



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 2022**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		Current Quarter Ended 30.6.2022 RM'000	Preceding Quarter Ended 30.6.2021 RM'000	Changes %	Financial Period-to-Date Ended 30.6.2022 RM'000	Financial Period-to-Date Ended 30.6.2021 RM'000	Changes %
Revenue		199,412	181,904	9.6	385,530	364,423	5.8
Cost of sales		(185,625)	(165,618)	(12.1)	(355,457)	(328,831)	(8.1)
Gross profit		13,787	16,286	(15.3)	30,073	35,592	(15.5)
Other income/(expenses)		722	(144)	601.4	932	257	262.6
Operating expenses		(14,518)	(12,732)	(14.0)	(27,356)	(25,591)	(6.9)
Finance costs		(2,920)	(2,785)	(4.8)	(5,363)	(5,010)	(7.0)
(Loss)/Profit Before Taxation	19	(2,929)	625	(568.6)	(1,714)	5,248	(132.7)
Taxation	21	(644)	(505)	(27.5)	(1,233)	(1,457)	15.4
(Loss)/Profit for the period		(3,573)	120	(3,077.5)	(2,947)	3,791	(177.7)
Other comprehensive income, net of tax							
Fair value of cash flow hedge		527	367	43.6	1,307	760	72.0
Foreign currency translation differences for foreign operations		1,726	76	2,171.1	1,311	5,420	(75.8)
Other comprehensive income for the period, net of tax		2,253	443	408.6	2,618	6,180	(57.6)
Total comprehensive (loss)/income for the period		(1,320)	563	(334.5)	(329)	9,971	(103.3)
(Loss)/Profit attributable to:							
Owners of the company		(3,573)	120	(3,077.5)	(2,947)	3,791	(177.7)
Total comprehensive (loss)/income attributable to:							
Owners of the company		(1,320)	563	(334.5)	(329)	9,971	(103.3)
(Loss)/Profit per share attributable to owners of the company:							
Basic (sen)		(2.98)	0.10	(3,080.0)	(2.45)	3.16	(177.5)
Diluted (sen)		(2.98)	0.10	(3,080.0)	(2.45)	3.16	(177.5)

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 2021 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 2022**

	Note	As at 30.6.2022 RM'000 Unaudited	As at 31.12.2021 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant and equipment		197,979	198,203
Right-of-use assets		43,545	45,241
Intangible assets		806	991
Deferred tax assets		205	205
Other assets		585	726
		<u>243,120</u>	<u>245,366</u>
Current Assets			
Inventories		114,051	112,899
Trade and other receivables		213,772	186,279
Prepayments		2,545	1,131
Tax recoverable		12	12
Cash and bank balances and short term funds		37,467	22,191
		<u>367,847</u>	<u>322,512</u>
TOTAL ASSETS		<u><u>610,967</u></u>	<u><u>567,878</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		167,363	167,363
Other reserves		18,519	21,850
Accumulated losses		<u>(60,838)</u>	<u>(63,947)</u>
Total Equity		<u>125,044</u>	<u>125,266</u>
Non-Current Liabilities			
Amount due to related companies		49,861	38,690
Borrowings	24	4,188	44,850
Retirement benefit obligation		1,144	1,233
Lease liabilities		837	1,777
Deferred tax liabilities		799	814
Derivative financial instrument	25	-	1,076
		<u>56,829</u>	<u>88,440</u>
Current Liabilities			
Trade and other payables		172,213	149,770
Borrowings	24	253,089	199,484
Derivative financial instrument	25	49	280
Lease liabilities		3,282	4,638
Tax payable		461	-
		<u>429,094</u>	<u>354,172</u>
Total Liabilities		485,923	442,612
TOTAL EQUITY AND LIABILITIES		<u><u>610,967</u></u>	<u><u>567,878</u></u>
Net assets per share attributable to owners of the Company (RM)		<u>1.04</u>	<u>1.04</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 2021 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 2022**

	Attributable to Owners of the Company				Total RM'000
	Non-distributable		Distributable		
	Share Capital RM'000	Warrants Reserves RM'000	Other Reserves RM'000	(Accumulated losses)/ Retained Earnings RM'000	
As at 1 January 2022	167,363	6,056	15,794	(63,947)	125,266
Loss for the financial period	-	-	-	(2,947)	(2,947)
Cash flow hedge	-	-	1,307	-	1,307
Currency translation differences	-	-	1,311	-	1,311
Total comprehensive income/(loss) for the financial period	-	-	2,618	(2,947)	(329)
Transaction with owners of the Company					
- Capital contribution	-	-	107	-	107
- Expiry of unexercised warrants	-	(6,056)	-	6,056	-
As at 30 June 2022	167,363	-	18,519	(60,838)	125,044
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

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 2021 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 quarters ended 30 June 2022**

	Current Period-to-Date Ended 30.6.2022 RM'000	Preceding Period-to-Date Ended 30.6.2021 RM'000
Net cash used in operating activities		
Receipts from customers	358,043	344,482
Payments to suppliers	(360,978)	(366,905)
Cash used in operations	(2,935)	(22,423)
Interest paid	(5,291)	(4,874)
Income tax paid	(788)	(2,443)
	<u>(9,014)</u>	<u>(29,740)</u>
Net cash used in investing activities		
Acquisition of:		
- Property, plant and equipment	(5,562)	(10,530)
- Intangible assets	(256)	(1,003)
Income distribution from short term funds	3	90
Net change in short term funds	(2,628)	8,217
Interest received	26	13
Proceeds from disposal of property, plant and equipment	381	410
	<u>(8,036)</u>	<u>(2,803)</u>
Net cash from financing activities		
Net drawdown in borrowings	9,476	46,497
Inter-company receipts/(repayments)	24,523	(12,345)
Payment on lease liabilities	(2,131)	(2,240)
Interest on lease liabilities	(72)	(135)
	<u>31,796</u>	<u>31,777</u>
Net increase/(decrease) in Cash and Cash Equivalents	14,746	(766)
Effect of Exchange Rate Changes	(2,098)	(540)
Cash and Cash Equivalents at 1 January	22,191	30,380
Cash and Cash Equivalents at 30 June	<u>34,839</u>	<u>29,074</u>
Cash and Cash Equivalents at 30 June comprised the following:		
Cash and bank balances	34,839	28,866
Deposits with licensed bank	-	208
Short-term funds	2,628	5,667
Cash and bank balances and short term funds	<u>37,467</u>	<u>34,741</u>
Less: Short-term funds	(2,628)	(5,667)
Cash and Cash Equivalents at 30 June	<u>34,839</u>	<u>29,074</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 2021 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 2021. 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 2021.

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 2021.

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 2022:

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*

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 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 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to MFRS 117 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*
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, if applicable 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 2021 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 other than the warrants previously issued that expired on 13 March 2022.

8. Dividends Paid

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

9. Segmental Reporting

Segmental results for the 6-month financial period ended 30 June 2022 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	93,361	270,875	21,294	-	385,530	-	385,530
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	93,361	270,875	21,294	-	385,530	-	385,530
RESULTS							
Segment results	(4,502)	6,500	867	(148)	2,717	-	2,717
Other income	781	762	15	2,402	3,960	(3,028)	932
							3,649
Finance costs	(1,833)	(2,679)	(2,497)	(1,382)	(8,391)	3,028	(5,363)
Loss before taxation							(1,714)
Taxation							(1,233)
Loss after taxation							(2,947)
ASSETS AND LIABILITIES							
Segment assets	337,634	478,727	54,797	194,362	1,065,520	(454,770)	610,750
Unallocated corporate assets							217
Consolidated total assets							610,967
Segment liabilities	140,789	273,660	156,064	103,273	673,786	(189,172)	484,614
Unallocated corporate liabilities							1,309
Consolidated total liabilities							485,923
OTHER INFORMATION							
Capital Expenditure	2,010	3,752	199	-	5,961	-	5,961
Depreciation and amortisation	5,276	9,190	(86)	20	14,400	-	14,400
Non-cash expenses other than depreciation	311	1,198	278	-	1,787	-	1,787



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 6-month 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)
Loss 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

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



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 June 2022 is as follows:

	RM'000
Approved and contracted for	<u>324</u>

15. Related Party Transactions

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

	Current Period-to-Date Ended 30.6.2022 RM'000
Sales to holding company	78
Sales to related companies	3,573
Rental payable to a related company	(1,480)
Interest payable to related companies	<u>(650)</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.

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



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 2022 ("Q2, 2022") versus Second Quarter ended 30 June 2021 ("Q2, 2021")

In Q2, 2022, the Group recorded a revenue of RM199.4 million, an increase of 9.6% from RM181.9 million in Q2, 2021, with Myanmar plant being the main contributor to the increase.

Despite the increase in revenue, the Group recorded a decrease in gross profit from RM16.3 million in Q2, 2021 to RM13.8 million in Q2, 2022. This was mainly attributable to lower gross profit margin from the Malaysia operation due to lower production volume as a result of manpower shortage, inflationary cost impact and inventories written off. The Vietnam plants recorded a lower gross profit due to lower sales demand.

Consequently, the Group recorded a loss before taxation of RM2.9 million in Q2, 2022, compared to a profit before taxation of RM0.6 million in Q2, 2021.

Period-To-Date ended 30 June 2022 ("PTD Q2, 2022") versus Period-To-Date ended 30 June 2021 ("PTD Q2, 2021")

In PTD Q2, 2022, the Group's revenue was RM385.5 million, an increase of 5.8% from RM364.4 million recorded in PTD Q2, 2021 with Vietnam and Myanmar plants being the main contributors to the increase.

Despite the increase in revenue, the Group recorded a decrease in gross profit from RM35.6 million in Q2, 2021 to RM30.1 million in Q2, 2022. This was mainly attributable to lower gross profit margin from the Group's Malaysia operation due to lower production volume as a result of manpower shortage and inventories written off, lower export sales demand in Vietnam operation as well as inflationary cost impact. The Myanmar plant recorded a better gross profit due to increase in sales demand.

Consequently, the Group recorded a loss before taxation of RM1.7 million in Q2, 2022, compared to a profit before taxation of RM5.2 million in Q2, 2021.

17. Material Change in Performance of Operating Segments for Q2, 2022 compared with Immediate Preceding Quarter Ended 31 March 2022 ("Q1, 2022")

	Current Quarter Ended 30.6.2022 RM'000	Immediate Preceding Quarter Ended 31.3.2022 RM'000	Changes %
Revenue	199,412	186,118	7.1
Operating (Loss)/Profit	(731)	3,448	(121.2)
(Loss)/Profit Before Interest and Tax	(9)	3,658	(100.2)
(Loss)/Profit Before Taxation	(2,929)	1,215	(341.1)
(Loss)/Profit After Taxation	(3,573)	626	(670.8)
(Loss)/Profit attributable to:			
Owners of the company	(3,573)	626	(670.8)



BOX-PAK (MALAYSIA) BHD. [Registration No. 197401004216 (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 Q2, 2022 compared with Immediate Preceding Quarter Ended 31 March 2022 ("Q1, 2022") (Con't)

For the current quarter under review, the Group's net revenue increased from RM186.1 million in the immediate preceding quarter to RM199.4 million.

Despite the higher revenue, the Group recorded a decrease in gross profit from RM16.3 million in Q1, 2022 to RM13.8 million in Q2, 2022 due to higher cost of production of RM2.5 million in Q2, 2022.

Due to the aforesaid reason, the Group reported a loss before taxation of RM2.9 million in Q2, 2022 as opposed to a profit before taxation of RM1.2 million in Q1, 2022.

18. Commentary on Prospects

The Group operates in a very competitive industry and faces stiff competition in the market. As a consequence, the results continued to reflect the challenges of managing inflationary cost impact, manpower shortage affecting production volume and the weakening of Malaysian Ringgit against United States Dollar ("USD").

The political upheaval in Myanmar which started in early 2021 continues to pose volatility and increase currency risk in particular. The Group will continue to assess the operational and financial impact of the constant change in trade and monetary regulations and monitor the development in Myanmar to enable effective and timely response to any changes in order to protect the Group's interest.

Some of the plans or measures being undertaken by the Group for the remaining period include the following:-

- to allocate additional resources for business development activities to further increase the sales volume and sales orders from existing and new customers;
- to further improve inventories management and control to rationalise paper roll purchases;
- to further improve the production efficiencies by reducing production wastages and increase process automation to reduce overheads cost;
- to increase focus on sales and collections to free up cash flow for the Group; and
- continuous skills development for the existing employees from sales, production and procurement divisions to enhance the productivity and efficiency.

The Board of Directors ("Board") remains cautiously optimistic in addressing the challenges faced by the Group in the remaining 6-month period of 2022.



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. (Loss)/Profit Before Taxation

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

	Current Quarter Ended 30.6.2022 RM'000	Preceding Quarter Ended 30.6.2021 RM'000	Current Period-To-Date Ended 30.6.2022 RM'000	Preceding Period-To-Date Ended 30.6.2021 RM'000
Other (income)/expenses:				
- Interest income	(13)	(7)	(26)	(13)
- Income distribution from short term funds	(2)	(38)	(3)	(90)
- Gain on disposal of property, plant and equipment	(36)	-	(38)	-
- Others	(671)	189	(865)	(154)
	(722)	144	(932)	(257)
Interest expense	2,920	2,785	5,363	5,010
Depreciation and amortisation	7,444	8,738	14,400	17,385
Provision for waste disposal	50	60	110	119
Impairment loss on doubtful debts	311	-	311	-
Net foreign exchange loss	-	951	75	808
Write off/(Reversal) of:				
- inventories	4,026	(25)	4,331	-
- property, plant and equipment	-	(44)	35	-

20. Variance from Forecast Profit and shortfall in Profit Guarantee

No profit forecast or guarantee was issued by the Group.

21. Taxation

	Current Quarter Ended 30.6.2022 RM'000	Preceding Quarter Ended 30.6.2021 RM'000	Current Period-To-Date Ended 30.6.2022 RM'000	Preceding Period-To-Date Ended 30.6.2021 RM'000
Income Tax				
- current year	652	513	1,249	1,472
Deferred taxation	(8)	(8)	(16)	(15)
	644	505	1,233	1,457

The disproportionate tax charges for the Group was attributable to the 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.



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

23. Material Litigations

There was no pending material litigation against the Group as at the date of the issue of this quarterly report.

24. Group Borrowings and Debt Securities

Total Group borrowings are as follows:

	As at 30.6.2022 RM'000	As at 31.12.2021 RM'000
Current - unsecured		
- Revolving credit	57,000	47,000
- Trade facilities	144,956	133,304
- Term loans	51,133	18,687
- Bank overdraft	-	494
	<hr/> 253,089	<hr/> 199,485
Non-current - unsecured		
- Term loans	4,188	44,850
	<hr/> 257,277	<hr/> 244,335

Borrowings which are denominated in foreign currencies are as follows:

Current - unsecured		
- Trade facilities (denominated in Vietnam Dong ("VND"))	116,739	98,096
- Trade facilities (denominated in USD)	3,552	4,325
- Term loans (denominated in VND)	4,188	8,066
- Term loans (denominated in USD)	46,945	10,621
	<hr/> 171,404	<hr/> 121,108
Non-current - unsecured		
- Term loans (denominated in VND)	4,188	4,033
- Term loans (denominated in USD)	-	40,817
	<hr/> 4,188	<hr/> 44,850

The interest rates for the borrowings are as follows:

Term loans:		
- Floating rates	2.46% - 5.89%	1.16% - 4.85%
Trade facilities	1.59% - 5.60%	1.02% - 5.85%
Revolving credits	3.40% - 3.70%	3.19% - 3.50%
Bank overdraft	-	7.64%

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 loan denominated in USD. The outstanding balance of the said term loan amounted to RM46.9 million as at 30 June 2022.



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

25. Derivative financial instruments

(a) Disclosure of derivative

As at 30 June 2022, 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 profit or loss.

Details of derivative financial instruments outstanding as at 30 June 2022 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	46,945	49

There have been no significant changes since the end of the previous financial year ended 31 December 2021 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 RM1.31 million, from RM1.36 million as at 31 December 2021 to RM0.05 million as at 30 June 2022 due mainly to change in USD/RM exchange rate and interest rate.

26. Dividend

No dividend has been declared for the financial period under review (PTD Q2, 2021: Nil).

27. (Loss)/Profit Per Share

(a) Basic

Basic (loss)/profit per ordinary share for the financial period under review 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 Quarter Ended 30.6.2022	Preceding Quarter Ended 30.6.2021	Current Period-To-Date Ended 30.6.2022	Preceding Period-To-Date Ended 30.6.2021
(Loss)/Profit attributable to owners of the Company (RM '000)	(3,573)	120	(2,947)	3,791
Weighted average number of ordinary shares in issue ('000)	120,047	120,047	120,047	120,047
Basic (loss)/profit per share (sen)	(2.98)	0.10	(2.45)	3.16



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

27. (Loss)/Profit Per Share (Con't)

(b) Diluted

For the financial period under review, the diluted (loss)/profit per share was the same as the basic (loss)/profit per share.

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 24 August 2022.

Batu Caves, Selangor Darul Ehsan
24 August 2022