



BOX-PAK (MALAYSIA) BHD.

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the second quarter and year-to-date ended 30 June 2021**

(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	%		
		30.6.2021	30.6.2020		30.6.2021	30.6.2020	
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue		181,904	142,770	27.4	364,423	289,894	25.7
Cost of sales		(165,618)	(128,321)	(29.1)	(328,831)	(261,254)	(25.9)
Gross profit		16,286	14,449	12.7	35,592	28,640	24.3
Other (expenses)/income		(144)	640	(122.5)	257	814	(68.4)
Operating expenses		(12,732)	(11,221)	(13.5)	(25,591)	(22,564)	(13.4)
Finance costs		(2,785)	(3,104)	10.3	(5,010)	(5,996)	16.4
Profit Before Taxation	19	625	764	18.2	5,248	894	(487.0)
Taxation	21	(505)	(616)	(18.0)	(1,457)	(1,110)	31.3
Profit/(Loss) for the period		120	148	18.9	3,791	(216)	1,855.1
Other comprehensive income/(loss), net of tax							
Fair value of cash flow hedge		367	(65)	664.6	760	(2,009)	(137.8)
Foreign currency translation differences for foreign operations		76	1,251	(93.9)	5,420	6,964	22.2
Other comprehensive income for the period, net of tax		443	1,186	(62.6)	6,180	4,955	(24.7)
Total comprehensive income for the period		563	1,334	(57.8)	9,971	4,739	(110.4)
Profit/(Loss) attributable to:							
Owners of the company		120	148	18.9	3,791	(216)	1,855.1
Total comprehensive income attributable to:							
Owners of the company		563	1,334	(57.8)	9,971	4,739	(110.4)
Profit/(Loss) per share attributable to owners of the company:							
Basic (sen)		0.10	0.12	16.7	3.16	(0.18)	1,855.6
Diluted (sen)		0.10	0.12	16.7	3.16	(0.18)	1,855.6

The above Unaudited 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 2020 and the accompanying explanatory notes attached to the interim financial statements

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

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Condensed Consolidated Statement of Financial Position
As at 30 June 2021**

	Note	As at 30.6.2021 RM'000 Unaudited	As at 31.12.2020 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant and equipment		288,955	285,829
Right-of-use assets		63,252	62,290
Intangible assets		1,326	622
Deferred tax assets		205	205
Other assets		639	784
		<u>354,377</u>	<u>349,730</u>
Current Assets			
Inventories		125,914	71,108
Trade and other receivables		177,265	157,176
Other assets		3,372	1,861
Tax recoverable		7	10
Cash and bank balances and short term funds		34,741	44,264
		<u>341,299</u>	<u>274,419</u>
TOTAL ASSETS		<u><u>695,676</u></u>	<u><u>624,149</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		12,203	6,023
Retained earnings		68,623	64,832
Total Equity		<u>254,245</u>	<u>244,274</u>
Non-Current Liabilities			
Retirement benefit obligation		1,183	1,132
Borrowings	24	56,185	61,177
Lease liabilities		3,024	2,539
Deferred tax liabilities		830	845
Amount due to related companies		30,199	21,357
Derivative financial instrument	25	1,711	1,676
		<u>93,132</u>	<u>88,726</u>
Current Liabilities			
Provisions		38	9
Borrowings	24	196,524	142,243
Lease liabilities		4,312	4,469
Trade and other payables		146,435	141,715
Tax payable		444	1,372
Derivative financial instrument	25	546	1,341
		<u>348,299</u>	<u>291,149</u>
Total Liabilities		<u>441,431</u>	<u>379,875</u>
TOTAL EQUITY AND LIABILITIES		<u><u>695,676</u></u>	<u><u>624,149</u></u>
Net assets per share attributable to owners of the Company (RM)		<u><u>2.12</u></u>	<u><u>2.03</u></u>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements



BOX-PAK (MALAYSIA) BHD.
(Incorporated in Malaysia)
[Registration No. 197401004216 (21338-W)]

**Unaudited Condensed Consolidated Statement of Changes in Equity
For the second quarter ended 30 June 2021**

	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 2021	167,363	6,056	6,023	64,832	244,274
Profit for the financial period	-	-	-	3,791	3,791
Cash flow hedge	-	-	760	-	760
Currency translation differences	-	-	5,420	-	5,420
Total comprehensive income for the financial period	-	-	6,180	3,791	9,971
As at 30 June 2021	167,363	6,056	12,203	68,623	254,245
As at 1 January 2020	167,363	6,056	10,120	52,674	236,213
Loss for the financial period	-	-	-	(216)	(216)
Cash flow hedge	-	-	(2,009)	-	(2,009)
Currency translation differences	-	-	6,964	-	6,964
Total comprehensive income/(loss) for the financial period	-	-	4,955	(216)	4,739
As at 30 June 2020	167,363	6,056	15,075	52,458	240,952

The above Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements

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

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Unaudited Condensed Consolidated Statement of Cash Flows
For the second quarter ended 30 June 2021**

	Current Year-to-Date Ended 30.6.2021 RM'000	Preceding Year-to-Date Ended 30.6.2020 RM'000
Net cash (used in)/generated from operating activities		
Receipts from customers	344,482	303,689
Payments to suppliers	(366,905)	(277,663)
Cash (used in)/generated from operations	(22,423)	26,026
Interest paid	(4,874)	(5,859)
Income tax paid	(2,443)	(1,866)
Income tax refunded	-	233
	<u>(29,740)</u>	<u>18,534</u>
Net cash used in investing activities		
Acquisition of property, plant and equipment		
- Property, plant and equipment	(10,530)	(6,606)
- Intangible assets	(1,003)	(9)
Income distribution from short term funds	90	88
Net change in short term funds	8,217	(2,301)
Interest received	13	32
Proceeds from disposal of property, plant and equipment	410	105
	<u>(2,803)</u>	<u>(8,691)</u>
Net cash from/(used in) financing activities		
Net drawdown/(repayment) in borrowings	46,497	(11,428)
Inter-company (repayments)/receipts	(12,345)	10,041
Payment on lease liabilities	(2,240)	(1,893)
Interest on lease liabilities	(135)	(137)
	<u>31,777</u>	<u>(3,417)</u>
Net (decrease)/increase in Cash and Cash Equivalents	(766)	6,426
Effect of Exchange Rate Changes	(540)	(727)
Cash and Cash Equivalents at 1 January	30,380	22,896
Cash and Cash Equivalents at 30 June	<u>29,074</u>	<u>28,595</u>
Cash and Cash Equivalents at 30 June comprised the following:		
Cash and bank balances	28,866	28,595
Deposits with licensed bank	208	-
Short-term funds	5,667	6,540
Cash and bank balances and short term funds	<u>34,741</u>	<u>35,135</u>
Less: Short-term funds	(5,667)	(6,540)
Cash and Cash Equivalents at 30 June	<u>29,074</u>	<u>28,595</u>

The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2020. 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 2020.

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 2020.

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 2021:

Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

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:

Annual Improvements to MFRS Standards 2018 - 2020

Amendments to MFRS 3 *Reference to the Conceptual Framework*

Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*

Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*

MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts*

Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*)

Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*)

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 2020 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. [Registration No. 197401004216 (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 financial period ended 30 June 2021 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	100,583	254,409	9,431	-	364,423	-	364,423
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	100,583	254,409	9,431	-	364,423	-	364,423
RESULTS							
Segment results	2,959	10,525	(4,442)	(159)	8,883	1,118	10,001
Other income	1,313	656	2	2,010	3,981	(3,724)	257
							10,258
Finance costs	(1,629)	(2,621)	(1,809)	(1,557)	(7,616)	2,606	(5,010)
Profit before taxation							5,248
Taxation							(1,457)
Profit after taxation							3,791
ASSETS AND LIABILITIES							
Segment assets	359,523	468,930	142,752	180,442	1,151,647	(456,183)	695,464
Unallocated corporate assets							212
Consolidated total assets							695,676
Segment liabilities	147,746	255,752	132,001	92,989	628,488	(190,588)	437,900
Unallocated corporate liabilities							3,531
Consolidated total liabilities							441,431
OTHER INFORMATION							
Capital Expenditure	5,036	8,449	735	-	14,220	-	14,220
Depreciation and amortisation	4,634	10,198	2,553	-	17,385	-	17,385
Non-cash expenses other than depreciation	579	508	929	3	2,019	-	2,019



BOX-PAK (MALAYSIA) BHD. [Registration No. 197401004216 (21338-W)]
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. Segmental Reporting (Cont'd)

Segmental results for the financial period ended 30 June 2020 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	76,469	206,542	6,883	-	289,894	-	289,894
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	76,469	206,542	6,883	-	289,894	-	289,894
RESULTS							
Segment results	2,505	8,712	(5,392)	(56)	5,769	307	6,076
Other income	1,474	1,293	2	2,032	4,801	(3,987)	814
							6,890
Finance costs	(2,094)	(4,299)	(2,039)	(1,243)	(9,675)	3,679	(5,996)
Profit before taxation							894
Taxation							(1,110)
Loss after taxation							(216)
ASSETS AND LIABILITIES							
Segment assets	320,800	417,450	151,978	167,373	1,057,601	(423,868)	633,733
Unallocated corporate assets							421
Consolidated total assets							634,154
Segment liabilities	116,356	257,973	127,353	79,142	580,824	(193,470)	387,354
Unallocated corporate liabilities							5,848
Consolidated total liabilities							393,202
OTHER INFORMATION							
Capital Expenditure	3,374	4,668	872	-	8,914	-	8,914
Depreciation and amortisation	4,334	9,946	2,953	19	17,252	-	17,252
Non-cash expenses other than depreciation	91	322	-	2	415	-	415

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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 period.

14. Capital Commitments

The amount of capital commitments as at 30 June 2021 is as follows:

	RM'000
Approved and contracted for	<u>3,807</u>

15. Related Party Transactions

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

	Current Year-To-Date Ended 30.6.2021 RM'000
Sales to holding company	81
Sales to related companies	2,430
Rental income from a related company	116
Rental payable to a related company	1,480
Interest payable to related companies	<u>537</u>

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. [Registration No. 197401004216 (21338-W)]
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
 BURSA MALAYSIA SECURITIES BERHAD**

16. Operating Segments Review

Second Quarter ended 30 June 2021 ("Q2, 2021") versus Second Quarter ended 30 June 2020 ("Q2, 2020")

In Q2, 2021, the Group recorded a revenue of RM181.9 million, an increase of 27.4% from RM142.8 million in Q2, 2020, with all plants registering higher revenue. The increase in revenue was mainly contributed by improved sales quantity and upward adjustments in selling price to reflect increase in paper cost.

Gross profit increased from RM14.4 million in Q2, 2020 to RM16.3 million in Q2, 2021. This was mainly attributable to increase in revenue generated by Malaysia and Vietnam operations and lower gross loss generated by Myanmar operation. This was attributable to higher production efficiency.

The Group recorded a profit before taxation of RM0.6 million in Q2, 2021, compared to a profit before taxation of RM0.8 million in Q2, 2020.

Year-To-Date ended 30 June 2021 ("YTD Q2, 2021") versus Year-To-Date ended 30 June 2020 ("YTD Q2, 2020")

In YTD Q2, 2021, the Group's revenue was RM364.4 million, an increase of 25.7% from RM289.9 million recorded in YTD Q2, 2020. Higher revenue in YTD Q2, 2021 was attributable to the higher sales volume recorded by all plants.

Gross profit increased from RM28.6 million in YTD Q2, 2020 to RM35.6 million in YTD Q2, 2021. This was mainly attributable to an increase in gross profit from the Malaysia and Vietnam operations and lower gross loss incurred by Myanmar operation. The improvement was attributable to improved cost management and higher production volume.

As a result of higher gross profit, the Group recorded a higher profit before taxation of RM5.2 million in YTD Q2, 2021 as compared to a profit before taxation of RM0.9 million in YTD Q2, 2020.

17. Material Change in Performance of Operating Segments for Q2, 2021 compared with Immediate Preceding Quarter Ended 31 March 2021 ("Q1, 2021")

	Current Year Quarter Ended 30.6.2021 RM'000	Immediate Preceding Quarter Ended 31.3.2021 RM'000	Changes %
Revenue	181,904	182,519	(0.3)
Operating Profit	3,554	6,447	(44.9)
Profit Before Interest and Tax	3,410	6,848	(50.2)
Profit Before Taxation	625	4,623	(86.5)
Profit After Taxation	120	3,671	(96.7)
Profit attributable to:			
Owners of the company	120	3,671	(96.7)



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

17. Material Change in Performance of Operating Segments for Q2, 2021 compared with Immediate Preceding Quarter Ended 31 March 2021 ("Q1, 2021") (Con't)

For the current quarter under review, the Group's net revenue decreased to RM181.9 million from RM182.5 million in the immediate preceding quarter. The decrease in revenue was mainly attributable to lower sales volume registered by the Malaysia and Vietnam operations as a result of lockdowns due to the Covid-19 pandemic which had caused disruptions to their business operations.

Due to the aforesaid reason, the Group's gross profit decreased from RM19.3 million in the immediate preceding quarter to RM16.3 million in Q2, 2021.

The Group's profit before taxation decreased to RM0.6 million in Q2, 2021 from RM4.6 million in Q1, 2021. This was mainly due to lower gross profit as stated above.

18. Commentary on Prospects

The Group operates in a very competitive industry. The results in Q2, 2021 continue to reflect the challenges of managing escalating cost of raw materials, elevated freight rates as well as the weakening Ringgit against the United States Dollar ("USD"). The Group also faces operational restrictions due to regulatory compliance of Covid-19 standard operating procedures for manufacturers both in Malaysia as well as our overseas operations.

The twin issues of a political upheaval in Myanmar which started in early 2021 and the Covid-19 pandemic situation continues unabated. This has impacted our operations somewhat and remains very challenging.

The Group will continue to assess the operational and financial impact of the political instability and monitor the development in Myanmar to enable effective and timely response to any changes in order to protect the Group's interest.

The Board of Directors ("Board") remains cautiously optimistic in addressing the challenges faced by the Group in 2021.

19. Profit Before Taxation

Included in profit before taxation are the following items:

	Current Year Quarter Ended 30.6.2021 RM'000	Preceding Year Quarter Ended 30.6.2020 RM'000	Current Year-To-Date Ended 30.6.2021 RM'000	Preceding Year-To-Date Ended 30.6.2020 RM'000
Other income:				
- Interest income	(7)	(9)	(13)	(32)
- Income distribution from short term funds	(38)	(43)	(90)	(88)
- Gain on disposal of property, plant and equipment	-	-	-	(57)
- Others	189	(588)	(154)	(637)
	144	(640)	(257)	(814)



BOX-PAK (MALAYSIA) BHD. [Registration No. 197401004216 (21338-W)]
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
 BURSA MALAYSIA SECURITIES BERHAD**

19. Profit Before Taxation (Con't)

Included in profit before taxation are the following items: (Con't)

	Current Year Quarter Ended 30.6.2021 RM'000	Preceding Year Quarter Ended 30.6.2020 RM'000	Current Year-To-Date Ended 30.6.2021 RM'000	Preceding Year-To-Date Ended 30.6.2020 RM'000
Interest expense	2,785	3,104	5,010	5,996
Depreciation and amortisation	8,738	8,774	17,385	17,252
Provision for waste disposal	60	17	119	42
Net foreign exchange loss/(gain) (Reversal)/Write off of:	951	(103)	808	(945)
- inventories	(25)	13	-	91
- property, plant and equipment	(44)	-	-	-

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 30.6.2021 RM'000	Preceding Year Quarter Ended 30.6.2020 RM'000	Current Year-To-Date Ended 30.6.2021 RM'000	Preceding Year-To-Date Ended 30.6.2020 RM'000
Income Tax				
- current year	(513)	(624)	(1,472)	(1,102)
- prior year	-	-	-	-
Deferred taxation	8	8	15	(8)
	(505)	(616)	(1,457)	(1,110)

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 material litigation nor pending material litigation against the Group since the end of the previous financial year up to the date of the issue of this quarterly report.



BOX-PAK (MALAYSIA) BHD. [Registration No. 197401004216 (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 30.6.2021 RM'000	As at 31.12.2020 RM'000
Current - unsecured		
- Revolving credit	36,152	13,000
- Trade facilities	142,266	107,874
- Term loans	18,106	21,369
	<hr/>	<hr/>
	196,524	142,243
Non-current - unsecured		
- Term loans	56,185	61,177
	<hr/>	<hr/>
	252,709	203,420

Borrowings which are denominated in foreign currencies are as follows:

Current - unsecured		
- Revolving credit (denominated in USD)	4,152	-
- Trade facilities (denominated in Vietnam Dong ("VND"))	109,599	86,964
- Trade facilities (denominated in USD)	5,360	3,917
- Term loans (denominated in VND)	3,989	7,711
- Term loans (denominated in USD)	14,117	13,658
	<hr/>	<hr/>
Non-current - unsecured		
- Term loans (denominated in VND)	11,966	11,567
- Term loans (denominated in USD)	44,219	49,610
	<hr/>	<hr/>

The interest rates for the borrowings are as follows:

Term loans:		
- Floating rates	1.16% - 3.51%	1.22% - 3.51%
Trade facilities	0.54% - 5.16%	1.30% - 5.57%
Revolving credits	1.10% - 3.54%	3.15%

Hedging activities on major borrowings:

- (a) No hedging was done on borrowings denominated in VND as the borrowings obtained by subsidiaries in Vietnam will be retired in the same currency.
- (b) 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 RM58.3 million.



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

25. Derivative financial instruments

(a) Disclosure of derivatives

As at 30 June 2021, the Group had 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 the profit or loss.

Details of the derivative financial instruments outstanding as at 30 June 2021 are set out below:

Type of derivatives	Contract/ Notional amount RM'000	Fair value Liabilities RM'000
Hedging derivatives:		
Interest swap contract		
- Less than one (1) year	14,117	546
- One (1) year to three (3) years	44,219	1,711
		<hr/>
		2,257

There have been no significant changes since the end of the previous financial year ended 31 December 2020 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 RM0.7 million, from RM3.0 million as at 31 December 2020 to RM2.3 million as at 30 June 2021 due mainly to change in USD/RM exchange rate and interest rate.



BOX-PAK (MALAYSIA) BHD. [Registration No. 197401004216 (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 (YTD Q2, 2021: Nil).

27. Profit/(Loss) Per Share

(a) Basic

Basic profit/(loss) per ordinary share for the financial period under review 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 30.6.2021	Preceding Year Quarter Ended 30.6.2020	Current Year-To-Date Ended 30.6.2021	Preceding Year-To-Date Ended 30.6.2020
Profit/(Loss) attributable to owners of the Company (RM '000)	120	148	3,791	(216)
Weighted average number of ordinary shares in issue ('000)	120,047	120,047	120,047	120,047
Basic profit/(loss) per share (sen)	0.10	0.12	3.16	(0.18)

(b) Diluted

For the financial period under review, the outstanding warrants did not have a dilutive effect to the profit/(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 25 August 2021.

Batu Caves, Selangor Darul Ehsan
25 August 2021