,000)</u>	(7.6)
Other comprehensive loss, net of tax				
Fair value of cash flow hedge		(658)	-	(100.0)
Foreign currency translation differences for foreign operations		<u>(2,751)</u>	<u>(9,224)</u>	70.2
Other comprehensive loss for the period, net of tax		<u>(3,409)</u>	<u>(9,224)</u>	63.0
Total comprehensive loss for the period		<u>(9,863)</u>	<u>(15,224)</u>	35.2
Loss attributable to:				
Owners of the company		(6,454)	(6,000)	(7.6)
Total comprehensive loss attributable to:				
Owners of the company		(9,863)	(15,224)	35.2
Loss per share attributable to owners of the Company:				
Basic (sen)	26	(5.38)	(5.00)	(7.6)
Diluted (sen)	26	<u>(5.38)</u>	<u>(5.00)</u>	(7.6)

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 2018 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 31 March 2019**

	Note	As at 31.03.2019 RM'000 Unaudited	As at 31.12.2018 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant and equipment		335,353	332,585
Land use rights		41,099	41,977
Intangible assets		688	768
Deferred tax assets		205	205
Other assets		1,292	1,554
		<u>378,637</u>	<u>377,089</u>
Current Assets			
Inventories		80,168	93,106
Trade and other receivables		173,628	180,749
Other assets		443	1,052
Tax recoverable		2,391	2,391
Amount due from related companies		1,731	1,764
Cash and bank balances and short term funds		27,977	46,872
		<u>286,338</u>	<u>325,934</u>
TOTAL ASSETS		<u>664,975</u>	<u>703,023</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		167,363	167,363
Warrants reserves		6,056	6,056
Other reserves		10,013	13,422
Retained earnings		56,875	63,329
Total Equity		<u>240,307</u>	<u>250,170</u>
Non-Current Liabilities			
Retirement benefit obligation		1,295	1,266
Borrowings	23	105,404	107,153
Deferred tax liabilities		911	942
Amount due to related parties		20,391	20,391
Derivative financial instrument	24	918	440
		<u>128,919</u>	<u>130,192</u>
Current Liabilities			
Provisions		17	3
Borrowings	23	173,837	182,710
Amount due to related companies		1,878	1,442
Trade and other payables		117,693	135,465
Tax payable		232	225
Derivative financial instrument	24	2,092	2,816
		<u>295,749</u>	<u>322,661</u>
Total Liabilities		<u>424,668</u>	<u>452,853</u>
TOTAL EQUITY AND LIABILITIES		<u>664,975</u>	<u>703,023</u>
Net assets per share attributable to owners of the Company (RM)		2.00	2.08

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 first quarter ended 31 March 2019**

	Attributable to Owners of the Company				
	Non-distributable			Distributable	
	Share Capital	Warrants Reserves	Other Reserves	Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2019	167,363	6,056	13,422	63,329	250,170
Loss for the period	-	-	-	(6,454)	(6,454)
Cash flow hedge	-	-	(658)	-	(658)
Currency translation differences	-	-	(2,751)	-	(2,751)
Total comprehensive loss for the period	-	-	(3,409)	(6,454)	(9,863)
As at 31 March 2019	167,363	6,056	10,013	56,875	240,307
As at 1 January 2018	167,363	6,056	12,685	78,466	264,570
Issuance of shares	-	-	-	-	-
Loss for the period	-	-	-	(6,000)	(6,000)
Currency translation differences	-	-	(9,224)	-	(9,224)
Total comprehensive loss for the period	-	-	(9,224)	(6,000)	(15,224)
As at 31 March 2018	167,363	6,056	3,461	72,466	249,346

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 2018 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 first quarter ended 31 March 2019**

	Current year Quarter Ended 31.03.2019 RM'000 Unaudited	Preceding year Quarter Ended 31.03.2018 RM'000 Audited
Net cash generated from/(used in) operating activities		
Receipts from customers	157,314	148,682
Payments to suppliers	(151,245)	(146,873)
Cash generated from operations	<u>6,069</u>	<u>1,809</u>
Interest paid	(3,415)	(2,396)
Income tax paid	(336)	(540)
	<u>2,318</u>	<u>(1,127)</u>
Net cash used in investing activities		
Acquisition of:		
- Property, plant and equipment	(13,201)	(41,704)
- Intangible assets	-	(37)
Income distribution from short term funds	16	29
Inter-company receipt/(repayments)	509	(50)
Interest received	112	182
Net change in short term funds	1,000	(1,793)
Proceeds from disposal of property, plant and equipment	36	22
	<u>(11,528)</u>	<u>(43,351)</u>
Net cash (used in)/generated from financing activities		
Net (repayment)/drawdown in borrowings	(8,683)	7,190
	<u>(8,683)</u>	<u>7,190</u>
Net decrease in Cash and Cash Equivalents	(17,893)	(37,288)
Effect of Exchange Rate Changes	(2)	(808)
Cash and Cash Equivalents at 1 January	45,870	62,688
Cash and Cash Equivalents at 31 March	<u>27,975</u>	<u>24,592</u>
Cash and Cash Equivalents at 31 March comprised the following:		
Cash and bank balances	17,750	23,565
Deposits with licenced bank	10,225	1,027
Short-term funds	2	1,814
Cash and bank balances and short term funds	<u>27,977</u>	<u>26,406</u>
Less: Short-term funds	(2)	(1,814)
Cash and Cash Equivalents at 31 March	<u>27,975</u>	<u>24,592</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 2018 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 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 2018. 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 2018.

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 2018.

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 2019:

MFRS 16 *Leases*
IC Interpretation 23 *Uncertainty over Income Tax Treatments*
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*
Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*
Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*
Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*
Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

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:

Amendments to *References to the Conceptual Framework in MFRS Standards*
Amendments MFRS 3 *Definition of a Business*
Amendments MFRS 101 and MFRS 108 *Definition of Material*
MFRS 17 *Insurance Contracts*
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 on 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 2018 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 a material effect on the financial statements during the financial 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 financial period under review.

8. Dividends Paid

There were no dividends paid during the financial period under review.

9. Segmental Reporting

Segmental results for the quarter ended 31 March 2019 are as follows:

	Malaysia RM'000	Vietnam RM'000	Myanmar RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	46,198	102,969	731	-	149,898	-	149,898
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	46,198	102,969	731	-	149,898	-	149,898
RESULTS							
Segment results	(284)	295	(3,911)	(19)	(3,919)	16	(3,903)
Other income	1,408	218	89	1,097	2,812	(1,635)	1,177
							(2,726)
Finance costs	(1,439)	(2,151)	(1,019)	(441)	(5,050)	1,635	(3,415)
Loss before taxation							(6,141)
Taxation							(313)
Loss after taxation							(6,454)
ASSETS AND LIABILITIES							
Segment assets	358,653	407,401	153,180	167,533	1,086,767	(424,388)	662,379
Unallocated corporate assets							2,596
Consolidated total assets							664,975
Segment liabilities	154,087	267,539	110,284	82,596	614,506	(193,991)	420,515
Unallocated corporate liabilities							4,153
Consolidated total liabilities							424,668
OTHER INFORMATION							
Capital Expenditure	2,582	1,650	8,969	-	13,201		13,201
Depreciation and amortisation	1,348	4,047	1,226	-	6,621		6,621
Non-cash expenses other than depreciation	1,105	203	2	-	1,310		1,310

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

Segmental results for the quarter ended 31 March 2018 are as follows:

	Malaysia RM'000	Vietnam RM'000	Myanmar RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	37,627	100,665	-	-	138,292	-	138,292
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	37,627	100,665	-	-	138,292	-	138,292
RESULTS							
Segment results	(5,340)	524	(450)	(65)	(5,331)	12	(5,319)
Other income	2,357	405	-	109	2,871	(705)	2,166
							(3,153)
Finance costs	(1,182)	(1,814)	(92)	(1)	(3,089)	693	(2,396)
Profit before taxation							(5,549)
Taxation							(451)
Loss after taxation							(6,000)
ASSETS AND LIABILITIES							
Segment assets	363,667	379,812	89,310	82,303	915,092	(336,528)	578,564
Unallocated corporate assets							2,596
Consolidated total assets							581,160
Segment liabilities	152,281	255,319	62,960	995	471,555	(145,085)	326,470
Unallocated corporate liabilities							5,344
Consolidated total liabilities							331,814
OTHER INFORMATION							
Capital Expenditure	19,019	2,662	20,060	-	41,741	-	41,741
Depreciation and amortisation	976	3,847	122	-	4,945	-	4,945
Non-cash expenses other than depreciation	2,158	182	-	1	2,341	-	2,341

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**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 financial 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 financial 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 financial 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 2019 is as follows:

	RM'000
Approved and contracted for	18,840

15. Related Party Transactions

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

	Current year Quarter Ended 31.03.2019 RM'000
Sales to holding company	37
Sales to related companies	1,330
Rental income from a related company	49
Rental payable to a related company	479
Interest income from a related company	36
Interest payable to holding company	96
Interest payable to a related company	149

Nature of transaction**Identity**

Sales of trading inventories	Aik Joo Can Factory Sdn. Berhad ⁽ⁱ⁾	24
	F & B Nutrition Sdn. Bhd. ⁽ⁱⁱ⁾	3,484

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

- (a) common directorships held by the directors of the Group, Yeoh Jin Hoe and Chee Khay Leong; and/or
- (b) being subsidiaries of Can-One Berhad, which is the holding company of Can-One International Sdn. Bhd., the largest 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*****First Quarter Ended 31 March 2019 ("Q1, 2019") versus First Quarter Ended 31 March 2018 ("Q1, 2018")***

In Q1, 2019, the Group recorded a revenue of RM149.9 million, an increase of 8.4% from RM138.3 million in Q1, 2018. The increase in revenue was mainly contributed by increased sales quantity and a higher average selling price. This increase in revenue was recorded by both Malaysia and Vietnam operations. The Group's Myanmar subsidiary commenced operations during the current quarter and contributed a revenue of RM0.7 million.

Gross profit decreased from RM7.6 million in Q1, 2018 to RM6.5 million in Q1, 2019. This was mainly attributable to a reduction in gross profit margin from the Group's Vietnam operations and gross loss incurred by the Myanmar subsidiary.

Consequently, the Group recorded a loss before taxation of RM6.1 million in Q1, 2019, compared to RM5.5 million in Q1, 2018. The Group incurred an initial operating loss of RM4.8 million in Myanmar during the quarter.

17. Material Change in Performance of Operating Segments for Q1, 2019 compared with Immediate Preceding Quarter Ended 31 December 2018 ("Q4, 2018")

	Current Quarter Ended 31.03.2019 RM'000	Immediate Preceding Quarter Ended 31.12.2018 RM'000	Changes %
Revenue	149,898	172,601	(13.2)
Operating Loss	(3,903)	(3,850)	(1.4)
Loss Before Interest and Taxation	(2,726)	(3,034)	10.2
Loss Before Taxation	(6,141)	(6,052)	(1.5)
Loss After Taxation	<u>(6,454)</u>	<u>(8,366)</u>	22.9
Loss attributable to:			
Owners of the company	<u>(6,454)</u>	<u>(8,366)</u>	22.9

For the current quarter under review, the Group's net revenue decreased to RM149.9 million from RM172.6 million in the immediate preceding quarter. The decrease in revenue was mainly attributable to the Vietnam operations, which recorded lower sales after the Vietnamese new year celebrations.

Consequently, the Group's gross profit decreased from RM12.7 million in the immediate preceding quarter to RM6.5 million in Q1, 2019.

Consequently, the Group recorded a loss before taxation of RM6.1 million in Q1, 2019, which is relatively unchanged from the loss recorded in the immediate preceding quarter.

18. Commentary on Prospects

The Group operates in a very competitive industry. On the local front, the Group's results have been showing signs of improvement, with revenue growing and paper cost easing. The Group's Vietnam operations is however still facing stiff competition in the market.

The exchange rate of United States Dollar ("USD") against RM has been volatile, and this poses a risk to the Group, as it purchases its imported raw materials mainly in USD. A strengthened USD against RM would mean higher imported raw material costs for the Malaysia operations.

**BOX-PAK (MALAYSIA) BHD. (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****18. Commentary on Prospects (cont'd)**

The Malaysian Government had increased the minimum wage by 10%, from RM1,000 to RM1,100 per month with effect from 1 January 2019. The Vietnam's National Wage Council simultaneously increased the minimum wage by 5.03%. These would add additional cost pressure to the Group.

The new plant in Myanmar commenced operation in the first quarter of 2019. Since this is a greenfield project, the Group can only anticipate positive contribution from this plant in 4 to 5 years upon commencement of operation.

The Board of Directors ("Board") remains optimistic that the results would improve in 2019.

19. Loss Before Taxation

Included in loss before taxation are the following items:

	Current Year Quarter Ended 31.03.2019 RM'000	Preceding Year Quarter Ended 31.03.2018 RM'000
Other (income)/expenses:		
- Interest income	(112)	(182)
- Income distribution from short term funds	(16)	(29)
- Gain on disposal of property, plant and equipment	(36)	(22)
- Gain on derivatives	(895)	(1,801)
- Reversal of write-down of inventories	-	(79)
- Others	(118)	(53)
	(1,177)	(2,166)
Interest expense	3,415	2,396
Depreciation and amortisation	6,621	4,945
Provision for waste disposal	60	60
Net foreign exchange (gain)/loss	(110)	1,318
Write-off of inventories	-	67
Write-off of property, plant and equipment	184	184

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 31.03.2019 RM'000	Preceding Year Quarter Ended 31.03.2018 RM'000
Income Tax		
- current year	313	-
- prior year	-	481
Deferred taxation	-	(30)
	313	451

The Group recorded taxation expenses despite losses in the absence of group relief.

**BOX-PAK (MALAYSIA) BHD. (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****22. Material Litigations**

There was no pending material litigation against the Group for the financial period under review.

23. Group Borrowings and Debt Securities

Total Group borrowings are as follows:

	As at 31.03.2019 RM'000	As at 31.12.2018 RM'000
Current - unsecured		
- Revolving credit	42,275	44,400
- Trade facilities	116,998	119,358
- Term loans	14,564	18,952
	<hr/>	<hr/>
	173,837	182,710
Non-current - unsecured		
- Term loans	105,404	107,153
	<hr/>	<hr/>
	279,241	289,863

Borrowings which are denominated in foreign currencies are as follows:

Current - unsecured		
- Trade facilities (denominated in VND)	88,732	92,761
- Trade facilities (denominated in USD)	1,738	804
- Term loans (denominated in VND)	5,850	7,933
- Term loans (denominated in USD)	3,467	3,542
	<hr/>	<hr/>
Non-current - unsecured		
- Term loans (denominated in VND)	27,301	27,766
- Term loans (denominated in USD)	78,103	79,386
	<hr/>	<hr/>

The interest rates for the borrowings are as follows:

Term loans:		
- Fixed rates	3.50%	3.50%
- Floating rates	3.68% - 7.80%	3.64% - 7.80%
Trade facilities	3.24% - 6.24%	3.09% - 6.66%
Revolving credits	4.75% - 5.00%	4.75% - 5.00%

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 RM5.2 million (2018: RM7.5 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.
- (c) In 2018, the Group entered into an interest rate swap contract with a financial institution to hedge the interest rate exposure in respect of a long-term loan denominated in USD. The outstanding balance of the said term loan amounted to RM81.6 million.

**BOX-PAK (MALAYSIA) BHD. (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****24. Derivative financial instrument****(a) Disclosure of derivative**

As at 31 March 2019, the Group had:

- i. forward foreign exchange contracts to hedge against USD/RM exchange rate fluctuations on certain payable balances and forecast transactions.
- ii. an interest rate swap contract with a financial institution to hedge the interest rate exposure in respect of a long-term loan denominated in USD.

The fair value of the derivatives are determined by using mark-to-market values at the end of the reporting date and changes in the fair value are recognised in profit or loss.

Details of derivative financial instrument outstanding as at 31 March 2019 are set out below:

Type of derivative	Contract/ Notional amount RM'000	Fair value Assets/ (Liabilities) RM'000
Non-hedging derivatives:		
Cross currency swap contract		
- Less than one (1) year	5,247	(1,784)
Foreign exchange contracts		
- Less than one (1) year	1,737	(2)
Hedging derivatives:		
Interest swap contract		
- Less than one (1) year	20,393	(306)
- One year (1) to three (3) years	61,177	(918)
		<u>(3,010)</u>

There have been no changes since the end of the previous financial year ended 31 December 2018 in respect of the following:

- i. the market risk, credit risk and liquidity risk associated with the derivatives;
- ii. the cash requirements of the derivatives;
- iii. the policies in place for mitigating or controlling the risks associated with the derivatives; and
- iv. the related accounting policies.

(b) Disclosure of gains/losses arising from fair value changes of financial instruments

The fair value of financial instruments decreased by RM0.3 million, from RM3.3 million as at 31 December 2018 to RM3.0 million as at 31 March 2019 due mainly to change in USD/RM exchange rate and interest rate.

25. Dividend

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

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

26. Loss Per Share**(a) Basic**

Basic loss per ordinary share for the financial period ended is calculated by dividing loss 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 31.03.2019	Preceding Year Quarter Ended 31.03.2018
Loss attributable to owners of the Company (RM '000)	<u>(6,454)</u>	<u>(6,000)</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,047</u>	<u>120,047</u>
Basic loss per share (sen)	<u>(5.38)</u>	<u>(5.00)</u>

(b) Diluted

For the financial period under review, the outstanding warrants did not have a dilutive effect to the loss 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.

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 21 May 2019.

Batu Caves, Selangor Darul Ehsan
21 May 2019