



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 and year-to-date ended 30 September 2019

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		Current Year	Preceding Year	Changes	Financial	Financial	Changes
		Quarter	Quarter		Year-To-Date	Year-To-Date	
		Ended	Ended	Ended	Ended		
		30.09.2019	30.09.2018	%	30.09.2019	30.09.2018	%
		RM'000	RM'000		RM'000	RM'000	
		Unaudited	Unaudited		Unaudited	Audited	
Revenue		169,812	167,642	1.3	477,369	454,762	5.0
Cost of sales		(153,445)	(152,250)	(0.8)	(445,893)	(420,405)	(6.1)
Gross profit		16,367	15,392	6.3	31,476	34,357	(8.4)
Other income		833	460	81.1	2,950	3,274	(9.9)
Operating expenses		(12,432)	(12,215)	(1.8)	(36,102)	(36,782)	1.8
Finance costs		(3,805)	(2,601)	(46.3)	(10,974)	(8,209)	(33.7)
Profit/(Loss) Before Taxation	19	963	1,036	7.0	(12,650)	(7,360)	(71.9)
Taxation	21	(515)	159	(423.9)	(769)	844	(191.1)
Profit/(Loss) for the period		448	1,195	62.5	(13,419)	(6,516)	(105.9)
Other comprehensive (loss)/income, net of tax							
Fair value of cash flow hedge		(175)	-	(100.0)	(1,930)	-	(100.0)
Foreign currency translation differences for foreign operations		2,361	2,806	(15.9)	1,102	560	(96.8)
Other comprehensive income/(loss) for the period, net of tax		2,186	2,806	(22.1)	(828)	560	247.9
Total comprehensive income/(loss) for the period		2,634	4,001	(34.2)	(14,247)	(5,956)	(139.2)
Profit/(Loss) attributable to:							
Owners of the company		448	1,195	62.5	(13,419)	(6,516)	(105.9)
Total comprehensive income/(loss) attributable to:							
Owners of the company		2,634	4,001	(34.2)	(14,247)	(5,956)	(139.2)
Earnings/(Loss) per share attributable to owners of the company:							
Basic (sen)		0.37	1.00	63.0	(11.18)	(5.43)	(105.9)
Diluted (sen)		0.37	1.00	63.0	(11.18)	(5.43)	(105.9)

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)

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**Condensed Consolidated Statement of Financial Position
As at 30 September 2019**

	Note	As at 30.09.2019 RM'000 Unaudited	As at 31.12.2018 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant & equipment		332,450	332,585
Land use rights		41,033	41,977
Intangible assets		1,192	768
Deferred tax assets		239	205
Other assets		901	1,554
		<u>375,815</u>	<u>377,089</u>
Current Assets			
Inventories		69,037	93,106
Trade and other receivables		166,746	180,749
Other assets		544	1,052
Tax recoverable		2,094	2,391
Amount due from related companies		44	1,764
Cash and bank balances and short term funds		34,534	46,872
		<u>272,999</u>	<u>325,934</u>
TOTAL ASSETS		<u><u>648,814</u></u>	<u><u>703,023</u></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		12,594	13,422
Retained earnings		49,910	63,329
Total Equity		<u>235,923</u>	<u>250,170</u>
Non-Current Liabilities			
Retirement benefit obligation		1,354	1,266
Borrowings	24	108,102	107,153
Deferred tax liabilities		883	942
Amount due to related companies		20,391	20,391
Derivative financial instrument	25	1,794	440
		<u>132,524</u>	<u>130,192</u>
Current Liabilities			
Provisions		53	3
Borrowings	24	150,748	182,710
Amount due to related companies		7,093	1,442
Trade and other payables		121,042	135,465
Tax payable		433	225
Derivative financial instrument	25	998	2,816
		<u>280,367</u>	<u>322,661</u>
Total Liabilities		<u>412,891</u>	<u>452,853</u>
TOTAL EQUITY AND LIABILITIES		<u><u>648,814</u></u>	<u><u>703,023</u></u>
Net assets per share attributable to owners of the Company (RM)		1.97	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 three quarters ended 30 September 2019**

	Attributable to Owners of the Company				
	Non-distributable			Distributable	
	Share Capital RM'000	Warrants Reserves RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000
As at 1 January 2019	167,363	6,056	13,422	63,329	250,170
Loss for the financial year	-	-	-	(13,419)	(13,419)
Cash flow hedge	-	-	(1,930)	-	(1,930)
Currency translation differences	-	-	1,102	-	1,102
Total comprehensive loss for the financial year	-	-	(828)	(13,419)	(14,247)
As at 30 September 2019	167,363	6,056	12,594	49,910	235,923
As at 1 January 2018	167,363	6,056	12,685	78,466	264,570
Loss for the financial year	-	-	-	(6,516)	(6,516)
Currency translation differences	-	-	560	-	560
Total comprehensive income/(loss) for the financial year	-	-	560	(6,516)	(5,956)
As at 30 September 2018	167,363	6,056	13,245	71,950	258,614

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 three quarters ended 30 September 2019**

	Current Year-To-Date Ended 30.09.2019 RM'000 Unaudited	Preceding Year-To-Date Ended 30.09.2018 RM'000 Audited
Net cash generated from/(used in) operating activities		
Receipts from customers	492,128	421,826
Payments to suppliers	(450,791)	(434,781)
Cash generated from/(used in) operations	41,337	(12,955)
Interest paid	(10,974)	(8,209)
Income tax paid	(357)	(1,434)
	<u>30,006</u>	<u>(22,598)</u>
Net cash used in investing activities		
Acquisition of property, plant and equipment		
- Property, plant and equipment	(16,992)	(90,729)
- Intangible assets	(991)	(65)
Income distribution from short term funds	27	69
Net change in short term funds	1,001	17
Interest received	242	645
Proceeds from disposal of property, plant and equipment	36	102
	<u>(16,677)</u>	<u>(89,961)</u>
Net cash (used in)/generated from financing activities		
Net (repayment)/drawdown in borrowings	(32,041)	95,650
Inter-company receipts/(repayments)	7,413	(10,338)
	<u>(24,628)</u>	<u>85,312</u>
Net decrease in Cash and Cash Equivalents	(11,299)	(27,247)
Effect of Exchange Rate Changes	(38)	3,555
Cash and Cash Equivalents at 1 January	45,870	62,688
Cash and Cash Equivalents at 30 September	<u>34,533</u>	<u>38,996</u>
Cash and Cash Equivalents at 30 September comprised the following:		
Cash and bank balances	26,732	12,663
Deposits with licensed bank	7,801	26,333
Short-term funds	1	4
Cash and bank balances and short term funds	34,534	39,000
Less: Short-term funds	(1)	(4)
Cash and Cash Equivalents at 30 September	<u>34,533</u>	<u>38,996</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 which are 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 MFRS, Amendments and IC Interpretation 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 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 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 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 financial period ended 30 September 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	133,777	338,962	4,630	-	477,369	-	477,369
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	133,777	338,962	4,630	-	477,369	-	477,369
RESULTS							
Segment results	(2,221)	7,014	(9,400)	(19)	(4,626)	-	(4,626)
Other income	3,640	752	157	3,290	7,839	(4,889)	2,950
							(1,676)
Finance costs	(4,042)	(6,665)	(3,135)	(2,036)	(15,878)	4,904	(10,974)
Loss before taxation							(12,650)
Taxation	67	(508)	(12,379)	906	(11,914)	-	(769)
Loss after taxation							(13,419)
ASSETS AND LIABILITIES							
Segment assets	329,630	412,839	151,727	170,953	1,065,149	(418,668)	646,481
Unallocated corporate assets							2,333
Consolidated total assets							648,814
Segment liabilities	128,709	268,289	114,410	85,645	597,053	(188,270)	408,783
Unallocated corporate liabilities							4,108
Consolidated total liabilities							412,891
OTHER INFORMATION							
Capital Expenditure	3,147	3,866	10,970	-	17,983	-	17,983
Depreciation and amortisation	4,119	12,397	4,318	-	20,834	-	20,834
Non-cash expenses other than depreciation	4,745	355	11	1	5,112	-	5,112



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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. Segmental Reporting (Cont'd)

Segmental results for the financial period ended 30 September 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	120,130	334,632	-	-	454,762	-	454,762
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	120,130	334,632	-	-	454,762	-	454,762
RESULTS							
Segment results	(5,911)	5,455	(1,942)	(62)	(2,460)	35	(2,425)
Other income	3,577	852	78	1,696	6,203	(2,929)	3,274
							849
Finance costs	(3,923)	(5,661)	(1,167)	(1,133)	(11,884)	3,675	(8,209)
Loss before taxation							(7,360)
Taxation							844
Loss after taxation							(6,516)
ASSETS AND LIABILITIES							
Segment assets	367,436	435,566	129,541	167,640	1,100,183	(408,291)	691,892
Unallocated corporate assets							4,482
Consolidated total assets							696,374
Segment liabilities	158,846	289,987	79,138	84,149	612,120	(179,038)	433,082
Unallocated corporate liabilities							4,678
Consolidated total liabilities							437,760
OTHER INFORMATION							
Capital Expenditure	27,506	6,658	56,630	-	90,794	-	90,794
Depreciation and amortisation	3,710	12,019	105	-	15,834	-	15,834
Non-cash expenses other than depreciation	1,858	510	2	-	2,370	-	2,370

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**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 30 September 2019 is as follows:

	RM'000
Approved and contracted for	<u><u>1,018</u></u>

15. Related Party Transactions

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

	Current Year-To-Date Ended 30.09.2019 RM'000
Sales to holding company	189
Sales to related companies	12,579
Rental income from a related company	146
Rental payable to a related company	1,436
Interest income to a related company	36
Interest payable to holding company	96
Interest payable to related companies	<u><u>615</u></u>

Nature of transaction**Identity**

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

Kian Joo Can Factory Berhad became a subsidiary of Can-One Berhad on 18 March 2019. Prior to that, transactions with the parties (i) and (ii) were recognised as related parties transactions by virtue of:

- (a) common directorships held by 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., a major shareholder of the immediate holding company of the Company, 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 2019 ("Q3, 2019") versus Third Quarter ended 30 September 2018 ("Q3, 2018")***

In Q3, 2019, the Group recorded a revenue of RM169.8 million, an increase of 1.3% from RM167.6 million in Q3, 2018. The increase was mainly contributed by the Group's subsidiary in Myanmar, which contributed a revenue of RM2.1 million for the quarter under review.

Gross profit increased from RM15.4 million in Q3, 2018 to RM16.4 million in Q3, 2019. This was mainly attributable to lower paper cost in Malaysia and Vietnam operations offset by gross loss incurred by the Myanmar subsidiary.

The Group recorded a profit before taxation of RM1.0 million in Q3, 2019. Higher profit was recorded in the Malaysia and Vietnam plants. However, this was offset by initial loss in Myanmar of RM4.1 million.

Year-To-Date ended 30 September 2019 ("YTD 2019") versus Year-To-Date ended 30 September 2018 ("YTD 2018")

In YTD 2019, the Group's revenue was RM477.4 million, an increase from RM454.8 million recorded in YTD 2018. Higher revenue in the current period was contributed by increased sales volume in Malaysia, Vietnam and Myanmar.

Gross profit decreased from RM34.4 million in YTD 2018 to RM31.5 million in YTD 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 in its first year of operations.

The Group recorded a loss before taxation of RM12.7 million in YTD 2019 compared to RM7.4 million in YTD 2018. This was contributed by the aforesaid reason, initial operating loss of RM12.4 million in Myanmar.

17. Material Change in Performance of Operating Segments for Q3, 2019 compared with Immediate Preceding Quarter Ended 30 June 2019 ("Q2, 2019")

	Current Year Quarter Ended 30.09.2019 RM'000	Immediate Preceding Quarter Ended 30.06.2019 RM'000	Changes %
Revenue	169,812	157,659	7.7
Operating Profit/(Loss)	3,935	(4,658)	(184.5)
Profit/(Loss) Before Interest and Tax	4,768	(3,718)	(228.2)
Profit/(Loss) Before Taxation	963	(7,472)	(112.9)
Profit/(Loss) After Taxation	448	(7,413)	(106.0)
Profit/(Loss) attributable to:			
Owners of the company	448	(7,413)	(106.0)

**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, 2019 compared with Immediate Preceding Quarter Ended 30 June 2019 ("Q2, 2019") (Cont'd)**

For the current quarter under review, the Group's net revenue increased to RM169.8 million from RM157.7 million in the immediate preceding quarter. The increase was mainly contributed by increase in sales volume in Vietnam.

The Group's gross profit improved from RM8.6 million in the immediate preceding quarter to RM16.4 million in Q3, 2019. This was due mainly to higher sales in Vietnam and higher profit margin recorded in Malaysia.

The Group recorded a profit before taxation of RM1.0 million in Q3, 2019, compared to a loss before taxation of RM7.5 million in Q2, 2019. This was due mainly to higher gross profit as stated above. Loss before taxation recorded in Q2, 2019 was partially contributed by impairment loss on receivables amounting to RM2.4 million.

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 stabilising.

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.

Results from Vietnam operations is also expected to improve in the final quarter of 2019.

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 in addressing the challenges faced by the Group in the final quarter of 2019.

19. Profit/(Loss) Before Taxation

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

	Current Year Quarter Ended 30.09.2019 RM'000	Preceding Year Quarter Ended 30.09.2018 RM'000	Current Year-To-Date Ended 30.09.2019 RM'000	Preceding Year-To-Date Ended 30.09.2018 RM'000
Other (income)/expenses:				
- Interest income	(61)	-	(242)	(645)
- Income distribution from short term funds	(6)	(19)	(27)	(69)
- Gain on derivatives	(798)	(390)	(2,400)	(2,164)
- Gain on disposal of property, plant and equipment	-	(28)	(82)	(246)
- Reversal of write-down of inventories	-	133	-	-
- Others	32	(156)	(199)	(150)
	(833)	(460)	(2,950)	(3,274)

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

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

	Current Year Quarter Ended 30.09.2019 RM'000	Preceding Year Quarter Ended 30.09.2018 RM'000	Current Year-To-Date Ended 30.09.2019 RM'000	Preceding Year-To-Date Ended 30.09.2018 RM'000
Interest expense	3,805	2,601	10,974	8,209
Depreciation and amortisation	7,074	5,486	20,834	15,834
Provision for waste disposal	60	60	180	180
(Reversal)/Impairment loss on doubtful debts	(82)	-	2,288	-
Net foreign exchange loss	745	635	1,500	1,479
Write off of:				
- inventories	118	127	137	244
- property, plant and equipment	-	1	-	189

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 30.09.2019 RM'000	Preceding Year Quarter Ended 30.09.2018 RM'000	Current Year-To-Date Ended 30.09.2019 RM'000	Preceding Year-To-Date Ended 30.09.2018 RM'000
Income Tax				
- current year	(594)	189	(859)	(175)
- prior year	(3)	-	(3)	(481)
Deferred taxation	82	(30)	93	1,500
	<u>(515)</u>	<u>159</u>	<u>(769)</u>	<u>844</u>

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

22. Status of Corporate Proposals

There was no corporate proposal announced but not completed as at the date of the issue of this quarterly report.

23. Material Litigations

There was no pending material litigation against the Group as at the end of 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****24. Group Borrowings and Debt Securities**

Total Group borrowings are as follows:

	As at 30.09.2019 RM'000	As at 31.12.2018 RM'000
Current - unsecured		
- Revolving credit	35,450	44,400
- Trade facilities	108,995	119,358
- Term loans	6,303	18,952
	<hr/> 150,748	<hr/> 182,710
Non-current - unsecured		
- Term loans	108,102	107,153
	<hr/> 258,850	<hr/> 289,863

Borrowings which are denominated in foreign currencies are as follows:

Current - unsecured		
- Trade facilities (denominated in Vietnam Dong ("VND"))	82,297	92,761
- Trade facilities (denominated in USD)	3,365	804
- Term loans (denominated in VND)	1,994	7,933
- Term loans (denominated in USD)	3,559	3,524
	<hr/> 27,221	<hr/> 104,022
Non-current - unsecured		
- Term loans (denominated in VND)	27,921	2,776
- Term loans (denominated in USD)	80,181	79,386
	<hr/> 108,102	<hr/> 82,162

The interest rates for the borrowings are as follows:

Term loans:		
- Fixed rates	3.50%	3.50%
- Floating rates	3.12% - 6.10%	3.64% - 7.80%
Trade facilities	2.51% - 7.06%	3.09% - 6.66%
Revolving credits	4.56% - 4.80%	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 RM0.7 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 RM83.7 million.

**BOX-PAK (MALAYSIA) BHD. (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****25. Derivative financial instrument****(a) Disclosure of derivative**

As at 30 September 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.

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 30 September 2019 are set out below:

Type of derivatives	Contract/ Notional amount RM'000	Fair value Assets/ (Liabilities) RM'000
Non-hedging derivatives:		
Cross currency swap contract		
- Less than one (1) year	750	(280)
Hedging derivatives:		
Interest swap contract		
- Less than one (1) year	23,935	(718)
- One (1) year to three (3) years	59,805	(1,794)
		<u>(2,792)</u>

There have been no significant 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 increased by RM0.5 million, from RM3.3 million as at 31 December 2018 to RM2.8 million as at 30 September 2019 due mainly to change in USD/RM exchange rate and interest rate.

**BOX-PAK (MALAYSIA) BHD. (21338-W)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****26. Dividend**

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

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

Basic profit/(loss) per ordinary share for the financial period ended is calculated by dividing profit/(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 30.09.2019	Preceding Year Quarter Ended 30.09.2018	Current Year-To-Date Ended 30.09.2019	Preceding Year-To-Date Ended 30.09.2018
Profit/(Loss) attributable to owners of the Company (RM '000)	448	1,195	(13,419)	(6,516)
Weighted average number of ordinary shares in issue ('000)	120,047	120,047	120,047	120,047
Basic profit/(loss) per share (sen)	0.37	1.00	(11.18)	(5.43)

(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.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Board passed on 20 November 2019.

Batu Caves, Selangor Darul Ehsan
20 November 2019