THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

All abbreviations and defined names contained herein are defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all your Shares, you should hand this Abridged Prospectus, together with the NPA and the RSF (collectively, the "**Documents**") at once to the agent/broker through whom you have effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issue with Warrants, which is the subject of this Abridged Prospectus should be addressed to our Share Registrar, Boardroom Corporate Services (KL) Sdn. Bhd., at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The Documents are only despatched to our shareholders whose names appear in the Record of Depositors as at 5:00 p.m. on 20 February 2017 who have a registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5:00 p.m. on 20 February 2017. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia, are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their Provisional Allotments, the application for Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares and Warrants would result in the contravention of any laws of such countries or jurisdictions. Neither Box-Pak, AmInvestment Bank nor any of their respective directors and officers or affiliates shall accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or renunciation (as the case may be) of the Provisional Allotments, the application for Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares and Warrants made by any Entitled Shareholder and/or their renouncee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholder and/or their renouncee(s) and/or transferee(s) (if applicable) is a resident.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 21 December 2016. The approval from Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for all the Rights Shares, Warrants and the Box-Pak Shares to be issued upon the exercise of the Warrants on Bursa Securities was obtained vide its letter dated 9 November 2016. The admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of the Documents.

Our Board has seen and approved all the documentation relating to this Rights Issue with Warrants including the Documents. They collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

AmInvestment Bank, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

BOX-PAK (MALAYSIA) BHD.
(Company No. 21338-W)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 60,023,490 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF BOX-PAK (MALAYSIA) BHD. ("BOX-PAK SHARES" OR "SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM1.89 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING BOX-PAK SHARE HELD AS AT 5:00 P.M. ON 20 FEBRUARY 2017, TOGETHER WITH UP TO 15,005,872 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED

Principal Adviser

AmInvestment Bank

AmInvestment Bank Berhad
(Company No. 23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES:

Entitlement Date	:	Monday, 20 February 2017 at 5:00 p.m.
Last date and time for the sale of the Provisional Allotments	:	Monday, 27 February 2017 at 5:00 p.m.
Last date and time for the transfer of the Provisional Allotments	:	Thursday, 2 March 2017 at 4:00 p.m.
Last date and time for the acceptance and payment for the Provisional Allotments	:	Tuesday, 7 March 2017 at 5:00 p.m.
Last date and time for the application and payment for the Excess Rights Shares	:	Tuesday, 7 March 2017 at 5:00 p.m.

This Abridged Prospectus is dated 20 February 2017

ALL ABBREVIATIONS AND DEFINED NAMES CONTAINED HEREIN ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE WITH WARRANTS AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA (SUCH AS OUR DIRECTORS AND ADVISERS) ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF THE RIGHTS SHARES AND WARRANTS BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY THE RIGHTS SHARES AND WARRANTS IN ANY OTHER COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

DEFINITIONS

Except where the context otherwise requires, the following definitions and abbreviations shall apply throughout this Abridged Prospectus:

Abridged Prospectus	:	This Abridged Prospectus dated 20 February 2017
Act	:	Companies Act, 2016
Additional Undertaking	:	KJCFB's irrevocable and unconditional undertaking to subscribe for additional Rights Shares via excess application in respect of those Rights Shares which are not taken up or are not validly taken up by the Other Entitled Shareholders and/or their renouncee(s) under the Rights Issue with Warrants in order for the Rights Issue with Warrants to achieve full subscription
Amendment	:	Amendment to our Company's Memorandum of Association to facilitate the Increase in Authorised Share Capital, which was completed on 21 December 2016
AmInvestment Bank or **Principal Adviser**	:	AmInvestment Bank Berhad (23742-V)
Authority	:	Authority to allot and issue such number of Box-Pak Shares representing up to 10% of the total number of issued Shares in Box-Pak in accordance with Sections 75 and 76 of the Act
BNM	:	Bank Negara Malaysia
Board or **Directors**	:	Board of Directors of Box-Pak
Box-Pak or **our Company**	:	Box-Pak (Malaysia) Bhd. (21338-W)
Box-Pak Group or **our Group**	:	Collectively, Box-Pak and its subsidiaries
Box-Pak Shares or **Shares**	:	Ordinary shares in the share capital of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn. Bhd. (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CAGR	:	Compound annual growth rate
Can-One	:	Can-One Berhad (638899-K)
CDS Account	:	A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits or withdrawal of securities and dealings in such securities by the depositors
CISB	:	Can-One International Sdn. Bhd. (729929-K)
Closing Date	:	7 March 2017 at 5:00 p.m., being the last date and time for the acceptance of and payment for the Provisional Allotments and the Excess Rights Shares

DEFINITIONS *(CONT'D)*

CMSA	:	Capital Markets and Services Act, 2007
Code	:	Malaysian Code on Take-Overs and Mergers, 2016
Corporate Exercises	:	Collectively, the Rights Issue with Warrants, Authority, Increase in Authorised Share Capital and Amendment
Documents	:	Collectively, this Abridged Prospectus, together with the NPA and the RSF
Deed Poll	:	The deed poll constituting the Warrants executed by our Company on 3 February 2017
EASB	:	Eller Axis Sdn. Bhd. (505852-K)
EGM	:	Extraordinary general meeting
Electronic Application	:	Application for the Rights Shares and/or the Excess Rights Shares through the ATMs of the Participating Financial institutions
Entitled Shareholder(s)	:	Shareholders of Box-Pak whose names appear on the Record of Depositors of our Company as at the Entitlement Date
Entitlement Date	:	20 February 2017 at 5:00 p.m., being the date on which the names of our shareholders must be entered in our Record of Depositors in order to be entitled to the Rights Issue with Warrants
EPS	:	Earnings per share
Excess Rights Shares	:	Rights Shares which are not taken up or not validly taken up by our Entitled Shareholders and/or their renouncee(s) and/or their transferees (if applicable) by the Closing Date
Exercise Price	:	RM2.04, being the price at which one (1) Warrant is exercisable into one (1) Box-Pak Share, subject to such adjustments as may be allowed under the Deed Poll
FDI	:	Foreign direct investment
FPE	:	Financial period ended
FSA	:	Financial Services Act, 2013
FYE	:	Financial year ended
GDP	:	Gross domestic product
Government	:	Government of Malaysia
GST	:	Goods and services tax
Increase in Authorised Share Capital	:	Increase in the authorised share capital of Box-Pak from RM70,000,000 comprising 70,000,000 Shares to RM600,000,000 comprising 600,000,000 Shares to facilitate the Rights Issue with Warrants, Authority and any other corporate exercises which we may undertake in the future, which was completed on 21 December 2016

Independent Market Researcher	:	Converging Knowledge Sdn. Bhd., being the Independent Market Researcher for the Rights Issue with Warrants
Internet Application	:	Application for the Rights Shares and/or the Excess Rights Shares within Malaysia through an Internet Participating Financial institution
Internet Participating Financial institutions	:	Participating financial institutions for the Internet Applications as referred to in Section 10.3 of this Abridged Prospectus
KJCFB	:	Kian Joo Can Factory Berhad (003186-P), our holding company
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 January 2017, being the latest practicable date prior to the printing of this Abridged Prospectus
Market Day	:	A day on which Bursa Securities is open for trading in securities
MMK	:	Myanmar Kyat
MT	:	Metric tons
NA	:	Net assets
NPA	:	Notice of provisional allotment of Rights Shares pursuant to the Rights Issue with Warrants
Official List	:	The list specifying all securities listed on the Main Market of Bursa Securities
Other Entitled Shareholder(s)	:	Entitled Shareholders other than KJCFB
Participating Financial Institutions	:	Participating financial institutions for Electronic Applications as referred to in Section 10.3 of this Abridged Prospectus
Provisional Allotments	:	Rights Shares and Warrants provisionally allotted to our Entitled Shareholders pursuant to the Rights Issue with Warrants
Public Spread Requirement	:	Paragraph 8.02(1) of the Listing Requirements states that a listed issuer must ensure that at least 25% of its total listed shares are in the hands of public shareholders
Record of Depositors	:	A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
Rights Issue Price	:	Issue price of RM1.89 for each Rights Share
Rights Issue with Warrants	:	Renounceable rights issue of 60,023,490 Rights Shares at the Rights Issue Price on the basis of one (1) Rights Share for every one (1) existing Box-Pak Share held as at 5:00 p.m. on 20 February 2017, together with up to 15,005,872 Warrants on the basis of one (1) Warrant for every four (4) Rights Shares subscribed
Rights Price Fixing Date	:	3 February 2017, being the date on which the Rights Issue Price was determined and announced by our Board

DEFINITIONS *(CONT'D)*

Rights Shares	:	60,023,490 new Box-Pak Shares to be issued pursuant to the Rights Issue with Warrants
RM and **sen**	:	Ringgit Malaysia and sen, respectively
RSF	:	Rights subscription form to the Rights Issue with Warrants
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
SEZ	:	Special Economic Zone
SGD	:	Singapore Dollar
SICDA	:	Securities Industry (Central Depositories) Act, 1991
Sub-Lease Land	:	A piece of land measuring an area of approximately 74,830 square metres (approximately 18.5 acres) situated at Lot No. C2, Thilawa SEZ, Class A Area, Yangon Region in The Republic of the Union of Myanmar
TERP	:	Theoretical ex-rights price
Undertaking	:	KJCFB's irrevocable and unconditional undertaking to subscribe in full for its entitlement under the Rights Issue with Warrants
USD	:	United States Dollar
VND	:	Vietnamese Dong
VSIP	:	Vietnam Singapore Industrial Park
VWAMP	:	Volume weighted average market price
Warrant Holders	:	Holders of the Warrants
Warrants	:	Up to 15,005,872 free detachable warrants in Box-Pak to be issued pursuant to the Rights Issue with Warrants
y-o-y or **y/y**	:	Year on year

All references to "**our Company**" or "**Box-Pak**" in this Abridged Prospectus are to Box-Pak (Malaysia) Bhd, and references to "**our Group**" or "**Box-Pak Group**" are to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company and, where the context requires otherwise, our Group.

All references to "**you**" and "**your**" in this Abridged Prospectus are to our Entitled Shareholders and/or where the context otherwise requires, their renouncee(s) and/or transferee(s).

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day or date in this Abridged Prospectus shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

TABLE OF CONTENTS *(CONT'D)*

APPENDICES

CORPORATE DIRECTORY

OUR DIRECTORS

Name	Address	Nationality	Profession
Dr. Roslan Bin A. Ghaffar *(Chairman and Independent Non-Executive Director)*	156-0-5, Villa Flora Jalan Burhanuddin Helmi Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Company Director
Yeoh Jin Hoe *(Group Managing Director)*	13-10, Sucasa Apartment 222, Jalan Ampang 50450 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Group Managing Director
Chee Khay Leong *(Executive Director)*	8, Jalan Desa Residence 3 LeVenue 2, Desa ParkCity 52200 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Chief Operating Officer cum Executive Director
Tan Kim Seng *(Non-Independent Non-Executive Director)*	5, Jalan 5/149K Seri Petaling 57000 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Company Director
Keith Christopher Yeoh Min Kit *(Non-Independent Non-Executive Director)*	28, Jalan TR 7/3 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Lawyer
Gong Wooi Teik *(Independent Non-Executive Director)*	5, Jalan TR 6/1 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Chartered Accountant
Tee Keng Hoon *(Independent Non-Executive Director)*	37, Jalan 20/2 Paramount Garden 46300 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Lawyer
Tuan Ngah @ Syed Ahmad Bin Tuan Baru *(Independent Non-Executive Director)*	9, Jalan SS1/25 Kampung Tunku 47300 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director

CORPORATE DIRECTORY *(CONT'D)*

AUDIT COMMITTEE

Name	Designation	Directorship
Gong Wooi Teik	Chairman	Independent Non-Executive Director
Tee Keng Hoon	Member	Independent Non-Executive Director
Tuan Ngah @ Syed Ahmad Bin Tuan Baru	Member	Independent Non-Executive Director

COMPANY SECRETARY	:	Tan Bee Keng (MAICSA 0856474) 2B-4, Level 4 Jalan SS6/6 Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan Tel. no.: +603 7804 8590 Fax no.: +603 7880 1605
REGISTERED OFFICE/ HEAD/ MANAGEMENT OFFICE	:	Lot 4, Jalan Perusahaan Dua 68100 Batu Caves Selangor Darul Ehsan Malaysia Tel. no.: +603 6189 6688 Fax no.: +603 6189 2515 Email: enquiry@boxpak.com.my Website: www.boxpak.com.my
AUDITORS AND REPORTING ACCOUNTANTS	:	BDO (AF 0206) Level 8, BDO @ Menara CenTARa 360 Jalan Tuanku Abdul Rahman 50100 Kuala Lumpur Wilayah Persekutuan Malaysia Tel. no.: +603 2616 2888
AUDITORS FOR THE FYE 31 DECEMBER 2015	:	Messrs Ernst & Young (AF 0039) Chartered Accountants Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Malaysia Tel. no.: +603 7495 8000

CORPORATE DIRECTORY *(CONT'D)*

SHARE REGISTRAR	:	Boardroom Corporate Services (KL) Sdn. Bhd. Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Malaysia Tel. no.: +603 7720 1188
PRINCIPAL BANKERS	:	AmBank Islamic Berhad 22nd Floor, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Wilayah Persekutuan Malaysia Tel. no.: +603 2026 3939 Hong Leong Bank Berhad Level 5, Wisma Hong Leong 18, Jalan Perak 50450 Kuala Lumpur Wilayah Persekutuan Malaysia Tel. no.: +603 2180 8888 HSBC Bank Malaysia Berhad No. 2, Leboh Ampang 50100 Kuala Lumpur Wilayah Persekutuan Malaysia Tel. no.: +603 2075 3000 OCBC Bank (Malaysia) Berhad Menara OCBC No. 18, Jalan Tun Perak 50050 Kuala Lumpur Wilayah Persekutuan Malaysia Tel. no.: +603 8317 5000
INDEPENDENT MARKET RESEARCHER	:	Converging Knowledge Sdn. Bhd. E-8-6, Megan Avenue 1 No. 189, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan Malaysia Tel. no.: +603 2333 8955

CORPORATE DIRECTORY *(CONT'D)*

SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS	:	Messrs Wong Beh & Toh Peti #30 Level 19, West Block Wisma Selangor Dredging 142-C Jalan Ampang 50450 Kuala Lumpur Wilayah Persekutuan Malaysia Tel. no.: +603 2713 6050
PRINCIPAL ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS	:	AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Wilayah Persekutuan Malaysia Tel. no.: +603 2036 2633
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BOX-PAK (MALAYSIA) BHD
(Company No. 21338-W)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Lot 4, Jalan Perusahaan Dua
68100 Batu Caves
Selangor Darul Ehsan
Malaysia

20 February 2017

Board of Directors

Dr. Roslan Bin A. Ghaffar *(Chairman and Independent Non-Executive Director)*
Yeoh Jin Hoe *(Group Managing Director)*
Chee Khay Leong (*Executive Director)*
Tan Kim Seng *(Non-Independent Non-Executive Director)*
Keith Christopher Yeoh Min Kit *(Non-Independent Non-Executive Director)*
Gong Wooi Teik (*Independent Non-Executive Director)*
Tee Keng Hoon (*Independent Non-Executive Director)*
Tuan Ngah @ Syed Ahmad Bin Tuan Baru *(Independent Non-Executive Director)*

To: Our shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF 60,023,490 RIGHTS SHARES AT AN ISSUE PRICE OF RM1.89 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING BOX-PAK SHARE HELD AS AT 5:00 P.M. ON 20 FEBRUARY 2017, TOGETHER WITH UP TO 15,005,872 WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED

1. INTRODUCTION

On 16 August 2016, AmInvestment Bank, on behalf of our Board, announced that our Company proposed to undertake the following:-

(i) renounceable rights issue of new Box-Pak Shares together with Warrants to raise gross proceeds of up to RM120.0 million;

(ii) authority to allot and issue such number of Box-Pak Shares representing up to 10% of the issued and paid-up share capital of Box-Pak in accordance with Section 132D of the Companies Act, 1965 (which is now repealed and replaced with the Act with effect from 31 January 2017);

(iii) increase in the authorised share capital of Box-Pak from RM70,000,000 comprising 70,000,000 Shares to RM600,000,000 comprising 600,000,000 Shares; and

(iv) amendment to our Company's Memorandum of Association.

On 9 November 2016, AmInvestment Bank, on behalf of our Board, announced that Bursa Securities had vide its letter dated 9 November 2016 approved the following:-

(i) admission of the Warrants to the Official List of Bursa Securities;

(ii) listing of and quotation for up to 60,023,490 Rights Shares to be issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities;

(iii) listing of and quotation for up to 15,005,872 Warrants to be issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities; and

(iv) listing of and quotation for up to 15,005,872 new Box-Pak Shares to be issued arising from the exercise of Warrants on the Main Market of Bursa Securities.

The approval from Bursa Securities is subject to the following conditions:-

No.	Conditions	Status of compliance
(a)	Box-Pak and AmInvestment Bank, the Principal Adviser for the Rights Issue with Warrants, must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	To be complied with in the course of implementation of the Rights Issue with Warrants.
(b)	the admission and listing and quotation of the Warrants and the new Box-Pak Shares to be issued pursuant to the Rights Issue with Warrants must take place upon achieving full compliance of the Public Spread Requirement;	To be complied.
(c)	Box-Pak and AmInvestment Bank to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied.
(d)	AmInvestment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed; and	To be complied.
(e)	Box-Pak to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied.

On 21 December 2016, AmInvestment Bank, on behalf of our Board, announced that our shareholders had at the EGM held on even date, approved the Corporate Exercises. A certified true copy of the extract of the resolutions pertaining to the Corporate Exercises passed at the aforesaid EGM is attached as **Appendix I** of this Abridged Prospectus.

On 3 February 2017, AmInvestment Bank, on behalf of our Board, announced the following:-

(i) the Rights Issue Price had been fixed at RM1.89 per Rights Share at an entitlement basis of one (1) Rights Share for every one (1) existing Box-Pak Share held by our Entitled Shareholders;

(ii) the Exercise Price had been fixed at RM2.04 per Warrant at an entitlement basis of one (1) Warrant for every four (4) Rights Shares subscribed; and

(iii) the Entitlement Date for the Rights Issue with Warrants had been fixed at 5:00 p.m. on 20 February 2017.

No person is authorised to give any information or to make any representation not contained in the Documents, and if given or made, such information or representation must not be relied upon as having been authorised by us or AmInvestment Bank in connection to the Rights Issue with Warrants.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

Subject to the terms and conditions of the Documents, the Rights Issue with Warrants entails a provisional allotment of 60,023,490 Rights Shares at the Rights Issue Price together with up to 15,005,872 Warrants to our Entitled Shareholders on the basis of one (1) Rights Share for every one (1) existing Box-Pak Share held as at the Entitlement Date and one (1) Warrant for every four (4) Rights Shares subscribed.

The Rights Shares will be provisionally allotted to our Entitled Shareholders. Fractional entitlements under the Rights Issue with Warrants, if any, will be dealt with in such manner as our Board in their absolute discretion deems fit and in the best interest of our Company.

The Warrants attached to the Rights Shares will be issued without any cost to our Entitled Shareholders and/or their renouncee(s) who successfully subscribe for the Rights Shares. Each Warrant will entitle its holder to subscribe for one (1) new Box-Pak Share at an exercise price of RM2.04 per Warrant. The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately on the Main Market of Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, our Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. Our Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants. For avoidance of doubt, the Rights Shares and Warrants are not separately renounceable.

The Rights Shares which are not taken up or not validly taken up shall be made available for excess applications by our Entitled Shareholders and/or their renouncee(s). It is the intention of our Board to allot the Excess Rights Shares to the other Entitled Shareholders and/or their renouncee(s), if any, in a fair and equitable manner as set out in Section 10.7 of this Abridged Prospectus.

Any dealings in the securities of our Company will be subject to the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares and Warrants will be credited directly into respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued but notices of allotment will be despatched to the successful applicants.

2.2 Basis of determining the Rights Issue Price and Exercise Price

The Rights Issue Price of RM1.89 per Rights Share represents a discount of approximately 7.35% to the TERP of our Shares of RM2.04 per Share, calculated based on the five (5)-day VWAMP of our Shares up to 2 February 2017, being the last day of trading before the Rights Price Fixing Date of RM2.1864.

The Rights Issue Price was determined by our Board after taking into consideration, amongst others, the following:-

(i) the funding requirements of our Group (the proceeds to be raised from the Rights Issue with Warrants shall be utilised in the manner set out in Section 4 of this Abridged Prospectus); and

(ii) the TERP of our Shares of RM2.04 per Share, calculated based on the five (5)-day VWAMP of our Shares up to 2 February 2017, being the last day of trading before the Rights Price Fixing Date of RM2.1864.

The Exercise Price of the Warrants of RM2.04 is equivalent to the TERP our Shares, calculated based on the five (5)-day VWAMP of our Shares up to 2 February 2017, being the last day of trading before the Rights Price Fixing Date of RM2.1864.

The Exercise Price of RM2.04 was determined by our Board after taking into consideration the TERP of our Shares immediately preceding the Rights Price Fixing Date, the prevailing market conditions and the future prospects of our Group.

2.3 Ranking of the Rights Shares and new Box-Pak Shares to be issued pursuant to the exercise of the Warrants

The Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respects with our Shares, save and except that the Rights Shares shall not entitle their holders to any dividends, rights, allotments and/or other distributions, that may be declared, made or paid, for which the entitlement date is prior to the date of allotment of the Rights Shares.

The new Box-Pak Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Box-Pak Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, that may be declared, made or paid, for which the entitlement date is prior to the date of allotment of the new Box-Pak Shares to be issued arising from the exercise of the Warrants.

2.4 Salient terms of the Warrants

Issue size	:	Up to 15,005,872 Warrants.
Exercise Price	:	Subject to adjustments in accordance with the Deed Poll, the exercise price of the Warrants had been fixed at RM2.04 for each Warrant.
Form	:	The Warrants shall be issued in registered form and constituted by the Deed Poll. The Warrants which are to be issued for free will be immediately detachable upon allotment and issuance of the Rights Shares. The Warrants will be traded separately.
Exercise Rights	:	Each Warrant carries the entitlement to subscribe for one (1) new Box-Pak Share at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll, which is to be executed.

Exercise Period	:	The Warrants can be exercised at any time during the period of five (5) years commencing from and including the date of issue of the Warrants and up to and including the Expiry Date. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Expiry Date	:	The day falling immediately before the 5th anniversary of the date of issuance of the Warrants and if such date is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day, but excluding those days during that period on which our Record of Depositors and/or the warrants register is or are closed.
Mode of Exercise	:	The Warrant Holders must complete and sign the exercise notice (which shall be irrevocable) and deliver the duly completed and executed exercise notice to our Share Registrar, Boardroom Corporate Services (KL) Sdn. Bhd., Boardroom Corporate Services (KL) Sdn. Bhd., at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia together with the remittance by way of banker's draft or cashier's order or money order or postal order drawn on a bank or post office operating in Malaysia.
Rights of the Warrant Holders	:	The Warrant Holders shall not be entitled to participate in any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new Box-Pak Shares to be issued arising from the exercise of the Warrants. The Warrant Holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in our Company until and unless such Warrant Holders exercise their Warrants into new Box-Pak Shares.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Rights in the event of winding up, liquidation, compromise and/or arrangement	:	If a resolution is passed for a members' voluntary winding up of our Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant Holders, or some persons designated by them for such purpose by a special resolution will be a party, the terms of such winding up, compromise and arrangement shall be binding on all Warrant Holders; or (ii) every Warrant Holder shall be entitled (subject to the conditions) at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of our Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrants to our Company, elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement exercised the Exercise Rights represented by such Warrants to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the our Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the above six (6) weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose.
Modification of rights of the Warrant Holders	:	Our Company may, from time to time, without the consent or sanction of the Warrant Holders but in accordance with the Deed Poll, modify the Deed Poll, if such modification made does not materially prejudice the interests of the Warrant Holders or is made to correct a manifest error or to comply with prevailing laws of Malaysia, Rules of Bursa Depository, SICDA and/or the Listing Requirements. Subject to the approval of any relevant authority, any modification, alteration or abrogation of the covenants or provisions contained in the Deed Poll proposed or agreed to by our Company must be sanctioned by ordinary resolution of the Warrant Holders, effected by the Deed Poll, executed by our Company and expressed to be supplemental and comply with the requirements of the Deed Poll.
Listing	:	The Warrants shall be listed and quoted on the Main Market of Bursa Securities.
Ranking	:	The new Box-Pak Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Box-Pak Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, for which the entitlement date is prior to the date of allotment of the new Box-Pak Shares to be issued arising from the exercise of the Warrants.

Board Lot	:	The Warrants are tradable upon listing in board lots of 100 units or as varied from time to time by any relevant authorities, carrying rights to subscribe for 100 new Box-Pak Shares at any time during the Exercise Period.
Deed Poll	:	The Warrants will be constituted by the Deed Poll.
Adjustments in the Exercise Price and/or number of Warrants	:	Subject to the provisions of the Deed Poll, the Exercise Price and/or number of Warrants may be adjusted by our Board in consultation with an approved adviser appointed by our Company and certification by the auditors of our Company in the event of alteration to the share capital of our Company.
Governing laws	:	Laws of Malaysia.

2.5 Details of other corporate exercises

Save for the Rights Issue with Warrants, there are no other corporate exercises which have been approved by our shareholders but have yet to be completed as at the LPD. As at the LPD, our Company has not exercised the Authority to issue and allot any Shares and the Authority will lapse on the conclusion of our next annual general meeting or on expiry of the period within which our next annual general meeting is required by law to be held, whichever is earlier, unless the Authority is otherwise revoked or varied by our Company in general meeting.

3. SHAREHOLDER'S UNDERTAKING AND ADDITIONAL UNDERTAKING

The Rights Issue with Warrants is intended to be undertaken on a full subscription basis to meet the funding requirements of our Group that will be utilised in the manner set out in Section 4 of this Abridged Prospectus.

KJCFB had, vide its letter dated 7 October 2016, provided its Undertaking and Additional Undertaking.

KJCFB confirmed that they have sufficient financial resources to take up the number of Rights Shares as specified in the Undertaking and Additional Undertaking. Our Principal Adviser, AmInvestment Bank has verified the sufficiency of financial resources of KJCFB for the purpose of subscribing for the Rights Shares pursuant to the Undertaking and Additional Undertaking. In view of the Undertaking and Additional Undertaking, an underwriting arrangement is therefore not required for the Rights Issue with Warrants and there will not be a minimum level of subscription for the Rights Issue with Warrants.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

KJCFB's shareholdings in our Company as at the LPD, its entitlement under the Rights Issue with Warrants and the number of Rights Shares to be subscribed pursuant to the Additional Undertaking are as follows:-

Shareholdings in our Company as at the LPD		No. of Rights Shares and Warrants entitled by KJCFB			No. of Rights Shares and Warrants to be subscribed pursuant to the Additional Undertaking			Total no. of Rights Shares and Warrants to be subscribed by KJCFB [(1)]		
No. of Shares	**%**	**No. of Rights Shares**	**%**	**No. of Warrants**	**No. of Rights Shares**	**%**	**No. of Warrants**	**No. of Rights Shares**	**%**	**No. of Warrants**
32,910,000	54.83	32,910,000	54.83	8,227,500	27,113,490	45.17	6,778,372	60,023,490	100.00	15,005,872

Note:-

(1) Assuming none of the Other Entitled Shareholders and/or their renouncee(s) subscribe for the Rights Shares and KJCFB subscribes for all the Rights Shares pursuant to its own entitlement under the Rights Issue with Warrants and additional Rights Shares pursuant to the Additional Undertaking.

KJCFB will not be obliged to make a mandatory take-over offer pursuant to the Code as a result of KJCFB subscribing for additional Rights Shares under the Additional Undertaking as KJCFB already owns more than 50% of the total equity interest in our Company.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Public shareholding spread of our Shares

As disclosed in Section 1 of this Abridged Prospectus, pursuant to Bursa Securities' conditions in its letter dated 9 November 2016, the admission and listing and quotation of our Right Shares and Warrants to be issued pursuant to the Rights with Warrants must take place upon achieving full compliance of the Public Spread Requirement.

As at the LPD, the public shareholding spread of our Company is approximately 44.6%. If none of the Other Entitled Shareholders and/or their renouncee(s) subscribe for the Rights Shares and KJCFB subscribes for all the Rights Shares pursuant to the Undertaking and the Additional Undertaking, our public shareholding spread may decrease to approximately 22.3%, which is not in compliance with the Public Spread Requirement.

In the above event, our Board had, vide our letter dated 11 October 2016, undertaken to procure our Company to allot and issue new Box-Pak Shares pursuant to the Authority to enable us to restore our public shareholding spread to comply with the Public Spread Requirement. Our Board may also procure KJCFB to dispose part of its shareholdings in our Company in order for us to rectify the possible non-compliance with the Public Spread Requirement prior to the completion of the Rights Issue with Warrants.

4. UTILISATION OF PROCEEDS

Based on the Rights Shares price of RM1.89 for each Rights Share, the Rights Issue with Warrants will raise gross proceeds of approximately RM113.4 million. The proceeds are expected to be utilised in the following manner:-

	RM' million	%	Estimated utilisation timeframe from the date of listing of and quotation for the Rights Shares
Business expansion in Malaysia[(1)]	24.0	21.2	Within 24 months
Business venture in Myanmar[(2)]	50.0	44.1	Within 24 months
Repayment of short term bank borrowings and working capital[(3)]	38.5	34.0	Within 12 months
Estimated expenses in relation to the Corporate Exercises[(4)]	0.9	0.8	Within 1 month
Total	**113.4**	**100.0**	

Notes:-

(1) Our Group intends to build a new factory in Malaysia on either the existing properties owned by our Company located at Lot 7 Jalan Perusahaan 2, Batu Caves, Selangor Darul Ehsan, Malaysia or a new location in Malaysia to be identified by our Board. The expected built-up area of the new factory in Malaysia is approximately 9,760 square metres (approximately 2.4 acres). In addition, our Group also intends to set up new production lines of corrugated carton boxes in our new and existing factories in Malaysia to expand our Group's manufacturing capacity in Malaysia.

Our Board estimates that a total cost outlay of approximately RM60.0 million (excluding cost of land for the new factory) is required to construct the aforesaid new factory and commission the aforesaid new production lines. Out of the total cost outlay, RM24.0 million is expected to be financed by the proceeds to be raised from the Rights Issue with Warrants whilst the balance sum shall be financed via our Group's internally generated funds and/or bank borrowings.

The proceeds earmarked for business expansion in Malaysia are expected to be utilised in the following manner:-

	RM' million
Part finance the construction costs for the new factory[(a)]	4.0
Part finance the purchase of equipment and machineries and/or repayment of borrowings used to finance purchase of equipment and machineries[(b)]	20.0
Total	**24.0**

Notes:-

(a) Building construction costs to be incurred for constructing our new factory in Malaysia include building materials, consultation fees for engineering and architectural services and labour costs. For avoidance of doubt, in the event our Board identifies a more suitable location to construct the new factory instead of constructing it on the existing land owned by our Company, the cost of land to be acquired by our Group is expected to be financed via our Group's internally generated funds and/or bank borrowings.

(b) The allocation is to part finance the purchase of equipment and machineries which include, amongst others, corrugator, colour high speed printer, auto gluer/stitcher, rotary die-cut machine, eco biomass fired steam boiler, bailing machine, auto glue kitchen, generator set and other ancillary equipment and machineries.

(2) Our Group intends to construct a new manufacturing plant on the Sub-Lease Land which Boxpak (Myanmar) Company Limited (our indirect wholly-owned subsidiary) obtained the right to occupy from 29 December 2015 to 4 June 2064.

Subject to all necessary approvals being obtained and construction plans being finalised, construction of the aforementioned new manufacturing plant is scheduled to commence in the second quarter of 2017 and is expected to be fully commissioned in the second quarter of 2018.

Our Board estimates that a total cost outlay of approximately RM130.0 million is required to construct and commission our new manufacturing plant in Myanmar. Out of the total cost outlay, RM50.0 million is expected to be financed by the proceeds to be raised from the Rights Issue with Warrants whilst the balance sum shall be financed via our Group's internally generated funds and/or bank borrowings.

The proceeds earmarked for constructing and commissioning our new manufacturing plant in Myanmar are expected to be utilised in the following manner:-

	RM' million
Part finance the construction costs of our new manufacturing plant in Myanmar[(a)]	30.0
Part finance the purchase of equipment and machineries[(b)]	20.0
Total	**50.0**

Notes:-

(a) Building construction costs to be incurred for constructing our new manufacturing plant in Myanmar include building materials, consultation fees for engineering and architectural services and labour costs.

(b) The allocation is to part finance the purchase of equipment and machineries for the aforesaid new manufacturing plant in Myanmar which include, amongst others, corrugator, colour high speed printer, auto gluer/stitcher, rotary die-cut machine, eco biomass fired steam boiler, bailing machine, auto glue kitchen, generator set and other ancillary equipment and machineries.

(3) Our Group earmarked approximately RM38.5 million to be utilised in the following manner:-

	RM' million
Repayment of revolving credit facilities	35.6
General expenses (utility expenses including electricity and water bill, rental for our Group's factory at Johor as well as other office expenses)	2.9
Total	**38.5**

As at the LPD, the total borrowings of our Group are approximately RM171.3 million. As at the LPD, the details of the revolving credit facilities intended to be repaid by our Group are as follows:-

	Total revolving credit facilities
Bank	AmBank Islamic Berhad
Purpose of the borrowing	General working capital
Outstanding amount	RM37.0 million
Interest rate	4.7% per annum as at the LPD
Tenure	One (1) month
Proposed repayment amount	RM35.6 million
Purpose of the proposed repayment	To release/free up available revolving credit facilities for future working capital purposes

The repayment of revolving credit facilities by our Group would result in an interest savings of approximately RM1.67 million per annum (calculated based on the prevailing interest rates of the aforesaid revolving credit facilities of 4.7% per annum as at the LPD).

(4) The estimated expenses in relation to the Corporate Exercises include professional fees and fees payable to the relevant authorities, printing cost of circular and the Documents, advertising and miscellaneous expenses. Any shortfall or excess in funds allocated for such estimated expenses will be adjusted from repayment of revolving credit facilities or utilised for our Group's working capital requirements, as the case may be.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

In relation to the Warrants, any future proceeds to be received by our Company from the exercise of the Warrants will be utilised by our Group to fund any future business expansion and/or working capital requirements of our Group. Currently, we do not have any specific plans or priority in respect of the utilisation of proceeds from the exercise of the Warrants as the timing of the exercise of the Warrants by the Warrant holders and amount of such proceeds are uncertain.

5. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

Our Group is principally involved in the manufacturing and distribution of corrugated carton boxes. Presently, our Group has established business presence in Malaysia and Vietnam.

Taking into consideration the expected growing demands from customers in Malaysia, our Board is of the opinion that it is timely to expand our Group's business by boosting its manufacturing capabilities and capacity. We expect to expand our Group's production capacity by 38,400 MT per annum in Malaysia.

Furthermore, our Board is of the view that the investments into new and advanced production equipment and machineries will enable our Group to improve our production efficiency and product quality in Malaysia. The expected improvement in the production efficiency as well as the potential reduction in material wastage and production time may result in improvement to the operating margin of our Group.

In line with our Group's plan to become a regional player in South East Asia, we intend to venture into the Myanmar market. Our new manufacturing plant to be constructed in the Thilawa SEZ, Myanmar is expected to further increase our Group's production capacity by approximately 36,000 MT per annum. Our Board foresees a good opportunity to operate the new manufacturing plant in the Thilawa SEZ given that our Group's business operations in that area will enjoy certain tax exemptions and reliefs. Please refer to Section 7.7 of this Abridged Prospectus for further details of the tax exemptions and reliefs available in the Thilawa SEZ.

Our Board is positive that our Group's business venture into Myanmar will enhance the earnings growth of our Group after taking into consideration, amongst others, expected demand of corrugated carton boxes from the existing and new customers with business presence in Myanmar. Our Group's Myanmar business venture is also to support our holding company, KJCFB's future business presence in Myanmar by supplying the required corrugated carton boxes to them.

The Rights Issue with Warrants is undertaken to raise proceeds to be utilised primarily for our Group's business expansion plan and repayment of short term bank borrowings as set out in Section 4 of this Abridged Prospectus.

After due consideration of various funding options, our Board is of the opinion that the Rights Issue with Warrants is the most appropriate avenue of fund raising based on the following justifications:-

(i) the Rights Issue with Warrants will provide our shareholders with an opportunity to participate in an equity offering on a pro-rata basis to minimise dilution of interest and to increase their equity participation in our Company at a discount to prevailing market price;

(ii) our Group is continuing to seek opportunities to grow our business to enhance the value of our Group. The Rights Issue with Warrants will increase our Group's capital base and therefore create substantial headroom for our Group to incur borrowings to fund our current and future business expansion activities; and

(iii) the Rights Issue with Warrants will enable us to raise funds without incurring interest cost as compared to bank borrowings.

The Warrants which are attached to the Rights Shares are intended to provide an added incentive to our Entitled Shareholders to subscribe for the Rights Shares. The Warrants will allow our Entitled Shareholders to increase their equity participation in our Company at a predetermined price over the tenure of the Warrants. In addition, upon exercise of the Warrants (if any), our Company will obtain additional proceeds to fund any future business expansion and/or working capital requirements of our Group, while strengthening our Company's capital base, improving gearing levels as well as potentially increasing the liquidity of our Shares.

6. RISK FACTORS

You should carefully consider, in addition to other information contained in this Abridged Prospectus, the following risk factors before subscribing for or investing in the Rights Issue with Warrants.

6.1 Risks relating to our Group and our industry

(i) Business and operational risk

Our Group is subject to risks inherent in the manufacturing and distribution of corrugated carton boxes industry. These include shortage of raw materials and skilled workers as well as rising cost of raw materials, labour and energy.

Any changes in the abovementioned factors may materially affect our Group's business and financial condition. Although we seek to limit these risks through, inter-alia, prudent management policies, staying abreast with the development, maintaining good business relationships with our Group's major suppliers, continuous review of our operations and processes and implementing efficient cost control measures, no assurance can be given that any change in the above factors will not have a material adverse effect on our Group's business.

(ii) Competition risk

The corrugated carton boxes industry is competitive. Each of our Group's manufacturing plants faces competition from their respective competitors locally in terms of pricing, design, quality, timely delivery as well as sales and marketing of corrugated carton boxes. Furthermore, our Group may also face competition from potential entry of new competitors in the corrugated carton boxes industry. Our Group's future business and financial performance depend on our abilities in carrying out effective efforts and strategies to respond to the competition in the corrugated carton boxes industry.

In order to mitigate this risk, our Group decided to boost our manufacturing capabilities by investing in new and advanced production equipment and machineries which will enable our Group to improve our production efficiency and product quality in Malaysia. Also, our Group will take other proactive measures to understand our customers' requirements and preferences in response to ever changing economic conditions and market demands.

Whilst our Group continues to take proactive efforts and measures to remain competitive in the corrugated carton boxes industry, there is no assurance that we can effectively mitigate any material adverse effect on our Group's future business and financial performance which is attributable to potential changes in the competitive environments.

(iii) Failure to successfully implement our expansion plans

As disclosed in Section 5 of this Abridged Prospectus, our Group plans to extend its business presence into the Myanmar market as well as expanding its manufacturing capabilities and capacity in Malaysia. The implementation of our expansion plans involves substantial cost outlay including, but not limited to, building construction costs and capital expenditures for the purchase of new equipment and machineries. Such substantial costs shall be partly financed via the proceeds from the Rights Issue with Warrants.

In addition, the constructions of the new factories in Malaysia and Myanmar require necessary approvals/permits from the relevant governments and state authorities which includes design and utilities application, building permit, fire and safety certificate and factory operation certificate. There is no assurance that we would be able to secure the necessary approvals/permits from the relevant authorities in Malaysia and Myanmar and even if secured, in a timely manner. If we are unable to obtain the necessary approvals/permits, we have to reconsider revising our business expansion plans. If we are unable to secure the necessary approvals/permits in a timely manner, we may not be able to realise the benefits and synergies that we hope to achieve from our business expansion plans until much later. Nevertheless, our Board will take all reasonable endeavours to ensure that all relevant approvals/permits required for the constructions of the new factories in Malaysia and Myanmar are obtained in a timely manner so that we can achieve our objective and meet our future plans.

Although our Group has identified sufficient resources to execute the expansion plans, there is no assurance that our Group will be successful in accomplishing our expansion plans. There is also no assurance that our Group can mitigate all the business and operational risks arising from the expansion plans nor can we assure that the outcome of the expansion plans will meet our expectations and contribute positively to the future financial performance of our Group.

(iv) Foreign currency exchange risk

Presently, our Group has established business presence in Malaysia and Vietnam. In line with our Group's plan to become a regional player in South East Asia, we intend to extend our Group's business presence into the Myanmar market. The cash flows of our Group's foreign operations are affected by revenues, operating costs, capital expenditures and financing denominated in foreign currencies, namely, USD, VND, MMK, SGD, European Euro and Japanese Yen. Consequently, our Group's financial performance and position are exposed to fluctuations in the foreign currency exchange rates of the abovementioned foreign currencies. Our Group is also exposed to foreign currency exchange risk as we may provide additional capital/funds to our foreign subsidiaries and/or repatriate our profits from them, if such need arises. Any severe or wide fluctuation in these foreign currencies may materially and adversely affect the business, financial conditions, results of operations and cash flow of our Group of which may cause us to require additional borrowings, if such fluctuations are not effectively managed.

We seek to mitigate this risk to the largest extent by matching the payments for foreign currency payables against receivables and/or financing with bank borrowings denominated in the same foreign currency. We may also use derivative instruments to hedge the risk of adverse fluctuations in the foreign currency exchange rates. Nonetheless, we may not be able to fully hedge any fluctuation in the foreign currency exchange rates.

(v) Exposure to retention and succession risk of our Group's key personnel

As in any other business, we believe that our Group's continued success will depend, to a certain extent, upon the abilities and ongoing efforts of our Group's key personnel (including our existing directors and senior management who are instrumental in our Group's growth and expansion). The future success of our Group also depends on our ability to attract and retain qualified and skilled personnel. Any loss of any key personnel without a suitable and timely replacement, or our Group's inability to continue to attract and retain qualified and skilled personnel, may affect our Group's ability to compete effectively in the industry in which our Group operates.

Every effort is made to ensure smooth transition in the management should our Group loses any of its key personnel to reduce the adverse impact on our Group. Appropriate measures are and will be taken, including providing training programmes and offering attractive incentives such as performance bonus and attractive remuneration packages to retain our Groups' key personnel.

(vi) Political, economic, market and regulatory risks

Like all other business entities, our business operations are subject to the jurisdiction of various governmental agencies and/or ministries. Any adverse developments in political, economic, regulatory and social conditions in Malaysia and other countries where our Group operates and will operate in the near future, namely Vietnam and Myanmar, could materially affect the financial and business prospects of our Group. Such uncertainties that could unfavourably affect our Group include changes in political leadership, war, economic downturn, changes in monetary and fiscal policy, changes in foreign currency regulations or introduction of new rules or regulations, financial crisis, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation.

While we strive to continue to take precautionary measures such as diversifying our operations in various countries and by implementing prudent business, financial and risk management policies, much of the above changes are beyond our Group's control and there can be no assurance that any adverse developments will not materially affect the operational conditions and performance of our Group.

6.2 Risks relating to the Rights Issue with Warrants

(i) Public shareholding spread of Box-Pak Shares

As disclosed in Section 1 of this Abridged Prospectus, pursuant to Bursa Securities' conditions in its letter dated 9 November 2016, the admission and listing and quotation of our Right Shares and Warrants to be issued pursuant to the Rights with Warrants must take place upon achieving full compliance of the Public Spread Requirement.

As at the LPD, the public shareholding spread of our Company is approximately 44.6%. If none of the Other Entitled Shareholders and/or their renouncee(s) subscribe for the Rights Shares and KJCFB subscribes for all the Rights Shares pursuant to the Undertaking and the Additional Undertaking, our public shareholding spread may decrease to approximately 22.3%, which is not in compliance with the Public Spread Requirement.

In the above event, our Board had, vide its letter dated 11 October 2016, undertaken to procure our Company to allot and issue new Box-Pak Shares pursuant to the Authority to enable us to restore our public shareholding spread to comply with the Public Spread Requirement. Our Board may also procure KJCFB to dispose part of its shareholdings in our Company in order for us to rectify the possible non-compliance with the Public Spread Requirement prior to the completion of the Rights Issue with Warrants.

There can be no assurance that the allotment and issuance of new Box-Pak Shares pursuant to the Authority and/or the disposal of Box-Pak Shares by KJCFB will be implemented successfully to enable us to comply with the Public Spread Requirement. Nevertheless, our Board endeavours to monitor the subscription rate of the Rights Issue with Warrants and take immediate and necessary measures to rectify the possible non-compliance with the Public Spread Requirement prior to the completion of the Rights Issue with Warrants.

(ii) Market risk

The market price of our Shares and Warrants as traded on Bursa Securities may experience fluctuations. Various factors could influence the fluctuations of market price of our Shares and Warrants, which include, the prevailing market sentiments, the liquidity of our Shares and Warrants, the volatility of equity markets, interest rate movements, the outlook of the industry in which our Group operates in as well as the corporate developments and future financial performance of our Group. In view of this, there can be no assurance that our Shares will trade at or above the Rights Issue Price or the TERP of our Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

The value of our Warrants is dependent upon the market price of our Shares, remaining exercise period of our Warrants, volatility of the market price of our Shares, prevailing interest rates and potential future payments of dividend of our Company.

Furthermore, you are reminded that should our Warrants expire at the end of its tenure, it will lapse and cease to be valid and hence, will no longer have any value.

(iii) No prior market for the Warrants

The Warrants are new securities to be issued by our Company. Prior to the Rights Issue with Warrants, there has been no established trading market for the Warrants. The market price of our Warrants on Bursa Securities will depend on, amongst others, the prevailing market sentiments, the liquidity of our Warrants, the volatility of equity markets, interest rate movements, the outlook of the industry in which our Group operates in as well as the corporate developments and future financial performance of our Group. No assurance can be given that an active market for our Warrants will develop upon or subsequent to its listing on Bursa Securities, or if developed, that such market is sustainable or adequately liquid. There can also be no assurance that the market price of the Warrants will be maintained at any particular level subsequent to its listing on Bursa Securities.

(iv) Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants may be aborted or delayed if any material adverse change of events/circumstances, which is beyond the control of our Company and AmInvestment Bank, arises prior to the completion of the Rights Issue with Warrants.

Pursuant to Section 243 of the CMSA, if the Rights Issue with Warrants is aborted, our Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest, in respect of the accepted application for the subscription of the Rights Shares including the Excess Rights Shares within fourteen (14) days after our Company is required to do so. If such monies are not refunded within fourteen (14) days after our Company becomes liable, our Company will repay such monies with interest at the rate of ten percent (10%) per annum or at such other rate as may be prescribed by the SC from the expiration of that period.

In the event that the Rights Shares and Warrants have been allotted to you and/or your renouncee(s) and/or transferee(s) (if applicable) and the Rights Issue with Warrants is subsequently cancelled/terminated, a return of the monies to the holders of the Rights Shares can only be fulfilled by way of cancellation of our share capital as provided under the Act. Such cancellation may be carried out with the approval of our shareholders by way of special resolution in a general meeting and confirmation by the High Court of Malaya or supported by a solvency statement made by all directors of our Company. There can be no assurance that such monies can be recovered within a short period of time or at all under such circumstances.

(v) Potential dilution

Entitled Shareholders who do not or are not able to accept their entitlement pursuant to the Rights Issue with Warrants will have their proportionate percentage of shareholdings and voting interests in our Company reduced in the total number of issued Shares in our Company. Pursuant thereto, their proportionate entitlement to any future dividend, rights, allotment, and/or distribution that our Company may declare, make or pay, the entitlement date of which is after completion of the Rights Issue with Warrants, will correspondingly be diluted.

6.3 Forward looking statements

This Abridged Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Abridged Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives for future operations of our Group, are forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “shall”, “should”, “can”, “could”, “may” and “might”. However you should note that these words are not the exclusive means of identifying forward-looking statements. Such forward-looking statements are made by our Board and senior management of our Group based on numerous estimates and assumptions regarding our present and future business strategies and environments in which our Group will operate. Such factors include general economic and business conditions, competition, impact of new laws and regulations affecting our Group and the industry we operate in, changes of interest rates and changes in foreign currency exchange rates. Although believed to be reasonable as at the LPD, the forward-looking statements are subject to risks, uncertainties and other factors that may cause the actual results, performance or achievements to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation nor warranty by us nor our Principal Adviser in connection with the Rights Issue with Warrants that such plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP

7.1 Outlook of the economy in Malaysia

The Malaysian economy expanded by 4.3% in the third quarter of 2016 (2Q 2016: 4.0%), underpinned mainly by continued expansion in private sector spending and additional support from net exports. On the supply side, growth continued to be driven by the major economic sectors. On a quarter-on-quarter seasonally adjusted basis, the economy recorded a growth of 1.5% (2Q 2016: 0.7%).

Overall, domestic demand grew at a more moderate pace, as the sustained growth in private sector activity was more than offset by the slower growth in public spending. Private consumption grew by 6.4% (2Q 2016: 6.3%), supported by continued wage and employment growth as well as the increase in minimum wage effective 1 July 2016. Private investment registered a growth of 4.7% in the third quarter (2Q 2016: 5.6%), supported primarily by continued capital spending in the services and manufacturing sectors. Growth of public consumption moderated to 3.1% during the quarter (2Q 2016: 6.5%) due to lower spending on supplies and services, which partially offset the higher spending on emoluments. Public investment growth contracted by 3.8% (2Q 2016: 7.5%), attributable mainly to lower spending on fixed assets by the Federal Government.

The Malaysian economy is expected to expand by 4-4.5% in 2016. Domestic demand, particularly private sector activity will continue to be the key driver of growth. Private consumption is expected to remain supported by wage and employment growth, with additional impetus coming from announced Government measures to increase disposable income. Investment activity will continue to be anchored by the on-going implementation of infrastructure projects and capital spending in the manufacturing and services sectors. On the external front, export growth is expected to remain weak following subdued demand from Malaysia's key trading partners. Overall, while domestic conditions remain resilient, uncertainties in the external environment may pose downside risks to Malaysia's growth prospects.

(Source: Quarterly Bulletin, Third Quarter 2016, Bank Negara Malaysia)

7.2 Description and outlook of the manufacturing sector in Malaysia

The manufacturing sector registered a growth of 4.2% in 3Q 2016 (2Q 2016: 4.1%). Growth continued to be driven mainly by the export-oriented industries. This reflected the higher production of chemical-related products resulting from sustained regional demand as well as continued strength in the electronics segment, particularly semiconductors in line with recent recovery in global semiconductor sales. In the domestic-oriented industries, growth was underpinned by the production of food and construction-related products. However, the transport equipment segment remained weak as reflected by the contraction in the production of passenger cars during the quarter due to subdued consumer demand.

(Source: Quarterly Bulletin, Third Quarter 2016, Bank Negara Malaysia)

Value-added of the manufacturing sector grew 4.3% during the first six months of 2016 (January – June 2015: 4.9%), while output increased 4% mainly supported by export-oriented industries (January – July 2015: 4.8%). Higher production of electrical and electronics and resource-based products contributed significantly to the export-oriented industries, which grew 4.2% (January – July 2015: 5.3%). Meanwhile, growth of the domestic-oriented industries was sustained at 3.3% supported by steady construction activity and consumer spending. Average wage per employee continued to increase 4.1% to RM3,076, while the number of employees decreased 0.1% largely due to automation to replace unskilled workers (January – July 2015: 4.7%; RM2,897; 0.1%). Capacity utilisation rate remained high at 77.5% during the second quarter of 2016 (Q1 2016: 76.7%), indicating higher output of the sector. For the year, the manufacturing sector is expected to grow 4.0% (2015: 4.9%).

(Source Economic Report 2016/2017, Economic Performance and Prospects, Ministry of Finance, www.treasury.gov.my)

7.3 Outlook of the economy in Vietnam

Economic activity has moderated in the first half of 2016. Driven by strong export-oriented manufacturing and buoyant domestic demand, growth accelerated to 6.7 percent in 2015 – the fastest growth rate in 7 years. Following this strong performance the first half of this year saw GDP growth (y/y) slowing to 5.5 percent, compared to 6.3 percent growth during the same period in 2015. The deceleration is largely due to a severe drought and saltwater intrusion across key agricultural regions.

Vietnam's medium term outlook remains positive, but subject to risks. GDP is projected to grow by 6 percent in 2016 with inflationary pressures contained and the current account in balance. The fiscal deficit is projected to remain high this year but then tighten over the medium term, reflecting the government's fiscal consolidation plans. The baseline outlook is subject to external and domestic risks. A further weakening in the United States and European Union economies (especially following the British exit vote) and a sharper slowdown in China could dim Vietnam's growth prospects. On the domestic front, slow progress in implementing structural reforms to boost productivity in both the state owned and private sector pose risks to medium-term growth prospects, while delays in addressing lingering non-performing loan problems in banking sector and fiscal consolidation could pose a risk to future macroeconomic stability and growth.

(Source: Eckardt, Sebastian; Dinh, Viet Tuan; O'Keefe, Philip B.; Mahajan, Sandeep; Nguyen, Nga Quynh. 1 July 2016. Special focus: promoting healthy and productive aging in Vietnam. Washington, D.C.: World Bank Group)

7.4 Description and outlook of the manufacturing sector in Vietnam

Vietnam is a popular destination for many global and regional manufacturing companies due to its low costs, connectivity to other countries, and increasing openness to foreign investors. Manufacturing is the second largest sector in Vietnam, accounting for 15.4% of the country's total GDP in 2015, equivalent to USD22.1 billion (VND442.6 trillion). Agriculture, forestry and fishing is the largest sector in the country, contributing 16.1% to the domestic GDP, whereas the wholesale and retail trade sector is ranked the third largest, with its 9.3% contribution.

From 2010 to 2015, manufacturing GDP grew by a CAGR of 12.2%. Between 2014 and 2015, growth from this sector recorded at 10.6%, underpinned mostly by growth in the rubber and plastics, electrical/ electronic equipment, and tobacco manufacturing industries. Automobile manufacturing has emerged as one of the key focus manufacturing industries by the Vietnam government for the three economic zones within Hanoi, Ho Chi Minh, and Can Tho City. The electronics equipment manufacturing industry is another rising star in Vietnam's economy. Growth rates of this industry averaged at approximately 10.0% annually in 2015, while total electronics exports grew at a y-o-y rate of 36.5% between 2014 and 2015.

Manufacturing of alcoholic beverages grew by 6.6% from 2014 to 2015, with beer manufacturing accounting for more than 90.0% of total domestic production, by volume, in that year. Meanwhile, domestic manufacturing of footwear grew by 15.2% in 2015, in terms of volume; most of which are being exported. In that same year, Vietnam exported USD12.4 billion worth of footwear. Footwear exports from Vietnam expanded at a CAGR of 16.7% during the five-year period from 2011 to 2015.

Vietnam's manufacturing sector is expected to grow even further, fueled by trends in FDI inflow. In 2015, Vietnam attracted USD24.1 billion of FDI, of which a substantial amount (68.1%) was invested in the manufacturing sector. The country's comparatively low labour costs and increasingly pro-business stance has attracted many investors. South Korea, Malaysia and Singapore are the three largest sources of FDI into the country, constituting 47.9% of FDI value in that year. The establishment of the ASEAN Economic Community, of which Vietnam is a participant, is expected to further increase trade connections and boost foreign investments into the country, and will have a direct impact on the country's manufacturing industry.

(Source: Independent Market Research Report by Converging Knowledge)

7.5 Outlook of the economy in Myanmar

Myanmar is Southeast Asia's 7th biggest economy and is ranked 57th in the world (in 2015). The country's economy has witnessed substantial changes in recent years, as it opens up its borders to foreign trade and investments. Its GDP grew by 7.0% in 2015 - from USD65.8 billion (MMK53.1 trillion) in 2014 to USD70.4 billion (MMK56.9 trillion) in 2015, largely underpinned by growth in the mining, energy and communications sectors. The manufacturing and agricultural sectors continue to be the major contributors to the country's economy, constituting 21.5% and 21.1%, respectively, in 2015. Comparatively, however, GDP growth rates have moderated y-o-y due to severe floods and landslides in July - August 2015, which affected agricultural production. The economy is also facing resistance from a challenging external environment, which is expected to affect contributions from the export sectors.

In 2015, Myanmar's trade balance registered a deficit of USD4.1 billion, and is on trajectory to see another shortfall in 2016. Both gross exports and imports continued to increase throughout the years which, however, have done little to narrow the trade balance deficit. The country's main trade partners are Thailand, China, Singapore, India, and Japan, with Thailand and China being the largest importers of Myanmar's goods and services. Natural gas, semi-precious stones, garments and agricultural goods form the majority of Myanmar's exports. On the other hand, a large portion of imports consists of machines and machineries, reflecting the country's aspirations to industrialise and modernise its industries.

With rapid economic growth and development from a low base, Myanmar is experiencing elevated levels of inflation. The average inflation rate was recorded at 10.7% in June 2016, while Consumer Price Index rose by 11.5% y-o-y between 2014 and 2015. Presently, the monetary policy framework in Myanmar is not geared towards inflation targeting. In the absence of a more developed bond or financial market to conduct open market operations, the Central Bank of Myanmar has been holding deposit auctions and making adjustments on the reserves requirements ratio to absorb excess liquidity and control inflation. As of October 2016, the Myanmar government is gradually moving towards open market operations, including extension of maturities on Treasury bill auctions, and launching Treasury bond auctions.

Private investments saw substantial growth in 2015, with FDI registering an 18.4% increase from 2014. The oil and gas sector received more than half (50.8%) of FDI in that year, while manufacturing as well as transport and communications accounted for 11.2% and 20.4%, respectively. Public consumption grew by 14.0% in 2015, reflecting fiscal spending in response to the global economic slowdown, while public investments into transportation and the power industry increased by 10.0% in the same period. Conversely, private domestic consumption eased in 2015 due to flood-induced supply shock in the agricultural industry. It is expected that in 2016, the Myanmar government will cut back on public expenditure to reduce its current deficit, while private consumption will be dampened by inflationary pressure, especially on food items.

The current global oversupply situation, leading to low commodity prices, will inadvertently affect Myanmar's agricultural, and oil and gas sectors. Structural constraints, rising inflation, and political uncertainties remain as some of the key challenges for the country in the near future. However, Myanmar's economic prospects remain strong, as industries such as construction and manufacturing are projected to expand and drive inclusive growth in the country. Myanmar's abundant human and natural resources allows for a significant scope of capital widening, which will, in turn, result in broad-based economic growth. By and large, Myanmar's economy is expected to perform in 2016 and 2017, on the back of increasing FDI in industries, recovering agricultural production, as well as stabilising institutions and macroeconomic policies. A 7.8% annual growth rate is projected for this economy in the near term (2016 – 2017), with a higher yearly rate of 8.2% in the medium term.

(Source: Independent Market Research Report by Converging Knowledge)

7.6 Description and outlook of the manufacturing sector in Myanmar

The manufacturing sector in Myanmar is fast becoming a key driver of the country's economy. There has been a strategic shift from agriculture to manufacturing, precipitated by a combination of factors such as low labour costs, development of SEZs and FDI influx. In 2015, GDP from Myanmar's manufacturing sector reached USD13.0 billion (MMK13.0 trillion), a 12.9% increase from USD11.6 billion (MMK11.6 trillion) in 2014. Overall, the sector's contribution as a percentage of overall GDP expanded by 0.2 percentage points to 21.5% in 2015, up from 21.3% in 2014.

Following reforms, Myanmar has since laid the framework for three SEZs – Thilawa SEZ, Dawei SEZ and Kyauk Phyu SEZ – aimed at further attracting FDIs, including those in the manufacturing sector. Dawei SEZ, involving developers from Japan and Thailand, will be the largest and the most ambitious SEZ, covering more than 20,000 hectares. The Kyauk Phyu SEZ, announced in 2013, is the latest SEZ project and will be developed by a Singapore based consortium. Thilawa SEZ is being co-developed by Myanmarese and Japanese developers, and targets light manufacturing industries. Construction has begun on this 2,400-hectare SEZ, which reportedly has garnered investor interest from 11 countries operating in 45 manufacturing industries, including automotive parts, electrical products, food, household goods, garment, footwear, and construction materials manufacturing.

A major industry for Myanmar's manufacturing sector is food and beverage, which comprises 63.0% of the total number of local small and medium enterprises in the country (as at 2013). Alcoholic beverage manufacturing is one of the fastest growing industries in the manufacturing sector of Myanmar, with domestic production of alcoholic beverages recording an annual growth rate of 28.1% (by volume) between 2013 and 2014. This volume is estimated to have expanded further by at least 15.0% in 2015, given that the Myanmar Investment Commission had granted licences to four international alcoholic beverages manufacturers in early 2015.

Myanmar has been actively courting FDIs into the manufacturing sector, and future investments will be spurred with the development of the three SEZs and the relaxation on foreign investments regulations. The number of foreign companies involved in manufacturing in Myanmar is more than those operating in other sectors. By December 2016, FDIs into the manufacturing sector accounted for 11.1% of the total foreign investments or USD7.5 billion. However, one of the main downsides facing the manufacturing industry is the current lack of power and transport infrastructure, which is likely to impede growth among heavier manufacturing industries. Hence, it is expected that labour-intensive manufacturing industries will play a more pivotal role in Myanmar's economic growth in the near term. In general, the industry sector in Myanmar is forecast to grow by 7.9% to 8.5% in 2016 and 2017, respectively.

(Source: Independent Market Research Report by Converging Knowledge)

7.7 Prospects of our Group

Our Group registered steady revenue growth from RM248.70 million in the FYE 31 December 2011 to RM451.74 million in the FYE 31 December 2015. The consistent improvement in our Group's revenue over the last five (5) financial years was mainly attributable to the increasing demand for corrugated carton boxes in Malaysia and Vietnam where our Group established business presence. Notwithstanding the above, our Group has recorded decreases in profit after taxation for FYE 31 December 2013 and FYE 31 December 2014. Please refer to Section 6, Appendix II of this Abridged Prospectus for the commentaries on financial performance of our Group.

In order to cater for the increasing demand for the corrugated carton boxes in Malaysia and Vietnam, we undertook the following expansion plans over the last five (5) financial years:-

(i) we expanded our operations in Ho Chi Minh with an additional unit of high quality printing machine and other supporting equipment for a total investment of USD1.2 million in the FYE 31 December 2011;

(ii) we expanded our operations to Hanoi and the northern market of Vietnam by construction of a new plant in VSIP Bac Ninh Industrial Park which commenced operations in the third quarter of the FYE 31 December 2013; and

(iii) we completed the acquisition of BP MPak Sdn. Bhd., which operates a carton box manufacturing plant in Johor on 27 November 2013.

Our Board expects that the additional production capacity of approximately 3,200 MT per month resulting from the new factory and new production lines in Malaysia will enable our Group to cater for the increasing demand for corrugated carton boxes in Malaysia as well as to contribute to revenue growth of our Group. Furthermore, our Board also expects our Group's operating margin to be improved following the expected improvement in the production efficiency as a result of the investments into new and advanced production equipment and machineries.

Notwithstanding that the demand for corrugated carton boxes in Malaysia and Vietnam is expected to remain positive and competitive, our Board is of the view that these markets are expected to continue growing at a slower pace as compared to corrugated carton boxes market in Myanmar after having considered the higher projected economic growth of Myanmar (2016-2017: 7.8%) as compared to Malaysia (2016: 4.0% - 4.5%) and Vietnam (2016: 6.0%), as set out in Sections 7.1, 7.3 and 7.5 of this Abridged Prospectus. Hence, our Board believes that it is timely to open up new market opportunities and extend our Group's business presence into Myanmar.

In order to compete with the existing players in the corrugated carton boxes industry in Myanmar, we plan to tap into our holding company, KJCFB's existing food & beverage customers in Myanmar who require corrugated carton boxes secondary packaging. In addition, we expect to leverage on our Group's existing customers in Malaysia and Vietnam who are setting up business presence in Myanmar. We also plan to build an experienced sales team in Myanmar to penetrate the Myanmar market and establish business relationships.

Our Group is expected to benefit from the tax exemptions and reliefs available in the Thilawa SEZ including, amongst others, the following:-

(i) income tax exemption for the first five (5) years from the date of commencement of commercial operations;

(ii) reduction of the income tax rate by 50% for the second five (5) years from the date of commencement of commercial operations; and

(iii) exemption on tax and other direct or indirect levy for goods exported from the Thilawa SEZ.

Taking into consideration the expected demand of corrugated carton boxes from our Group's existing and potential new customers in Myanmar as well as certain tax exemptions and reliefs available in the Thilawa SEZ, our Board is of the view that our Group's earnings growth is expected to be further enhanced by the business expansion into Myanmar.

In addition, our Board envisages that part of the utilisation of proceeds from the Rights Issue with Warrants will allow our Group to further strengthen its working capital and financial position. Our Group strives to review its production costs, volatility in the foreign currency exchange rate and finance costs regularly to maintain resilience in its financial performance.

8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Issued share capital

Based on our issued Shares as at the LPD, the proforma effects of the Rights Issue with Warrants and the Authority are set out below:-

Issued Shares		No. of Shares	RM
As at the LPD		**60,023,490**	**60,023,490**
Add:	Rights Shares to be issued pursuant to the Rights Issue with Warrants	60,023,490	60,023,490
After the Rights Issue with Warrants		**120,046,980**	**120,046,980**
Add:	Box-Pak Shares to be issued pursuant to the Authority(1)	12,004,698	12,004,698
After the Authority		**132,051,678**	**132,051,678**
Add:	Box-Pak Shares to be issued upon full exercise of the Warrants	15,005,872	15,005,872
Total number of issued Shares		**147,057,550**	**147,057,550**

Note:-

(1) Assuming maximum number of new Box-Pak Shares are allotted and issued pursuant to the Authority after completion of the Rights Issue with Warrants but before any exercise of the Warrants.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

8.2 NA per share and gearing

Based on the latest audited consolidated statement of financial position of our Group as at 31 December 2015, the proforma effects of the Rights Issue with Warrants and the Authority on the consolidated NA and gearing of our Group are set out below:-

		(I)	(II)	(III)
	Audited as at 31 December 2015[(1)]	**After the Rights Issue with Warrants**	**After (I) and the Authority**	**After (II) and assuming full exercise of the Warrants**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**
Share capital	60,047	[(2)]167,383	[(5)]191,873	228,463
Foreign currency translation reserve	22,563	22,563	22,563	22,563
Retained earnings	94,689	[(3)]93,919	93,919	93,919
Warrant reserve	-	[(4)]5,978	5,978	-
Shareholders' equity/NA	**177,299**	**289,843**	**314,333**	**344,945**
Number of Box-Pak Shares in issue ('000)	60,023	120,047	132,052	147,058
Consolidated NA per Box-Pak Share (RM)	2.95	2.41	2.38	2.35
Borrowings (RM'000)	102,875	102,875	102,875	102,875
Gearing (times)[(6)]	0.58	0.35	0.33	0.30

Notes:-

(1) Restated pursuant to the effects of Section 618(2) of the Act.

(2) After netting off share issuance expenses such as fees payable to authorities relating to the Corporate Exercises amounting to approximately RM130,000.

(3) After netting off non-share issuance expenses such as professional fees and miscellaneous expenses relating to the Corporate Exercises amounting to approximately RM770,000.

(4) Based on fair value of the Warrants of RM0.3984 each which was derived from the trinomial model option pricing model from Bloomberg.

(5) Assuming the new Box-Pak Shares are allotted and issued at the TERP of Box-Pak Shares of RM2.04 after the Rights Issue with Warrants.

(6) Computed based on the total borrowings divided by the total shareholders' equity.

8.3 Earnings and EPS

The consolidated EPS of our Group is expected to be diluted as a result of the increase in the number of our Shares in issue upon completion of the Rights Issue with Warrants and as and when the Warrants are exercised into new Box-Pak Shares. However, the Rights Issue with Warrants is expected to contribute positively to the future earnings of our Group when the benefits of the proposed utilisation of proceeds are realised.

The actual impact on future consolidated earnings and EPS of our Group will also depend on, among others, the level of returns generated from the utilisation of proceeds raised from the Rights Issue with Warrants, number of new Box-Pak Shares to be allotted and issued pursuant to the Authority and exercise of the Warrants as well as the exercise rate of the Warrants.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Rights Issue with Warrants, banking facilities available to our Group and the funds to be internally generated from our operations, our Group will have sufficient working capital for a period of twelve (12) months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, the total outstanding borrowings of our Group is approximately RM171.3 million (all of which are interest bearing), the details of which are set out below:-

	Currency	Amount in foreign currency ('000)	RM'000	Amount in RM (RM'000)
Short term borrowings				
Unsecured:				
Revolving credit	RM	-	37,000	37,000
Trade facilities	RM		10,540	10,540
Trade facilities	VND	270,880,469	-	53,363[(1)]
Term loans	USD	3,148	-	10,206[(1)]
Total short term borrowings			**47,540**	**111,109**
Long term borrowings				
Unsecured:				
Term loans	VND	213,969,719	-	42,152[(1)]
Term loans	USD	5,750	-	17,994[(1)]
Total long term borrowings			-	60,146
Total borrowings			**47,540**	**171,255**

Notes:-

(1) Based on the respective foreign currency exchange rates as at the LPD.

Our Group does not have any non-interest bearing borrowings from local financial institutions and foreign financial institutions.

Our Group has not defaulted on payments of either interest or principal sums in respect of any borrowing for the FYE 31 December 2015 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by our Group which may, upon becoming enforceable, have a material impact on the financial results or financial position of our Group.

9.4 Material commitments

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by our Group which may, upon becoming enforceable, have a material impact on the financial results or financial position of our Group:-

	Amount (RM'000)
Contractual commitment for the purchase of plant and machinery for our operations in Vietnam	2,685

The above commitment will be incurred in the period of twelve (12) months from the date of this Abridged Prospectus and will be funded by our Group's internally generated funds.

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

FULL INSTRUCTIONS FOR THE ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS, APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES AS WELL AS APPLICATION AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL AND/OR TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF CAREFULLY. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

10.1 General

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in such Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. You and/or your renouncee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts in order to subscribe for the Rights Shares with Warrants.

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares and Warrants, which you are entitled to subscribe for in full or in part in accordance with the terms and conditions of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, an NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and an RSF to enable you to subscribe for such Provisional Allotments allotted to you, as well as to apply for the Excess Rights Shares, if you choose to do so.

10.2 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotments (whether in full or in part) is at **5:00 p.m. on 7 March 2017**.

10.3 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for the Excess Rights Shares, if you choose to do so, using either of the following methods:-

(i) RSF[(1)];

(ii) Electronic Application[(2)]; or

(iii) Internet Application[(3)]

Notes:-

[(1)] A copy of the RSF will be enclosed together with this Abridged Prospectus. You may obtain additional copies of this Abridged Prospectus and the RSF from our Share Registrar or Bursa Securities' website at www.bursamalaysia.com.

[(2)] The following surcharge for the Electronic Application will be charged by respective Participating Financial Institutions:-

- Affin Bank Berhad – RM4.24 (inclusive of 6% GST); and
- Public Bank Berhad – RM4.24 (inclusive of 6% GST).

[(3)] The following processing fee for the Internet Application will be charged by respective Internet Participating Financial Institutions:-

- Affin Bank Berhad's website at www.affinbank.com.my – RM4.24 (inclusive of 6% GST); and
- Public Bank Berhad's website at www.pbebank.com – RM4.24 (inclusive of 6% GST)

10.4 Procedures for acceptance and payment

10.4.1 Procedures for acceptance and payment by way of RSF

ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS MUST BE MADE IN ACCORDANCE WITH THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED STRICTLY IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES AND/OR PAYMENTS WHICH DO NOT CONFORM WITH THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. OUR SHARE REGISTRAR WILL NOT CONTACT YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANFEREE(S) (IF APPLICABLE) FOR ACCEPTANCES WHICH DO NOT STRICTLY CONFORM WITH THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS OR THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF OR WHICH ARE ILLEGIBLE.

If you wish to accept the Provisional Allotments, either in full or in part, please complete Parts I and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed RSF together with the relevant payment must be and despatched **BY ORDINARY POST** (at your own risk)**, COURIER** or **DELIVERED BY HAND** (at your own risk) to our Share Registrar at the following address and arrived by the Closing Date:-

Boardroom Corporate Services (KL) Sdn Bhd
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel. no.: +603 7720 1188
Fax no.: +603 7720 1111

Only one (1) RSF can be used for acceptance of Provisional Allotments standing to the credit of one (1) CDS Account. Separate RSFs must be used for separate CDS Account(s). The Rights Shares and Warrants subscribed by you in accordance with the procedures set out in the RSF will be credited into the respective CDS Accounts where the Provisional Allotments are standing to the credit.

A reply envelope is enclosed with this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You should take note that a trading board lot for the Rights Shares and Warrants will comprise of one hundred (100) Rights Shares and one hundred (100) Warrants each respectively. Successful applicants of the Rights Shares will be given Warrants on the basis of one (1) Warrant for every four (4) Rights Shares successfully subscribed for. You are always entitled to accept part of your entitlement to the Provisional Allotments, PROVIDED ALWAYS that the minimum number of Rights Shares that may be accepted is one (1) Rights Share. However, one (1) Warrant will be issued for every four (4) Rights Shares subscribed for.

Each completed RSF must be accompanied by remittance in RM for the full and exact amount payable for the Provisional Allotments accepted, in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia and made payable to "**BOX-PAK RIGHTS SHARES ACCOUNT**", crossed "**A/C Payee Only**" and endorsed on the reverse side with your name, address, contact number and CDS Account of the applicant in block letters to be received by our Share Registrar.

If acceptance and payment for the Provisional Allotments (whether in full or in part) are not received by our Share Registrar by 5:00 p.m. on 7 March 2017, being the last time and date for acceptance and payment, you will be deemed to have declined the Provisional Allotments made to you and it will be cancelled. Such Rights Shares and Warrants not taken up will be allotted to the applicants applying for Excess Rights Shares, and subsequently, to KJCFB, if the Rights Shares and Warrants are not fully taken up by such applicants in the manner as set out in Section 10.7 of this Abridged Prospectus.

If you lose, misplace or for any other reasons require another copy of this Abridged Prospectus and/or the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website, at www.bursamalaysia.com, our Share Registrar at the address stated above or at our Registered Office.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES AND WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THEM AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASONS.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

Notification on the outcome of your application for the Provisional Allotments will be despatched to you by ordinary post to the address as shown in Bursa Depository's record at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the Closing Date; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the Closing Date.

10.4.2 Procedures for acceptance and payment by way of Electronic Application

Only Entitled Shareholders who are individuals may apply for the Rights Shares by way of Electronic Application.

If you wish to accept the Provisional Allotments, either in full or in part, by way of Electronic Application, please follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Applications and the procedures set out at the Automated Teller Machine ("**ATM**") of the Participating Financial Institutions before making an Electronic Application.

(i) Participating Financial Institutions

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches within Malaysia:

(a) Affin Bank Berhad; and

(b) Public Bank Berhad

(ii) Steps for Electronic Applications through a Participating Financial Institution's ATM within Malaysia

Before making an application by way of Electronic Application, you must have an account with a Participating Financial Institution and an ATM card issued by the Participating Financial Institution to access the account. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for the Rights Shares with Warrants at an ATM belonging to other Participating Financial Institutions.

You are advised to read and understand this Abridged Prospectus before making the application.

The procedures for Electronic Application at the ATM of the Participating Financial Institutions are set out on the ATM screen of the relevant Participating Financial Institutions.

You shall apply for the Rights Shares with Warrants via the ATM of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are set out in the terms and conditions for Electronic Applications and further detailed in Section 10.4.2(iii) of this Abridged Prospectus. You shall enter at least the following information through the ATM when the instructions on the ATM screen require you to do so:

(i) personal identification number ("**PIN**");

(ii) select Box-Pak (Malaysia) Bhd;

(iii) CDS Account number;

(iv) number of Rights Shares applied for and/or the RM amount to be debited from the account;

(v) current contact number (for example your mobile phone number); and

(vi) confirmation of subscription details.

Upon completion of the Electronic Application transaction, you will receive a computer generated transaction slip ("**Transaction Record**") confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or our Share Registrar. The Transaction Record is for your record only and is not required to be submitted with your application.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION MAY BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(iii) Terms and conditions for Electronic Applications

The Electronic Application shall be made on, and subject to, the term of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:

(i) you are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:

  (a) you have attained eighteen (18) years of age as at the last day for application and payment;

  (b) you have read the relevant Abridged Prospectus and understood and agreed with the terms and conditions of the application; and

(c) you hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, the respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself, and your account with the Participating Financial Institution and Bursa Depository to the relevant authorities and any persons as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia including Section 134 of the FSA and Section 45(1)(a) of the SICDA, to the disclosures as described above;

(ii) you confirm that you are not applying for the Rights Shares as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner;

(iii) you must have sufficient funds in your account with the relevant Participating Financial institution at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application which does not strictly conform to the instructions set out on the screen of the ATM, through which the Electronic Application is being made, may be rejected;

(iv) you agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by action of pressing the pre-designated keys or buttons on the ATM) of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the relevant Participating Financial Institutions;

(v) by making and completing your Electronic Application, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into your CDS Account;

(vi) you acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, Bursa Depository, our Share Registrar or the relevant Participating Financial Institutions and irrevocably agree that if:

(a) our Company, Bursa Depository or our Share Registrar does not receive your Electronic Application; or

(b) data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, Bursa Depository or our Share Registrar,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant Participating Financial Institutions for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares;

(vii) all of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be true and correct, and our Company, Bursa Depository, our Share Registrar and the relevant Participating Financial Institutions shall be entitled to rely on the accuracy thereof;

(viii) you shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Application may be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allocation will be sent to your address last maintained with Bursa Depository;

(ix) by making and completing an Electronic Application, you agree that:

(a) in consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Electronic Application facility established by the relevant Participating Financial institutions at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;

(b) our Company, Bursa Depository, our Share Registrar or the relevant Participating Financial institutions shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;

(c) notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for the Rights Shares for which your Electronic Application has been successfully completed is only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and

(d) you agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia;

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(x) our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions; and notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk within the timelines as follows:

(a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or

(b) unsuccessful/partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day of application and payment for the Rights Shares.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.2(iii) of this Abridged Prospectus and the required consent in making your Electronic Application.

If the refund by way of direct credit into your bank account, from which your Electronic Application was made, is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk.

10.4.3 Procedures for acceptance and payment by way of Internet Application

All Entitled Shareholders may apply for the Rights Shares by way of Internet Application. If you wish to accept the Provisional Allotments, either in full or in part, by way of Internet Application, please follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Internet Applications and the procedures set out on the internet financial services website of the relevant Internet Participating Financial Institutions before making an Internet Application.

(i) Internet Participating Financial Institutions

Internet Applications may be made through the internet financial services facilities of the following Internet Participating Financial Institutions:

- Affin Bank Berhad at www.affinbank.com.my; and
- Public Bank Berhad at www.pbebank.com.

(ii) Steps for Internet Applications through an Internet Participating Financial Institution

Before making an application by way of Internet Application, you must have all of the following:

(a) an existing account with access to internet financial services with Affin Bank Berhad at www.affinbank.com.my or Public Bank Berhad at www.pbebank.com. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and

(b) a CDS Account registered in your name.

You are advised to read and understand this Abridged Prospectus **BEFORE** making your application.

While our Company will attempt to provide you with assistance in your application for the Rights Shares through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of the Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only:

(i) connect to the internet financial services website of the Internet Participating Financial Institution with which you have a bank account;

(ii) log in to the internet financial services facility by entering your user identification and PIN/password;

(iii) navigate to the section of the website on applications in respect of the Rights Shares;

(iv) select the counter in respect of the Rights Shares to launch the terms and conditions of the Internet Application;

(v) select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;

(vi) at the next screen, complete the online application form;

(vii) check that the information contained in your online application form, such as the share counter (in this case, **BOX-PAK RIGHTS SHARES ACCOUNT**), your NRIC number, your current contact number (for example your mobile phone number), your CDS Account number, number of Rights Shares applied for, the amount of payment of application monies, the payment of bank charges and the account number to debit are correct. Then select confirm and submit the online application form;

(viii) as soon as the transaction is completed, a message from the relevant Internet Participating Financial Institution with details of your application will appear on the screen of the website; and

(ix) you are advised to print out the confirmation screen in respect of your Internet Application ("**Confirmation Screen**") for your own reference and record.

(iii) Terms and conditions for Internet Applications

The Internet Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Internet Participating Financial Institutions and those appearing herein:

(i) after selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:

(a) you have attained eighteen (18) years of age as at the last day for application and payment;

(b) you have, prior to making the Internet Application, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood;

(c) you agree to all the terms and conditions for Internet Applications as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the Internet Application;

(d) you authorise the relevant Internet Participating Financial Institution with which you have a bank account to deduct the full amount payable for the Rights Shares (including the processing fee as mentioned in Section 10.3 (Note 3) of this Abridged Prospectus) from your bank account with the said Internet Participating Financial Institution; and

(e) you hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the FSA and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, the Share Registrar, the relevant Internet Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, or information pertaining to yourself, the Internet Application made by you, your account with the relevant Internet Participating Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund;

(ii) you confirm that you are not applying for the Rights Shares as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this Abridged Prospectus;

(iii) you agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Confirmation Screen. Your confirmation of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the relevant Internet Participating Financial Institutions;

(iv) by making and completing your Internet Application, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into your CDS Account;

(v) you acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, Bursa Depository, the Share Registrar or the relevant Internet Participating Financial Institution and irrevocably agree that if:

(a) our Company, Bursa Depository or the Share Registrar does not receive your Internet Application; or

(b) data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, Bursa Depository or our Share Registrar,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant Internet Participating Financial Institution for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares;

(vi) all of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, Bursa Depository, the Share Registrar and the relevant Internet Participating Financial Institution shall be entitled to rely on the accuracy thereof;

(vii) you shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application may be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your address last maintained with Bursa Depository;

(viii) by making and completing an Internet Application, you agree that:

(a) in consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Internet Application facility established by the Internet Participating Financial Institutions at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;

(b) our Company, Bursa Depository, the Share Registrar and the relevant Internet Participating Financial Institutions shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;

(c) notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and

(d) you agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(ix) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions;

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(x) notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk within the timelines as follows:-

   (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares; or

   (b) unsuccessful/partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day of application and payment for the Rights Shares.

   The refund will be credited directly into your bank account from which your Internet Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.3(iii) of this Abridged Prospectus and the required consent in making your Internet Application.

   If the refund by way of direct credit into your bank account, from which your Internet Application was made, is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the address as shown in the Record of Depositors of the Company at your own risk;

(xi) a surcharge is imposed on each Internet Application which will be charged by the respective Internet Participating Financial Institutions as mentioned in Section 10.3 of this Abridged Prospectus; and

(xii) you authorise the relevant Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue with Warrants, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the relevant Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with Rights Issue with Warrants. Further, the relevant Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the relevant Internet Participating Financial Institution in connection with the use of their Internet Application services.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

10.5 Procedures for sale and transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities which will be traded on Bursa Securities commencing from 21 February 2017 to 5:00 p.m. on 27 February 2017, you may sell all or part of your entitlement to the Rights Shares and Warrants during such period. You may transfer all or part of your entitlement to the Rights Shares and Warrants from 21 February 2017 to 4:00 p.m. on 2 March 2017.

As an Entitled Shareholder, should you wish to sell or transfer all or part of your entitlement to one (1) or more persons, you may do so through your stockbrokers without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. You may sell such entitlement on Bursa Securities or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository, both for the period up to the last date and time for the sale and transfer of the Provisional Allotments.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU NEED NOT DELIVER ANY DOCUMENT INCLUDING THE RSF, TO ANY STOCKBROKER. HOWEVER, YOU MUST ENSURE THAT THERE ARE SUFFICIENT PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNTS THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF. Please refer to Section 10.4 of this Abridged Prospectus for the method of acceptance and application.

10.6 Procedures for acceptance by renouncee(s) and/or transferee(s)

Renouncee(s) or transferee(s) who wish to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers, Bursa Securities' website, our Share Registrar or our Registered Office.

Please complete the RSF in accordance with the notes and instructions printed therein and submit the same together with the remittance to our Share Registrar at the above-stated address.

As a renouncee or transferee, the procedures for acceptance, payment, selling and transferring of the Provisional Allotments are the same as that applicable to our Entitled Shareholders as set out in Sections 11.3 and 11.4 of this Abridged Prospectus.

RENOUNCEE(S) AND/OR TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND RSF CAREFULLY.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

10.7 Procedures for application for Excess Rights Shares

10.7.1 Procedures for application for Excess Rights Shares by way of RSF

If you are an Entitled Shareholder and/or a renouncee/transferee, you may apply for the Excess Rights Shares in addition to your Provisional Allotments. If you wish to do so, please complete Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** made in RM for the **FULL** and **EXACT** amount payable in respect of the Excess Rights Shares applied for) using the envelope provided. Each completed RSF together with the relevant payment must be despatched **BY ORDINARY POST**, **COURIER** or **DELIVERED BY HAND** (at your own risk) to our Share Registrar at the address as set out in Section 10.4.1 of this Abridged Prospectus, so as to arrive by the Closing Date.

Payment for the Excess Rights Shares applied should be made in the same manner described in Section 10.4.1 of this Abridged Prospectus except that the **Banker's Draft** or **Cashier's Order** or **Money Order** or **Postal Order** drawn on a bank or post office in Malaysia be made payable to "**BOX-PAK EXCESS RIGHTS SHARES ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, address, contact number and CDS Account number to be received by our Share Registrar by the Closing Date. The payment must be made for the **FULL** and **EXACT** amount payable for the Excess Rights Shares applied for. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other modes of payment not prescribed herein are not acceptable. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) who have applied for the Excess Rights Shares in the following priority:-

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to Entitled Shareholders (other than KJCFB) who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as per their CDS Account as at the Entitlement Date;

(iii) thirdly, for allocation to Entitled Shareholders (other than KJCFB) who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for;

(iv) fourthly, for allocation to renouncee(s) and/or transferee(s) who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares applied for; and

(v) in the event that there are still unsubscribed Rights Shares and Warrants after allocating all the Excess Rights Shares applied for, the remaining unsubscribed Rights Shares and Warrants will be subscribed by KJCFB.

In the event of any Excess Rights Shares balance after steps (i) to (iv) are carried out, steps (ii) to (iv) will be repeated to allocate the balance Excess Rights Shares prior to step (v).

Nevertheless, our Board reserves the right to allot the Excess Rights Shares applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in (i) to (v) above is achieved.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASONS.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

Notification on the outcome of your application for the Excess Rights Shares will be despatched to you by ordinary post to the address as shown in Bursa Depository's records at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares.

10.7.2 Procedures for application for Excess Rights Shares by way of Electronic Application

If you are an Entitled Shareholder and/or a renouncee/transferee who is an individual, you may apply for the Excess Rights Shares via Electronic Application in addition to your Provisional Rights Shares. If you wish to do so, you may apply for the Excess Rights Shares by following the same steps as set out in Section 10.4.2 of this Abridged Prospectus save and except that you shall proceed with the option for Excess Application and the amount payable to be directed to "**BOX-PAK EXCESS RIGHTS SHARES ACCOUNT**" for the Excess Rights Shares applied.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) who have applied for the Excess Rights Shares in the priority set out in Section 10.7.1 of this Abridged Prospectus.

Nevertheless, our Board reserves the right to allot the Excess Rights Shares applied for in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in Sections 10.7.1 above is achieved.

The Electronic Application for Excess Rights Shares shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.2 of this Abridged Prospectus, as well as the terms and conditions as stated below:-

(i) you agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Transaction Record or any lesser number of Excess Rights Shares that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the pre-designated keys or buttons on the ATM) of the number of Excess Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you;

(ii) our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions; and

(iii) notification on the outcome of your Excess Application will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk within the timelines as follows:-

(a) successful application — a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or

(b) unsuccessful/partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day of application and payment for the Excess Rights Shares.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.2(ii) of this Abridged Prospectus and the required consent in making your Electronic Application.

If the refund by way of direct credit into your bank account, from which your Electronic Application was made, is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk.

10.7.3 Procedures for application for Excess Rights Shares by way of Internet Application

If you are an Entitled Shareholder and/or a renouncee/transferee, you may apply for the Excess Rights Shares via Internet Application in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares by following the same steps as set out in Section 10.4.3 of this Abridged Prospectus save and except that you shall proceed with the option for Excess Application and the amount payable to be directed to "**BOX-PAK EXCESS RIGHTS SHARES ACCOUNT**" for the Excess Rights Shares applied.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) who have applied for the Excess Rights Shares in the priority set out in Section 10.7.1 of this Abridged Prospectus.

Nevertheless, our Board reserves the right to allot the Excess Rights Shares applied for in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in Sections 10.7.1 above is achieved.

The Internet Application for Excess Rights Shares shall be made on, and subject to, the same terms and conditions appearing in Section 10.4.3 of this Abridged Prospectus, as well as the terms and conditions as stated below:-

(i) you agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares applied for as stated on the Confirmation Screen or any lesser number of Excess Rights Shares that may be allotted to you in respect of your Internet Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to you, you agree to accept any such decision as final. If your Internet Application is successful, your confirmation (by your action of clicking the designated hyperlink on the relevant screen of the website) of the number of Excess Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares that may be allotted to you;

(ii) our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions; and

(iii) notification on the outcome of your Excess Application will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk within the timelines as follows:-

(a) successful application — a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares; or

(b) unsuccessful/partially successful application — the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day of application and payment for the Excess Rights Shares.

The refund will be credited directly into your bank account from which your Internet Application was made. Kindly take note of the terms and conditions as stated in Section 10.4.3(iii) of this Abridged Prospectus and the required consent in making your Internet Application. If the refund by way of direct credit into your bank account, from which your Internet Application was made, is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk.

10.8 Form of issuance

Bursa Securities has already prescribed the Box-Pak Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Bursa Securities has also approved the admission and listing of the Warrants on the Main Market of Bursa Securities. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, the SICDA Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share or warrant certificate shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and Warrants will be credited directly into your CDS Accounts.

Any person who intends to subscribe for the Rights Shares and Warrants as a renouncee(s) and/or transferee(s) by purchasing the provisional allotment of Rights Shares and Warrants from an Entitled Shareholder will have his Rights Shares and Warrants credited directly as prescribed securities into his CDS Account.

The Excess Rights Shares, if allotted to the successful applicant who applies for Excess Rights Shares, will be credited directly as prescribed securities into his CDS Account.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

10.9 Laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any jurisdiction other than Malaysia. The Rights Issue with Warrants to which the Documents relate is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any country or jurisdiction other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia.

Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so.

The Principal Adviser, our Company and the Directors and officers (collectively, the "**Parties**") would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, the Documents will not be sent to the foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue with Warrants. Such foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

By signing any of the forms in the Documents, the foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties that:

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which those foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or may be subject to;

(ii) foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;

(iii) foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(iv) foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) are aware that the Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares and Warrants; and

(vi) foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares and Warrants unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares and Warrants as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares available for excess application by the other Entitled Shareholders. You and/or your renouncee(s) and/or transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/or your renouncee(s)'s and/or transferee(s)'s entitlement under the Rights Issue with Warrants or to any net proceeds thereof.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in the Documents.

12. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of our Board
BOX-PAK (MALAYSIA) BHD

YEOH JIN HOE
Group Managing Director

BOX-PAK (MALAYSIA) BHD.

(Incorporated in Malaysia Company No. 21338-W)

EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING ("EGM") OF BOX-PAK (MALAYSIA) BHD. ("BOX-PAK" OR "COMPANY") HELD ON 21 DECEMBER 2016

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES OF RM1.00 EACH IN BOX-PAK ("BOX-PAK SHARES" OR "SHARES") ("RIGHTS SHARES") TOGETHER WITH FREE DETACHABLE WARRANTS ("WARRANTS") TO RAISE GROSS PROCEEDS OF UP TO RM120.0 MILLION ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"**THAT** subject to the passing of the Ordinary Resolution 2, Ordinary Resolution 3 and Special Resolution 1 and the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the admission of the Warrants to the Official List of Bursa Securities, as well as the listing of and quotation for the Rights Shares, Warrants and new Box-Pak Shares to be issued arising from the exercise of the Warrants and the approvals of any other relevant authorities and/or parties (where required), authority be and is hereby given to the Board of Directors of the Company ("**Board**") to:-

(i) provisionally allot and issue by way of a renounceable rights issue, such number of Rights Shares to be determined later in order to raise gross proceeds of up to RM120.0 million, to the entitled shareholders of the Company whose names shall appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board ("**Entitled Shareholders**"), and/or their renouncees, to be credited as fully paid-up upon full payment, on an entitlement basis and at an issue price to be determined by the Board and announced at a later date;

(ii) allot and issue such number of Warrants to the Entitled Shareholders and/or their renouncees who subscribed for the Rights Shares, at an exercise price and on an entitlement basis to be determined by the Board and announced at a later date and on such terms and conditions and in such manner as the Board may determine;

(iii) constitute the Warrants upon the terms and conditions of a deed poll to be executed by the Company ("**Deed Poll**");

(iv) allot and issue such number of additional Warrants ("**Additional Warrants**") pursuant to the adjustments under the Deed Poll and to adjust from time to time the exercise price of the Warrants as may be required or permitted to be issued/adjusted as a result of any adjustments under the provisions of the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and any other relevant authorities or parties (where required) or otherwise during the tenure of the Warrants; and

(v) allot and issue such number of new Box-Pak Shares to be credited as fully paid-up to the holders of the Warrants arising from their exercise of the Warrants and such number of new Box-Pak Shares arising from the exercise of the Additional Warrants during the tenure of the Warrants;

THAT any Rights Shares which are not taken up or not validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renouncees and the Board be and is hereby authorised to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board at its absolute discretion;

THAT the Board be and is hereby authorised to deal with all or any fractional entitlements of the Rights Shares and the Warrants arising from under the Proposed Rights Issue with Warrants, in such manner as the Board shall in its absolute discretion deems fit and in the best interests of the Company;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes and in such manner as set out in Section 2.1.3 of the circular to shareholders of the Company dated 29 November 2016 ("**Circular**"), and the Board be authorised with full powers to vary the manner and/or purposes of utilisation of such proceeds in such manner as the Board may, in its absolute discretion, deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required;

THAT such Rights Shares and new Box-Pak Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Box-Pak Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, that may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Rights Shares and new Box-Pak Shares to be issued arising from the exercise of the Warrants;

THAT any one of the Directors of the Company be and is hereby authorised to enter into and execute the Deed Poll and to do all acts, deeds and things as he may deem fit or expedient in order to implement, finalise and give full effect to the aforesaid Deed Poll;

THAT the Board be and is hereby authorised to do all acts, deeds, things and to execute, sign, deliver or caused to be delivered for and on behalf of the Company, all such documents (including, without limitation, the affixing of the Company's common seal in accordance with the Articles of Association of the Company, where necessary) as it may consider necessary and/or expedient in the best interest of the Company in order to implement, finalise, give full effect to and complete the Proposed Rights Issue with Warrants with full powers to assent to and accept any condition, variation, modification and/or amendment to the terms of the Proposed Rights Issue with Warrants in any manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company or as may be required or imposed by any relevant authority;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all the Rights Shares, Warrants and new Box-Pak Shares to be issued arising from the exercise of the Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

Ordinary Resolution 1 was declared CARRIED.

ORDINARY RESOLUTION 2

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF BOX-PAK FROM RM70,000,000 COMPRISING 70,000,000 SHARES TO RM600,000,000 COMPRISING 600,000,000 SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

"**THAT,** subject to the passing of the Ordinary Resolution 1, Ordinary Resolution 3 and Special Resolution 1 and the approvals of all relevant authorities and/or parties (where required) being obtained, the authorised share capital of Box-Pak be and is hereby increased from RM70,000,000 comprising 70,000,000 Box-Pak Shares to RM600,000,000 comprising 600,000,000 Box-Pak Shares by the creation of an additional 530,000,000 new Box-Pak Shares and such new Box-Pak Shares shall rank *pari passu* in all respects with the then existing Box-Pak Shares;

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby authorised to do all acts, deeds, things and to execute, sign, deliver or caused to be delivered for and on behalf of the Company, all such documents (including, without limitation, the affixing of the Company's common seal in accordance with the Articles of Association of the Company, where necessary) as it may consider necessary and/or expedient in the best interest of the Company in order to implement, give full effect to and complete the Proposed Increase In Authorised Share Capital with full powers to assent to any condition, variation, modification and/or amendment thereto in any manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company or as may be required or imposed by any relevant authority."

Ordinary Resolution 2 was declared CARRIED.

ORDINARY RESOLUTION 3

PROPOSED AUTHORITY TO ALLOT AND ISSUE SUCH NUMBER OF BOX-PAK SHARES REPRESENTING UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF BOX-PAK IN ACCORDANCE WITH SECTION 132D OF THE COMPANIES ACT, 1965 ("PROPOSED AUTHORITY")

"**THAT** subject to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, if applicable, the Board of Directors of the Company ("**Board**") be and is hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Board may in its absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company for the time being (excluding treasury shares);

AND THAT such authority shall continue to be in force until:-

(a) the conclusion of the Annual General Meeting ("**AGM**") of the Company commencing next after the date on which the approval was given for the Proposed Authority, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first;

AND THAT the Board be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

Ordinary Resolution 3 was declared CARRIED.

Box-Pak (Malaysia) Bhd. (Company No. 21338-W)
Extract of Minutes of the Extraordinary General Meeting held on 21 December 2016

SPECIAL RESOLUTION 1

PROPOSED AMENDMENT TO THE COMPANY'S MEMORANDUM OF ASSOCIATION ("PROPOSED AMENDMENT")

"**THAT,** subject to the passing of Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3 and the approval of the relevant authorities and/or parties (where required) being obtained, approval be and is hereby given for the Company to amend the Memorandum of Association of the Company in the manner as set out below:-

Existing Clause 5	Proposed New Clause 5
The capital of the Company is RM70,000,000 divided into 70,000,000 ordinary shares of RM1/- each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions, as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.	The capital of the Company is **RM600,000,000** divided into **600,000,000** ordinary shares of RM1/- each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions, as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby authorised to do all acts, deeds, things and to execute, sign, deliver or caused to be delivered for and on behalf of the Company, all such documents (including, without limitation, the affixing of the Company's common seal in accordance with the Articles of Association of the Company, where necessary) as it may consider necessary and/or expedient in the best interest of the Company in order to implement, give full effect to and complete the Proposed Amendment with full powers to assent to any condition, variation, modification and/or amendment thereto in any manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company or as may be required or imposed by any relevant authority."

Special Resolution 1 was declared CARRIED.

Dated this 21st day of December, 2016.

CERTIFIED TRUE AND CORRECT BY:

YEOH JIN HOE	**TAN BEE KENG (F)**
Group Managing Director	**MAICSA 0856474**
	Secretary

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Companies Act, 1965 as a private limited company known as Box-Pak (Malaysia) Sdn. Bhd. on 28 December 1974. On 19 September 1994, our Company was converted into a public limited company and assumed the name Box-Pak (Malaysia) Bhd. Our Company was listed on the Main Market of Bursa Securities on 18 July 1996. The principal activities of Box-Pak and its subsidiary companies are manufacturing and distribution of paper boxes, cartons, general paper and board printing as well as investment holding.

Further details on the principal activities of our subsidiaries are set out in Section 5 of this Appendix.

2. SHARE CAPITAL

2.1 Issued share capital

The issued Shares in our Company as at the LPD are as follows:-

	No. of Shares	Total RM
Issued Shares	60,023,490	60,023,490

2.2 Changes in issued share capital

There have been no changes in the issued Shares in our Company for the past three (3) years preceding the date of this Abridged Prospectus.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

3. SUBSTANTIAL SHAREHOLDERS

3.1 Scenario 1

Assuming all our Entitled Shareholders and/or their renouncee(s) fully subscribe for their entitlements under the Rights Issue with Warrants, the proforma effects of the Rights Issue with Warrants and the Authority on our substantial shareholders' shareholdings as at the LPD are set out below:-

					(I)				(II)				(III)			
	As at the LPD				After the Rights Issue with Warrants				After (I) and the Authority [1]				After (II) and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
KJCFB	32,910	54.83	-	-	65,820	54.83	-	-	65,820	49.84	-	-	74,048	50.35	-	-
CISB	-	-	[2]32,910	54.83	-	-	[2]65,820	54.83	-	-	[2]65,820	49.84	-	-	[2]74,048	50.35
Can-One	-	-	[3]32,910	54.83	-	-	[3]65,820	54.83	-	-	[3]65,820	49.84	-	-	[3]74,048	50.35
EASB	-	-	[4]32,910	54.83	-	-	[4]65,820	54.83	-	-	[4]65,820	49.84	-	-	[4]74,048	50.35
Yeoh Jin Hoe	-	-	[5]32,910	54.83	-	-	[5]65,820	54.83	-	-	[5]65,820	49.84	-	-	[5]74,048	50.35

Notes:-

(1) Assuming maximum number of new Box-Pak Shares are allotted and issued pursuant to the Authority after completion of the Rights Issue with Warrants but before any exercise of the Warrants.

(2) Deemed interest by virtue of its shareholding in KJCFB pursuant to Section 8 of the Act.

(3) Deemed interest by virtue of its shareholding in CISB pursuant to Section 8 of the Act.

(4) Deemed interest by virtue of its shareholding in Can-One pursuant to Section 8 of the Act.

(5) Deemed interest by virtue of his shareholding in EASB pursuant to Section 8 of the Act.

3.2 Scenario 2

Assuming none of the Other Entitled Shareholders and/or their renouncee(s) subscribe for the Rights Shares and KJCFB subscribes for all the Rights Shares pursuant to the Undertaking and the Additional Undertaking, the proforma effects of the Rights Issue with Warrants and the Authority on our substantial shareholders' shareholdings as at the LPD are set out below:-

					(I)				(II)				(III)			
	As at the LPD				After the Rights Issue with Warrants				After (I) and the Authority[1]				After (II) and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
KJCFB	32,910	54.83	-	-	92,933	77.41	-	-	92,933	70.38	-	-	107,939	73.40	-	-
CISB	-	-	[2]32,910	54.83	-	-	[2]92,933	77.41	-	-	[2]92,933	70.38	-	-	[2]107,939	73.40
Can-One	-	-	[3]32,910	54.83	-	-	[3]92,933	77.41	-	-	[3]92,933	70.38	-	-	[3]107,939	73.40
EASB	-	-	[4]32,910	54.83	-	-	[4]92,933	77.41	-	-	[4]92,933	70.38	-	-	[4]107,939	73.40
Yeoh Jin Hoe	-	-	[5]32,910	54.83	-	-	[5]92,933	77.41	-	-	[5]92,933	70.38	-	-	[5]107,939	73.40

Notes:-

(1) Assuming maximum number of new Box-Pak Shares are allotted and issued pursuant to the Authority before any exercise of the Warrants. The issuance and allotment of new Box-Pak Shares pursuant to the Authority may be implemented prior to the completion of the Rights Issue with Warrants to rectify any non-compliance with the Public Spread Requirement by us as set out in Section 3 of this Abridged Prospectus. The exact number of new Box-Pak Shares to be issued and allotted prior to the completion of the Rights Issue with Warrants would depend on the subscription level for the Rights Shares by our Entitled Shareholders and KJCFB's shareholding in our Company prior to the completion of the Rights Issue with Warrants.

(2) Deemed interest by virtue of its shareholding in KJCFB pursuant to Section 8 of the Act.

(3) Deemed interest by virtue of its shareholding in CISB pursuant to Section 8 of the Act.

(4) Deemed interest by virtue of its shareholding in Can-One pursuant to Section 8 of the Act.

(5) Deemed interest by virtue of his shareholding in EASB pursuant to Section 8 of the Act.

4. BOARD OF DIRECTORS OF OUR COMPANY

4.1 Details of our Directors

Name	Age	Address	Nationality	Profession
Dr. Roslan Bin A. Ghaffar *(Chairman and Independent Non-Executive Director)*	64	156-0-5, Villa Flora Jalan Burhanuddin Helmi Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Company Director
Yeoh Jin Hoe *(Group Managing Director)*	70	13-10, Sucasa Apartment 222, Jalan Ampang 50450 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Group Managing Director
Chee Khay Leong *(Executive Director)*	56	8, Jalan Desa Residence 3 LeVenue 2, Desa ParkCity 52200 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Chief Operating Officer cum Executive Director
Tan Kim Seng *(Non-Independent Non-Executive Director)*	63	5, Jalan 5/149K Seri Petaling 57000 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian	Company Director
Keith Christopher Yeoh Min Kit *(Non-Independent Non-Executive Director)*	31	28, Jalan TR 7/3 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Lawyer
Gong Wooi Teik *(Independent Non-Executive Director)*	65	5, Jalan TR 6/1 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Chartered Accountant
Tee Keng Hoon *(Independent Non-Executive Director)*	66	37, Jalan 20/2 Paramount Garden 46300 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Lawyer
Tuan Ngah @ Syed Ahmad Bin Tuan Baru *(Independent Non-Executive Director)*	65	9, Jalan SS1/25 Kampung Tunku 47300 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director

4.2 Directors' shareholdings

4.2.1 Scenario 1

Assuming all our Directors and/or their renouncee(s) fully subscribe for their entitlements under the Rights Issue with Warrants, the proforma effects of the Rights Issue with Warrants and the Authority on our Directors' shareholdings as at the LPD are set out below:-

					(I)				(II)				(III)			
	As at the LPD				After the Rights Issue with Warrants				After (I) and the Authority [1]				After (II) and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Dr. Roslan Bin A. Ghaffar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yeoh Jin Hoe	-	-	[2]32,910	54.83	-	-	[2]65,820	54.83	-	-	[2]65,820	49.84	-	-	[2]74,048	50.35
Chee Khay Leong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tan Kim Seng	12	0.02	[3]305	0.51	24	0.02	[3]610	0.51	24	0.02	[3]610	0.46	27	0.02	[3]686	0.47
Keith Christopher Yeoh Min Kit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gong Wooi Teik	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tee Keng Hoon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuan Ngah @ Syed Ahmad Bin Tuan Baru	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

(1) Assuming maximum number of new Box-Pak Shares are allotted and issued pursuant to the Authority after completion of the Rights Issue with Warrants but before any exercise of the Warrants.

(2) Deemed interest by virtue of his shareholding in Can-One pursuant to Section 8 of the Act.

(3) Deemed interest through his spouse.

4.2.2 Scenario 2

Assuming none of our Directors and/or their renouncee(s) subscribe for their entitlements under the Rights Issue with Warrants, the proforma effects of the Rights Issue with Warrants and the Authority on our Directors' shareholdings as at the LPD are set out below:-

					(I)				(II)				(III)			
	As at the LPD				After the Rights Issue with Warrants				After (I) and the Authority [1]				After (II) and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**	**No. of Shares ('000)**	**%**
Dr. Roslan Bin A. Ghaffar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Yeoh Jin Hoe	-	-	[2]32,910	54.83	-	-	[2]92,933	77.41	-	-	[2]92,933	70.38	-	-	[2]107,939	73.40
Chee Khay Leong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tan Kim Seng	12	0.02	[3]305	0.51	12	0.01	[3]305	0.25	12	0.01	[3]305	0.23	12	0.01	[3]305	0.21
Keith Christopher Yeoh Min Kit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gong Wooi Teik	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tee Keng Hoon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuan Ngah @ Syed Ahmad Bin Tuan Baru	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

(1) Assuming maximum number of new Box-Pak Shares are allotted and issued pursuant to the Authority after completion of the Rights Issue with Warrants but before any exercise of the Warrants.

(2) Deemed interest by virtue of his shareholding in Can-One pursuant to Section 8 of the Act.

(3) Deemed interest through his spouse.

5. **SUBSIDIARIES**

The subsidiaries of our Company as at the LPD are as follows:-

Company	Date / Place of incorporation	Issued share capital	Effective equity interest	Principal activities
			%	
Box-Pak (Johore) Sdn. Bhd.	21 October 2003 / Malaysia	RM1,000,000	100	Dormant
BP MPak Sdn. Bhd.	9 September 2000 / Malaysia	RM5,000,000	100	Manufacturing and trading of corrugated fibre board cartons
Box-Pak (Vietnam) Co., Ltd.	24 April 2003 / Vietnam	VND123,612,600,017	100	Manufacturing and trading of corrugated carton boxes
Box-Pak (Hanoi) Co., Ltd.	5 April 2011 / Vietnam	VND62,079,000,000	100	Manufacturing of corrugated carton boxes
PT. KJ Box-Pak	21 April 2014 / Indonesia	USD1,200,000	99	Dormant
BP Pak (Singapore) Pte Ltd	15 June 2015 / Singapore	SGD10,930,000	100	Investment holding
Boxpak (Myanmar) Company Limited	9 December 2015 / Myanmar	USD7,500,000	100	Dormant

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6. PROFIT AND DIVIDEND RECORDS

Our profit and dividend records based on our audited consolidated financial statements for the past three (3) financial years up to FYE 31 December 2015 as well as our unaudited consolidated interim financial statements for the nine (9)-month FPE 30 September 2016 are as follows:-

	Audited FYE 31 December			Unaudited FPE 30 September	
	2013	**2014**	**2015**	**2015**	**2016**
	RM '000	**RM '000**	**RM '000**	**RM '000**	**RM '000**
Revenue	300,137	352,808	451,744	306,317	367,217
Cost of sales	(265,891)	(316,332)	(401,373)	(274,142)	(332,843)
Gross profit	34,246	36,476	50,371	32,175	34,374
Other income	4,976	7,144	10,639	163	5,669
Administrative expenses	(22,344)	(28,554)	(42,374)	(17,005)	(27,917)
Selling and marketing expenses	(1,268)	(1,073)	(2,335)	(872)	(2,119)
Operating profit	15,610	13,993	16,301	14,461	10,007
Finance costs	(1,518)	(3,440)	(4,605)	(2,818)	(5,841)
Profit before tax	14,092	10,553	11,696	11,643	4,166
Income tax expense	(2,159)	(2,700)	(1,942)	(2,234)	1,261
Profit after taxation	11,933	7,853	9,754	9,409	5,427
Earnings before interest, tax, depreciation and amortisation	23,791	25,646	35,076	27,025	22,209
Weighted average number of Box-Pak Shares in issue	60,023	60,023	60,023	60,023	60,023
Basic / diluted EPS (sen)	19.88	13.08	16.25	15.68	9.04
Gross dividend per Share (sen)	7.5	-	-	-	-
Gross profit margin (%)	**11.4**	**10.3**	**11.2**	**10.5**	**9.4**
Net profit margin (%)	**4.0**	**2.2**	**2.2**	**3.1**	**1.5**

Commentary on Financial Performance

FYE 31 December 2013

For the FYE 31 December 2013, our Group's revenue improved by 13.5% to RM300.1 million as compared to RM264.3 million recorded in the FYE 31 December 2012. Improvement in revenue was supported by improved demand from customers in footwear and food & beverage sectors in Ho Chi Minh and contribution from the new plant in Hanoi.

Our gross profit margin decreased from 14.8% to 11.4% in the FYE 31 December 2013 mainly due to higher material cost, increase in labour cost following the implementation of minimum wage scheme in Malaysia and the revision in minimum wage rate in Vietnam as well as gross losses of approximately RM2.0 million incurred in the initial operating period of the new plant in Hanoi.

Our profit after tax contracted by RM7.1 million to RM11.9 million compared to RM19.0 million recorded in the FYE 31 December 2012. The decline in profit was attributable to the reasons stated above as well as an increase in derivative loss of RM1.4 million, net operating loss in the new Hanoi plant (of which began operations in the last quarter of FYE 31 December 2013), which include employee benefits expenses as well as office maintenance expenses of RM4.5 million and an increase in finance costs of RM0.5 million due to higher borrowings incurred to finance the Hanoi plant.

FYE 31 December 2014

For the FYE 31 December 2014, our Group's revenue improved by 17.6% to RM352.8 million as compared to RM300.1 million recorded in the FYE 31 December 2013. The increase in revenue was contributed by increase in revenue from new plants in Hanoi and Johor of approximately RM18.9 million and RM21.7 million respectively. The existing plants of our Group have recorded increase in revenue as well due to an increase in demand from customers in the footwear and food and beverage sectors.

Our gross profit margin decreased from 11.4% to 10.3% in the FYE 31 December 2014 mainly due to gross losses of approximately RM2.2 million incurred in the new plants in Hanoi and Johor during the initial operating period as the plants take approximately four (4) to five (5) years to operate at its optimum level.

Our profit after tax contracted by RM4.0 million to RM7.9 million as compared to RM11.9 million in the FYE 31 December 2013. The decline in profit was mainly attributable to an increase in administrative expenses of approximately RM1.7 million incurred by the new plant in Hanoi and an increase in finance costs of RM1.9 million due to higher borrowings incurred to finance the new plants in Hanoi and Johor.

FYE 31 December 2015

For the FYE 31 December 2015, our Group's revenue improved by 28.0% to RM451.7 million as compared to RM352.8 million recorded in the FYE 31 December 2014. The increase in revenue was contributed mainly due to increased demand from food and beverage sectors and footwear sector in Vietnam. The relative strengthening of VND against RM also contributed an increase in revenue numbers by approximately 16%.

Our gross profit margin increased from 10.3% to 11.2% in the FYE 31 December 2015 mainly due to improvement in sales and gross profit recorded in the Ho Chi Minh plant and positive contribution from Hanoi plant which recorded gross profit for the first time.

Our profit after tax improved by RM1.9 million to RM9.8 million as compared to RM7.9 million in the FYE 31 December 2014. The increase in profit was mainly attributable to the improvements in gross profit as stated above but off-set by an increase in finance costs of RM1.2 million due to higher borrowings incurred to finance the operations in Vietnam, an impairment of goodwill of RM2.4 million incurred in the FYE 31 December 2015 as well as an increase in administrative expenses of approximately RM3.0 million incurred by the new plant in Hanoi.

FPE 30 September 2016

For the FPE 30 September 2016, our Group's revenue was RM367.2 million, an increase of 19.9% from RM306.3 million recorded in FPE 30 September 2015. This increase in revenue was mainly contributed by increased revenue from plants in Vietnam due to relative strengthening of VND against RM and increase in sales from customers in electronic and electrical segments as well as footwear segments.

Our gross profit margin decreased from 10.5% to 9.4% in the FPE 30 September 2016 mainly due to higher material cost and maintenance cost in plants in Malaysia.

Our profit after tax contracted by RM4.0 million to RM5.4 million as compared to RM9.4 million in the FPE 30 September 2016. The decline in profit was mainly attributable to the decline in gross profit as stated above, pre-operating loss incurred by new subsidiary in Myanmar amounted to RM0.3 million and an increase in finance costs of RM3.0 million due to higher borrowings incurred to finance the operations in Vietnam.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on the Main Market of Bursa Securities for the past twelve (12) months from February 2016 to January 2017 are as follows:-

	High (RM)	Low (RM)
2016		
February	2.84	2.60
March	2.60	2.53
April	2.72	2.50
May	2.50	2.46
June	2.47	2.45
July	2.45	2.36
August	2.40	2.10
September	2.08	2.02
October	2.02	2.01
November	2.50	2.01
December	2.38	2.10
2017		
January	2.23	2.09

	RM
The last transacted market price of our Shares on 11 August 2016 (being the last Market Day on which our Shares were traded on Bursa Securities immediately prior to the announcement of the Corporate Exercises)	2.33
The last transacted market price of our Shares on 26 January 2017 (being the last Market Day on which our Shares were traded on Bursa Securities immediately prior to the LPD as there was no trading in our Shares on the LPD)	2.20
The last transacted market price of our Shares on 15 February 2017, being the last transacted market price on the day prior to the ex-date on 16 February 2017	2.00

(Source: Bloomberg)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

BDO

Tel: +603 2616 2888
Fax: +603 2616 3190, 2616 3191
www.bdo.my

Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BOX-PAK (MALAYSIA) BHD AND ITS SUBSIDIARIES AS AT 31 DECEMBER 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER
(Prepared for inclusion in the Abridged Prospectus of Box-Pak (Malaysia) Bhd)

Date: 7 February 2017

The Board of Directors
Box-Pak (Malaysia) Bhd
Lot 4, Jalan Perusahaan Dua
68100 Batu Caves
Selangor Darul Ehsan, Malaysia

Dear Sirs

BOX-PAK (MALAYSIA) BHD ("BOX-PAK" OR "THE COMPANY") AND ITS SUBSIDIARIES ("THE GROUP")
Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as at 31 December 2015

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of the Group as at 31 December 2015. The Pro Forma Consolidated Statements of Financial Position which are set out in Appendix 1 (which we have stamped for the purpose of identification), have been compiled by the Directors of the Company for inclusion in the Abridged Prospectus to be dated 20 February 2017 in connection with the renounceable rights issue of 60,023,490 new ordinary shares in the share capital of Box-Pak ("Box-Pak Shares" or "Shares") ("Rights Shares") at an issue price of RM1.89 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Box-Pak Share held as at 5.00 p.m. on 20 February 2017, together with up to 15,005,872 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every four (4) Rights Shares subscribed.

The applicable criteria on the basis for which the Directors of the Company have compiled the Pro Forma Consolidated Statements of Financial Position are described in Notes 3 and 4 of Appendix 1.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors, for illustrative purposes only, to show the effects of the Rights Issue with Warrants and the authority to allot and issue such number of Box-Pak Shares representing up to 10% of the total number of issued shares in Box-Pak in accordance with Section 75 of the Companies Act, 2016 ("Authority") on the Audited Consolidated Statements of Financial Position of the Group as at 31 December 2015 had the Rights Issue with Warrants, Authority and the Companies Act, 2016 been effected at that date. As part of this process, information about the Group's consolidated financial position has been extracted by the Directors from the Group's Audited Consolidated Statement of Financial Position as at 31 December 2015.

The Director's Responsibility for the Pro Forma Consolidated Statements of Financial Position

It is the sole responsibility of the Directors of the Company to prepare the Pro Forma Consolidated Statements of Financial Position on the basis set out in Notes 3 and 4 of Appendix 1.

Our Responsibilities

It is our responsibility to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position have been properly compiled by the Directors on the basis set out in Notes 3 and 4 of Appendix 1.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*", issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in Notes 3 and 4 of Appendix 1.

For the purposes of this engagement, we are not responsible for updating or reissuing any report or opinion on any financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such report or opinion beyond that owed to those to whom those report or opinion were addressed by us at the dates of their issue.

The purpose of including the Pro Forma Consolidated Statements of Financial Position in the Abridged Prospectus of the Company is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions enumerated in Notes 3 and 4 of Appendix 1, and to obtain sufficient appropriate evidence about whether:

- The related Pro Forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

BDO

Opinion

In our opinion the Pro Forma Consolidated Statements of Financial Position have been properly compiled in all material respects, on the basis set out in Notes 3 and 4 of Appendix 1.

Other Matter

This letter is issued for the sole purpose of inclusion in the Abridged Prospectus in connection with the Rights Issue with Warrants. It is not to be reproduced, or used or relied upon or circulated, quoted or otherwise referred to for any other purposes, including but not limited to the sale and purchase of securities, nor is it to be filed with or referred to in whole or in part in the Abridged Prospectus or any other document without our prior written consent. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon this letter, other than for the Rights Issue with Warrants and Authority described above.

Yours faithfully,

BDO

BDO
AF: 0206
Chartered Accountants
Kuala Lumpur, Malaysia

Koo Swee Lin
03281/08/2018 J
Chartered Accountant

Appendix 1

BOX-PAK (MALAYSIA) BHD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BOX-PAK (MALAYSIA) BHD AS AT 31 DECEMBER 2015 AND THE NOTES THEREON

1. INTRODUCTION

The Pro Forma Consolidated Statements of Financial Position of the Group, for which the Directors of the Company are solely responsible, have been prepared for illustrative purposes only, in connection with the:

(i) renounceable rights issue of 60,023,490 new ordinary shares in the share capital of Box-Pak (Malaysia) Bhd ("Box-Pak Shares" or "Shares") ("Rights Shares") at an issue price of RM1.89 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Box-Pak Share held as at 5.00 p.m. on 20 February 2017, together with up to 15,005,872 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every four (4) Rights Shares subscribed.

(ii) authority to allot and issue such number of Box-Pak Shares representing up to 10% of the total number of issued shares in Box-Pak in accordance with Section 75 of the Companies Act, 2016 ("Authority").

These are collectively referred to as "the Corporate Exercises".

The Pro Forma Consolidated Statements of Financial Position together with the notes thereon have been prepared for illustrative purposes only, to show the effects of the Rights Issue with Warrants (including the effects of the full exercise of the Warrants) and Authority on the Audited Consolidated Statements of Financial Position of the Group as at 31 December 2015, had these transactions and the Companies Act, 2016 been effected on that date. Further such information does not purport to predict the Group's future financial position.

2. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Audited Consolidated Statement of Financial Position as at 31.12.2015 (as restated) [(a)] RM'000	Pro Forma I After adjustment for the Rights Issue with Warrants and estimated issuance expenses RM'000	Pro Forma II After Pro Forma I and Authority RM'000	Pro Forma III After Pro Forma II and adjustment for full exercise of Warrants RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment		168,182	168,182	168,182	168,182
Land use rights		20,748	20,748	20,748	20,748
Investment property		5,668	5,668	5,668	5,668
Intangibles assets		52	52	52	52
Other assets		15,945	15,945	15,945	15,945
Total non-current assets		**210,595**	**210,595**	**210,595**	**210,595**
CURRENT ASSETS					
Inventories		43,795	43,795	43,795	43,795
Trade and other receivables		113,076	113,076	113,076	113,076
Other assets		171	171	171	171
Tax recoverable		1,526	1,526	1,526	1,526
Cash and cash equivalents	5	37,914	150,458	174,948	205,560
Total current assets		**196,482**	**309,026**	**333,516**	**364,128**
TOTAL ASSETS		**407,077**	**519,621**	**544,111**	**574,723**

Stamped for the purpose of identification only.
7 FEB 2017
BDO (AF0206)
Chartered Accountants
Kuala Lumpur

Appendix 1 (Cont'd)

BOX-PAK (MALAYSIA) BHD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BOX-PAK (MALAYSIA) BHD AS AT 31 DECEMBER 2015 AND THE NOTES THEREON

2. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	Audited Consolidated Statement of Financial Position as at 31.12.2015 (as restated) [a] RM'000	Pro Forma I After adjustment for the Rights Issue with Warrants and estimated issuance expenses RM'000	Pro Forma II After Pro Forma I and Authority RM'000	Pro Forma III After Pro Forma II and adjustment for full exercise of Warrants RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	6	60,047	[b]167,383	[e]191,873	[f]228,463
Warrant reserves	6	-	[c]5,978	5,978	-
Foreign currency translation reserves	6	22,563	22,563	22,563	22,563
Retained earnings	6	94,689	[d]93,919	93,919	93,919
TOTAL EQUITY		177,299	289,843	314,333	344,945
LIABILITIES					
NON-CURRENT LIABILITIES					
Retirement benefit obligations		1,089	1,089	1,089	1,089
Deferred tax liabilities		6,879	6,879	6,879	6,879
Loan and borrowings		28,848	28,848	28,848	28,848
Derivatives financial liability		11,244	11,244	11,244	11,244
Total non-current liabilities		**48,060**	48,060	**48,060**	**48,060**
CURRENT LIABILITIES					
Provision for solid waste disposal		15	15	15	15
Income tax payable		808	808	808	808
Trade and other payables		102,899	102,899	102,899	102,899
Loan and borrowings		74,027	74,027	74,027	74,027
Derivatives financial liability		3,969	3,969	3,969	3,969
Total current liabilities		181,718	181,718	181,718	181,718
TOTAL LIABILITIES		229,778	229,778	229,778	229,778
TOTAL EQUITY AND LIABILITIES		407,077	519,621	544,111	574,723
Number of ordinary shares		60,023	120,047	132,052	147,058
Net assets		177,299	289,843	314,333	344,945
Net assets per ordinary share (RM)		2.95	2.41	2.38	2.35

Footnotes:

(a) Restated pursuant to the requirements of the Companies Act, 2016 as detailed in Note 6.
(b) After deducting the incremental expenses that are directly attributable to the issuance of new Box-Pak Shares pursuant to the Rights Issue with Warrants of RM130,000.
(c) After the recognition of 15,005,872 Warrants to be issued at the theoretical fair value of RM0.3984 per Warrant.
(d) After deducting the balance of expenses that are related to the Rights Issue with Warrants and Authority of RM770,000.
(e) New Box-Pak Shares are allotted and issued at the theoretical ex-rights price of Box-Pak Shares after the Rights Issue with Warrants of RM2.04 per share.
(f) After adjusting for the full exercise of the Warrants at the exercise price of RM2.04 per Warrant and the reversal of the warrant reserve upon exercise of the Warrants.

BOX-PAK (MALAYSIA) BHD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BOX-PAK (MALAYSIA) BHD AS AT 31 DECEMBER 2015 AND THE NOTES THEREON

3. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position have been compiled based on the Audited Consolidated Financial Statements of the Group as at 31 December 2015, which were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and in a manner consistent with both the format of the financial statements and accounting policies adopted by the Group for the financial year ended 31 December 2015 assuming that the Rights Issue with Warrants and Authority mentioned below had taken effect on 31 December 2015. The Pro Forma Consolidated Statements of Financial Position does not include the effects of new MFRS issued which are effective for annual periods beginning on or after 1 January 2016 but incorporates the new accounting policy as set out below:

WARRANTS RESERVE

Proceeds from Warrants which are issued at fair value, are credited to a warrants reserve. Warrants reserve is non-distributable, and is transferred to the share capital account upon the exercise of Warrants. Warrants reserve in relation to unexercised Warrants at the expiry of the Warrants period is transferred to retained earnings.

4. EFFECTS OF THE CORPORATE EXERCISES ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The proforma effects of the Rights Issue with Warrants and Authority are illustrated based on the following:

a. the entitlement basis of the Right Shares is one (1) Rights Share for every one (1) Box-Pak Share held as at 5.00 p.m. on 20 February 2017;

b. the issue price of the Right Shares is fixed at RM1.89 for each Rights Share, representing approximately 7.35% discount to the theoretical ex-rights price for each Box-Pak Share of RM2.04 calculated based on the five (5)-day volume weighted average market price of Box-Pak Shares up to 2 February 2017, being the last day of trading before the date on which the issue price of the Rights Shares was determined and announced by the Board; and

c. the entitlement basis of the Warrants is one (1) Warrant for every four (4) Rights Shares subscribed. Accordingly, the total Warrants to be issued will be up to 15,005,872 Warrants. The exercise price is RM2.04 which is the theoretical ex-rights price for each Box-Pak Share.

4.1 Pro Forma I

Pro Forma I incorporates the effects of the Rights Issue with Warrants, details of which are stated in Note 1 above. The adjustments reflect the following:

a. pursuant to the irrevocable and unconditional undertaking provided by Box-Pak's holding company, Kian Joo Can Factory Berhad ("KJCFB"), the full issuance of 60,023,490 Rights Issue with Warrants at RM1.89 each will result in gross proceeds of RM113,444,396[1].

b. the recognition of RM107,466,057 and RM5,978,339 in the share capital and warrants reserve accounts respectively, arising from 4.1(a) above. The theoretical fair value of the Warrant is at RM0.3984[3] per Warrant.

c. the estimated expenses to be incurred, arising from 4.1(a) above of RM130,000 will be deducted from the share capital account and the remaining estimated expenses of RM770,000 will be deducted from the retained earnings account.

Stamped for the purpose of identification only.
7 FEB 2017
BDO (AF0206)
Chartered Accountants
Kuala Lumpur

BOX-PAK (MALAYSIA) BHD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BOX-PAK (MALAYSIA) BHD AS AT 31 DECEMBER 2015 AND THE NOTES THEREON

4.1 Pro Forma I (Cont'd)

(1) The gross proceeds from the Rights Issue with Warrants are expected to be utilised in the following manner:-

	RM'000
Business expansion in Malaysia	*24,000*
Business expansion in Myanmar	*50,000*
Repayment of short term bank borrowings and working capital	*38,544*
Estimated expenses in relation to the Rights Issue with Warrants (2)	*900*
	113,444

(2) The details of the estimated expenses in relation to the Rights Issue with Warrants are as follows:

	RM'000
Estimated professional fees	*576*
Estimated fees payable to the relevant authorities	*21*
Estimated printing cost and miscellaneous expenses	*173*
Estimated incremental expenses that are directly attributable to the issuance of new Box-Pak Shares	*130*
	900

(3) The theoretical fair value of RM0.3984 per Warrant, determined using the Trinomial option pricing model, is estimated based on the following:

(i)	*Share price*	*RM1.89 per Share*
(ii)	*Exercise price (theoretical ex-rights price)*	*RM2.04 per Warrant*
(iii)	*Tenure*	*5 years*
(iv)	*Risk free interest rate*	*3.826%*
(v)	*Standard deviation*	*10.00%*

4.2 Pro Forma II

Pro Forma II incorporates the cumulative effects of the Pro Forma I and the Authority to allot and issue such number of Box-Pak Shares representing up to 10% of the total number of issued shares in Box-Pak in accordance with Section 75 of the Companies Act, 2016.

The Authority will empower the Board with flexibility to allot and issue new Box-Pak Shares to such persons within the validity period and for such purposes as the Board may deem fit which includes, amongst others, to facilitate issuance of equity capital to fund the Box-Pak Group's future funding requirements.

While the allotment and issuance of new Box-Pak Shares pursuant to the Authority remains an option within the validity period, for the purpose of this Pro Forma Consolidated Statements of Financial Position, it is assumed that the Authority will be effected subsequent to the Rights Issue with Warrants but prior to the exercise of the Warrants.

Stamped for the purpose of identification only.
7 FEB 2017
BDO (AF0206)
Chartered Accountants
Kuala Lumpur

BOX-PAK (MALAYSIA) BHD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BOX-PAK (MALAYSIA) BHD AS AT 31 DECEMBER 2015 AND THE NOTES THEREON

4.2 Pro Forma II (cont'd)

The adjustments reflect the following:

a. the issuance is assumed to be fixed at 12,004,698 Shares at RM2.04 each with gross proceeds of RM24,489,584.

b. the recognition of RM24,489,584 in the share capital account, arising from 4.2(a) above.

4.3 Pro Forma III

Pro Forma III incorporates the cumulative effects of the Pro Forma II and the full exercise of 15,005,872 Warrants by holders of Warrants subscribed at the exercise price of RM2.04 per Warrant. The adjustments reflect the following:

a. cash proceeds of RM30,611,979 arising from the full exercise of 15,005,872 Warrants by holders of Warrants.

b. recognition of RM36,590,318 in the share capital account and a reduction of RM5,978,339 in the warrants reserve account arising from 4.3(a) above.

5. CASH AND CASH EQUIVALENTS

The movements of cash and cash equivalents are as follows:

	RM'000
As at 31 December 2015	37,914
Adjustment for Pro Forma I:	
- Rights Issue with Warrants	113,444
- Estimated expenses incurred in relation to the Corporate Exercise	(900)
As per Pro Forma 1	150,458
Adjustment for Pro Forma II:	
- Authority	24,490
As per Pro Forma II	174,948
Adjustment for Pro Forma III:	
- Full exercise of Warrants	30,612
As per Pro Forma III	205,560

Stamped for the purpose of identification only.
7 FEB 2017
BDO (AF0206)
Chartered Accountants
Kuala Lumpur

BOX-PAK (MALAYSIA) BHD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF BOX-PAK (MALAYSIA) BHD AS AT 31 DECEMBER 2015 AND THE NOTES THEREON

6. SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES

The movements of the issued share capital, share premium, and other reserves of the Box-Pak Group are as follows:

	Share capital	Share premium	Retained earnings	Warrants reserve	Foreign currency translation reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Audited Consolidated Statements of Financial Position as at 31.12.2015						
As previously reported	60,023	24	94,689	-	22,563	177,299
Effects of Section 618(2) of the Companies Act, 2016 #	24	(24)	-	-	-	-
As restated	60,047	-	94,689	-	22,563	177,299
Adjustments for Pro Forma I:						
- Rights Issue with Warrants	107,466	-	-	5,978	-	113,444
- Estimated expenses to be incurred in relation to the Rights Issue with Warrants	(130)	-	(770)	-	-	(900)
	107,336	-	(770)	5,978	-	112,544
As per Pro Forma I	167,383	-	93,919	5,978	22,563	289,843
Adjustments for Pro Forma II:						
- Authority	24,490	-	-	-	-	24,490
As per Pro Forma II	191,873	-	93,919	5,978	22,563	314,333
Adjustments for Pro Forma III:						
- Full exercise of Warrants	36,590	-	-	(5,978)	-	30,612
As per Pro Forma III	228,463	-	93,919	-	22,563	344,945

Pursuant to the requirements of the Companies Act, 2016, Box-Pak will not utilise the balance in the share premium account as at 31 December 2015 and the share premium shall be reclassified as part of Box-Pak's share capital.

Stamped for the purpose of identification only.
7 FEB 2017

EY
Building a better working world

CERTIFIED TRUE COPY
Ernst & Young (AF: 0039)
EY Chartered Accountants

BOX-PAK (MALAYSIA) BHD.
(21338-W)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2015

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Contents **Page**

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

Principal activities

The principal activities of the Company and its subsidiary companies are the manufacture and distribution of paper boxes, cartons, general paper and board printing and investment holding.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	Company RM
Profit after tax, attributable to owners of the parent	9,754,606	20,403,888

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend any payment of dividend in respect of the current financial year.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Yeoh Jin Hoe
Chee Khay Leong
Tan Kim Seng
Izlan Bin Izhab
Gong Wooi Teik
Tee Keng Hoon
Tuan Ngah @ Syed Ahmad Bin Tuan Baru (appointed on 19 May 2015)
Dr. Roslan Bin A. Ghaffar (appointed on 27 May 2015)
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar (retired on 15 April 2015)

Pursuant to Article 95 of the Company's Articles of Association, Yeoh Jin Hoe and Tan Kim Seng will retire at the close of the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Pursuant to Article 101 of the Company's Articles of Association, Tuan Ngah @ Syed Ahmad Bin Tuan Baru and Dr. Roslan Bin A. Ghaffar will retire at the close of the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, Izlan Bin Izhab will vacate office as Director at the close of the forthcoming Annual General Meeting.

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Directors' interest

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in ordinary shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

		Number of ordinary shares of RM1.00 each			
		At 1.1.2015	**Acquired**	**Sold**	**At 31.12.2015**
Tan Kim Seng		12,000	-	-	12,000
	#	305,000	-	-	305,000
Yeoh Jin Hoe	*	32,910,000	-	-	32,910,000

Interests in the holding company, Kian Joo Can Factory Berhad

		Number of ordinary shares of RM0.25 each			
		At 1.1.2015	**Acquired**	**Sold**	**At 31.12.2015**
Yeoh Jin Hoe	*	146,131,500	-	-	146,131,500
Tan Kim Seng		2,700,000	-	-	2,700,000
	#	100,000	-	(100,000)	-

Interest in shares held by spouse.
* Denotes deemed interest.

Yeoh Jin Hoe by virtue of his interest of more than 15% in Kian Joo Can Factory Berhad and Box-Pak (Malaysia) Bhd., is also deemed to be interested in shares of all the holding company and the Company's subsidiaries to the extent the holding company or the Company have an interest.

None of the other directors in office at the end of the financial year had any interest in ordinary shares in the Company or its related corporations during the financial year.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Other statutory information (cont'd)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Subsequent event

Detail of subsequent event is disclosed in Note 38 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 March 2016.

Yeoh Jin Hoe

Chee Khay Leong

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Statement by directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Yeoh Jin Hoe and Chee Khay Leong, being two of the directors of Box-Pak (Malaysia) Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 89 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

Further to the Statement by directors pursuant to Section 169(15) of the Companies Act, 1965, the information set out in Note 39 on page 90 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 March 2016.

Yeoh Jin Hoe

Chee Khay Leong

Statutory declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Ooi Teik Huat, being the officer primarily responsible for the financial management of Box-Pak (Malaysia) Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 90 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Ooi Teik Huat at Kuala Lumpur in the Federal Territory on 3 March 2016

Ooi Teik Huat

Before me,

PESURUHJAYA SUMPAH
No. W 521
MOHAN A.S. MANIAM
MALAYSIA

20th Floor Ambank Group Building
55 Jln. Raja Chulan, 50200 Kuala Lumpur

Building a better working world

Ernst & Young AF: 0039
GST Reg No: 001556430848
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

Independent auditors' report to the members of Box-Pak (Malaysia) Bhd. (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Box-Pak (Malaysia) Bhd., which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 89.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EY
Building a better working world

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Independent auditors' report to the members of
Box-Pak (Malaysia) Bhd. (cont'd)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

EY
Building a better working world

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Independent auditors' report to the members of Box-Pak (Malaysia) Bhd. (cont'd)
(Incorporated in Malaysia)

Other reporting responsibilities

The supplementary information set out in Note 39 on page 90 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young	Yap Seng Chong
AF: 0039	No. 2190/12/17(J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur, Malaysia
3 March 2016

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Statements of comprehensive income
for the financial year ended 31 December 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue	4	451,744,467	352,807,730	90,183,175	71,236,771
Cost of sales		(401,373,219)	(316,332,387)	(62,609,085)	(62,910,060)
Gross profit		50,371,248	36,475,343	27,574,090	8,326,711
Other income		10,639,452	7,143,575	10,818,893	7,871,555
Administrative expenses		(42,374,229)	(28,553,755)	(15,882,802)	(13,379,975)
Selling and marketing expenses		(2,335,291)	(1,073,107)	(644,707)	(621,247)
Operating profit		16,301,180	13,992,056	21,865,474	2,197,044
Finance costs	5	(4,604,955)	(3,440,155)	(1,507,263)	(922,584)
Profit before tax	6	11,696,225	10,551,901	20,358,211	1,274,460
Income tax expense	9	(1,941,619)	(2,699,595)	45,677	(1,330,328)
Profit/(loss) after tax		9,754,606	7,852,306	20,403,888	(55,868)
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent periods:					
Foreign currency translation, net of income tax of RM Nil		17,755,738	4,744,197	-	-
Other comprehensive income for the financial year		17,755,738	4,744,197	-	-
Total comprehensive income/(expense) for the financial year, attributable to owners of the parent		27,510,344	12,596,503	20,403,888	(55,868)
Earnings per share attributable to owners of the parent:					
Basic (sen)	10	16.25	13.08		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Statement of financial position as at 31 December 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Assets					
Non-current assets					
Property, plant and equipment	11	168,181,539	150,103,586	31,674,417	30,557,447
Land use rights	12	20,747,773	18,126,623	-	-
Investment property	13	5,668,007	5,808,876	5,668,007	5,808,876
Intangible assets	14	52,414	2,453,537	1	2,130
Investment in subsidiaries	15	-	-	39,806,165	32,246,365
Trade and other receivables	17	-	-	38,920,237	43,371,986
Other assets	18	15,944,561	-	336,104	-
		210,594,294	176,492,622	116,404,931	111,986,804
Current assets					
Inventories	16	43,795,079	39,908,917	9,657,135	7,786,124
Trade and other receivables	17	113,075,602	81,951,198	83,956,933	44,021,864
Other assets	18	171,299	1,360,371	66,547	82,219
Tax recoverable		1,525,696	-	1,525,696	442,693
Cash and bank balances	19	37,914,739	11,872,071	1,781,915	2,129,802
		196,482,415	135,092,557	96,988,226	54,462,702
Total assets		407,076,709	311,585,179	213,393,157	166,449,506

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Statement of financial position
as at 31 December 2015 (cont'd)

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Equity and liabilities					
Current liabilities					
Provision for solid waste disposal	20	15,038	6,146	15,038	6,146
Income tax payable		807,888	36,958	-	-
Trade and other payables	21	102,899,238	58,839,854	40,073,779	17,822,601
Loans and borrowings	23	74,027,328	48,008,617	31,663,508	25,698,537
Derivatives financial liability	24	3,968,665	1,556,803	3,968,665	1,556,803
		181,718,157	108,448,378	75,720,990	45,084,087
Net current assets		14,764,258	26,644,179	21,267,236	9,378,615
Non-current liabilities					
Retirement benefit obligations	22	1,088,668	992,397	1,088,668	992,397
Deferred tax liabilities	26	6,878,946	6,868,137	5,543,000	5,375,674
Loans and borrowings	23	28,847,612	39,520,036	28,404,354	38,041,842
Derivatives financial liability	24	11,244,549	5,967,798	11,244,549	5,967,798
		48,059,775	53,348,368	46,280,571	50,377,711
Total liabilities		229,777,932	161,796,746	122,001,561	95,461,798
Net asset		177,298,777	149,788,433	91,391,596	70,987,708
Equity attributable to owners of the parent					
Share capital	27	60,023,490	60,023,490	60,023,490	60,023,490
Share premium		23,960	23,960	23,960	23,960
Foreign currency translation reserve	28	22,562,601	4,806,863	-	-
Retained earnings	29	94,688,726	84,934,120	31,344,146	10,940,258
Total equity		177,298,777	149,788,433	91,391,596	70,987,708
Total equity and liabilities		407,076,709	311,585,179	213,393,157	166,449,506

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Consolidated statement of changes in equity
for the year ended 31 December 2015

			|------- Non-distributable	-------|	Distributable	
	Note	Share capital RM	Share premium RM	Other reserves RM	Retained profits RM	Total equity RM
At 1 January 2014		60,023,490	23,960	62,666	81,583,576	141,693,692
Profit for the financial year		-	-	-	7,852,306	7,852,306
Other comprehensive income		-	-	4,744,197	-	4,744,197
Total comprehensive income for the financial year		-	-	4,744,197	7,852,306	12,596,503
Dividends on ordinary shares	30	-	-	-	(4,501,762)	(4,501,762)
At 31 December 2014		60,023,490	23,960	4,806,863	84,934,120	149,788,433
At 1 January 2015		60,023,490	23,960	4,806,863	84,934,120	149,788,433
Profit for the financial year		-	-	-	9,754,606	9,754,606
Other comprehensive income		-	-	17,755,738	-	17,755,738
Total comprehensive income for the financial year		-	-	17,755,738	9,754,606	27,510,344
At 31 December 2015		60,023,490	23,960	22,562,601	94,688,726	177,298,777

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Company statement of changes in equity for the year ended 31 December 2015

	Note	Non-distributable Share capital RM	Non-distributable Share premium RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2014		60,023,490	23,960	15,497,888	75,545,338
Loss for the financial year		-	-	(55,868)	(55,868)
Dividends on ordinary shares	30	-	-	(4,501,762)	(4,501,762)
At 31 December 2014		60,023,490	23,960	10,940,258	70,987,708
At 1 January 2015		60,023,490	23,960	10,940,258	70,987,708
Profit for the financial year		-	-	20,403,888	20,403,888
At 31 December 2015		60,023,490	23,960	31,344,146	91,391,596

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Statement of cash flows
for the year ended 31 December 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Cash flows from operating activities					
Receipts from customers		431,331,902	354,307,260	79,134,455	72,781,346
Payments to suppliers		(393,969,638)	(339,533,432)	(54,750,481)	(64,352,821)
Cash generated from operations		37,362,264	14,773,828	24,383,974	8,428,525
Interest paid		(4,604,955)	(3,440,155)	(1,507,263)	(850,945)
Income tax paid		(2,685,576)	(2,259,082)	(870,000)	(922,584)
Net cash generated from operating activities		30,071,733	9,074,591	22,006,711	6,654,996
Cash flows from investing activities					
Purchase of:					
Property, plant and equipment	a	(33,678,180)	(13,869,413)	(3,176,195)	(474,373)
Land use rights	12	(17,333)	(6,594,221)	-	-
Intangible assets	14	-	(78,865)	-	-
Proceeds from disposal of property, plant and equipment		66,850	-	-	-
Deposits refund for acquisition of property, plant and equipment		-	1,319,261	-	1,319,261
Subscription of shares in subsidiaries	15	-	-	(7,559,800)	-
Dividend received from:					
Subsidiaries		-	-	21,785,382	-
Others		51,468	20,449	32,283	20,449
Interest received		337,561	478,451	532,496	254,876
Net cash (used in)/generated from investing activities		(33,239,634)	(18,724,338)	11,614,166	1,120,213
Cash flows from financing activities					
Drawdown of bank borrowings		38,818,644	25,600,679	5,692,631	440,896
Repayment of bank borrowings		(23,472,357)	(14,122,023)	(9,365,148)	-
Advances to subsidiaries		-	-	-	(9,226,063)
Inter-company receipts /(repayment)		15,702,683	2,103,824	(30,296,247)	2,147,982
Dividends paid		-	(4,501,762)	-	(4,501,762)
Net cash generated from/ (used in) financing activities		31,048,970	9,080,718	(33,968,764)	(11,138,947)

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Statement of cash flows
for the year ended 31 December 2015 (cont'd)

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Net increase/(decrease) cash and cash equivalents		27,881,069	(569,029)	(347,887)	(3,363,738)
Effects of exchange rate changes on cash and cash equivalents		(1,838,401)	(178,600)	-	-
Cash and cash equivalents at beginning of year		11,872,071	12,619,700	2,129,802	5,493,540
Cash and cash equivalents at end of year	19	37,914,739	11,872,071	1,781,915	2,129,802

Note a

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Additions of property, plant and equipment	11	(17,733,619)	(13,869,413)	(2,840,091)	(474,373)
Non-refundable deposits for acquisition of property, plant and equipment	18	(15,944,561)	-	(336,104)	-
		(33,678,180)	(13,869,413)	(3,176,195)	(474,373)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Notes to the financial statements
for the financial year ended 31 December 2015

1. Corporate information

Box-Pak (Malaysia) Bhd. is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan.

The holding company is Kian Joo Can Factory Berhad ("Kian Joo"), a company incorporated in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad and produces financial statements available for public use. Related companies in these financial statements refer to member companies within the Kian Joo group of companies.
The principal activities of the Company and its subsidiary companies are the manufacture and distribution of paper boxes, cartons, general paper and board printing and investment holding. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 3 March 2016.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis and are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2015, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2015.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefits Plans: Employee contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part of the business) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses of subsidiaries are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.5 Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd)

2.5 Business combinations (cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.9(a).

2.6 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2. Summary of significant accounting policies (cont'd)

2.6 Foreign currency (cont'd)

(b) Foreign currency transactions (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to other comprehensive income of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd)

2.7 Property, plant and equipment (cont'd)

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress are not depreciated as these assets are not yet available for use. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Leasehold land and buildings	1 2/3 - 2 1/3
Plant, machinery and equipment	6 2/3
Furniture, fittings and office equipment	12 2/3 - 50
Motor vehicles	10 - 20
Others	10

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

2. Summary of significant accounting policies (cont'd)

2.8 Investment properties (cont'd)

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

The Group's investment property is depreciated to write off the value over the unexpired lease terms of 61 years.

2.9 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

2. Summary of significant accounting policies (cont'd)

2.9 Intangible assets (cont'd)

(b) Computer software

Computer software is measured initially at cost. Following initial acquisition, computer software is measured at cost less any accumulated amortisation and accumulated impairment losses.

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over the estimated economic useful lives at an annual rate of 50% and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for computer software with finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

2.10 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

2. Summary of significant accounting policies (cont'd)

2.11 Impairment of non-financial assets (cont'd)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.12 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

2. Summary of significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company have not designated any financial assets as financial assets at fair value through profit or loss.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

2. Summary of significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

The Group and the Company have not designated any financial assets as available-for-sale financial assets.

2. Summary of significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.14 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

2. Summary of significant accounting policies (cont'd)

2.14 Impairment of financial assets (cont'd)

Trade and other receivables and other financial assets carried at amortised cost (cont'd)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (cont'd)

2.18 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.19 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.21 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave, maternity and paternity leave are recognised when the absences occur.

2. Summary of significant accounting policies (cont'd)

2.21 Employee benefits (cont'd)

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Foreign subsidiaries also make contributions to their respective country's statutory pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Defined benefit plans

The Group's obligation under defined benefit plans is determined based on actuarial computations by independent actuaries using the Projected Unit Credit Method, through which the amount of benefit that employees have earned in return for their services in the current and prior years is estimated. That benefit is discounted in order to determine its present value. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

2.22 Leases

(a) As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.23(b).

2. Summary of significant accounting policies (cont'd)

2.23 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised net of taxes and upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.24 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Summary of significant accounting policies (cont'd)

2.24 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investment in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

2. Summary of significant accounting policies (cont'd)

2.24 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax and Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of sales tax and GST except:

- where the sales tax and GST incurred in a purchase of assets or services are not recoverable from the taxation authority, in which case the sales tax and GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax and GST included.

The net amount of sales tax and GST recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the statements of financial position.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. Summary of significant accounting policies (cont'd)

2.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.27 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Classification between investment property and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

3. Significant accounting judgements and estimates (cont'd)

3.1 Judgements made in applying accounting policies (cont'd)

(a) Classification between investment property and property, plant and equipment (cont'd)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

The investment property which principally comprises leasehold land and building held by the Group for their investment potential and are not occupied by the Group. Those properties occupied by the Group are classified as property, plant and equipment.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Provision for solid waste disposal

The Group and the Company are required to dispose solid waste in accordance with the environmental requirements. The Group and the Company recognise the provision for liabilities associated with solid waste disposal in accordance with the accounting policy stated in Note 2.17. The estimation of solid waste is based on service provider's price quotation. The best estimate of the provision for the Group and the Company at 31 December 2015 is RM15,038 (2014: RM6,146) respectively. Further details are given in Note 20.

(c) Useful lives of plant and machinery

MFRS 116: Property, plant and equipment requires that residual value and useful life of an asset to be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for prospectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(d) Defined benefit plan

The cost of defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long term nature of this plan, such estimates are subject to significant uncertainty. The net retirement benefit obligations of the Group and the Company as at 31 December 2015 was RM1,088,668 (2014: RM992,397) respectively.

In determining the appropriate discount rate management has derived the applicable interest rates from high quality corporate bonds in Malaysia with an AA rating. The bonds have been selected based on the expected duration of the defined benefit obligation and taking into consideration the yield curve respectively.

The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates in Malaysia.

Further details about the assumptions used are provided in Note 22.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(e) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value and the key assumptions applied in the impairment assessment of goodwill are given in Note 14.

In the current financial year, the Group has recognised an impairment loss in respect of the goodwill arising from one of the subsidiaries. The Group carried out the impairment test based on a variety of estimation including the value in use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(f) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, unutilised capital allowances and reinvestment allowances to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and reinvestment allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The unabsorbed tax losses, unutilised capital allowances and reinvestment allowances of the Group at the reporting date was RM28,481,450 (2014: RM18,257,008).

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. This depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unabsorbed tax losses, unutilised capital allowances and reinvestment allowances.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

4. Revenue

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue from:				
Sale of goods	451,744,467	352,807,730	68,397,793	71,236,771
Dividend income from a subsidiary	-	-	21,785,382	-
	451,744,467	352,807,730	90,183,175	71,236,771

5. Finance costs

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Interest expense on term loans and bills payable/trust receipt	4,604,955	3,440,155	1,507,263	922,584

6. Profit before tax

The following items have been included in arriving at profit before tax:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Auditors' remuneration:				
- statutory audits	177,505	160,781	65,752	77,120
- other services	7,000	7,000	7,000	7,000
Amortisation of:				
- intangible assets (Note 14)	36,244	29,575	2,129	5,111
- land use rights (Note 12)	391,024	316,904	-	-
Depreciation of:				
- property, plant and equipment (Note 11)	16,169,774	11,644,649	1,723,121	1,358,067
- investment property (Note 13)	140,869	140,869	140,869	140,869
(Recovery of)/allowance for doubtful debts (trade) (Note 17)	(91,317)	(166,702)	2,374	-
Allowance for doubtful debts (non-trade) (Note 17)	-	-	3,590	-
Employee benefits expense (Note 7)	40,849,361	32,327,317	11,499,587	10,978,296

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

6. Profit before tax (cont'd)

The following items have been included in arriving at profit before tax (cont'd):

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Non-executive directors' fees (Note 8)	308,760	260,000	308,760	260,000
Net foreign exchange loss/(gain):				
Realised	1,715,289	160,216	406,280	(112,689)
Unrealised	(7,363,637)	(2,485,152)	(10,221,831)	(3,329,947)
Inventories written off	17,873	29,777	17,873	29,777
Write down of inventories	247,545	13,710	60,532	13,710
Provision for solid waste disposal (Note 20)	198,441	198,134	198,441	198,134
Rental of land and building	867,714	870,902	34,104	24,110
Rental of motor vehicles	493,723	491,589	-	-
Rental of forklift	143,650	137,045	-	-
Impairment of goodwill (Note 14)	2,374,713	-	-	-
Gain on disposal of property, plant and equipment	(4,327)	-	-	-
Direct operating expenses arising from rental of investment property	51,397	51,397	51,397	51,397
Fair value loss on derivatives	7,688,613	2,775,099	7,688,613	2,775,099
Write off of property, plant and equipment	4,179	12,903	-	-
Interest income	(337,561)	(478,451)	(532,496)	(254,876)
Dividend received from:				
A subsidiary	-	-	(21,785,382)	-
Others	(51,468)	(20,449)	(32,283)	(20,449)
Rental income	-	(710,958)	-	(710,958)

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

7. Employee benefits expense

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Wages and salaries	36,720,927	24,541,253	10,309,548	8,370,046
Social security contributions	438,496	342,087	53,399	54,255
Contributions to defined contribution plan	3,116,455	3,781,163	879,740	2,114,749
Increase in liability for defined benefit plan (Note 22)	96,271	113,027	96,271	113,027
Other benefits	477,212	3,549,787	160,629	326,219
	40,849,361	32,327,317	11,499,587	10,978,296

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,565,657 (2014: RM1,590,926), as further disclosed in Note 8.

8. Directors' remuneration

	Group/Company 2015 RM	Group/Company 2014 RM
Executive directors' remuneration:		
Salaries and other emoluments	2,825,032	1,127,747
Fees	176,500	181,083
Bonus	201,000	136,197
Defined contribution plan	363,125	145,899
	3,565,657	1,590,926
Non-executive directors' remuneration:		
Fees (Note 6)	308,760	260,000
Total directors' remuneration	3,874,417	1,850,926

8. Directors' remuneration (cont'd)

The number of directors of the Company whose total remuneration during the financial year fell within the respective bands is analysed as follows:

	Number of directors	
	2015	**2014**
Executive directors:		
Below RM250,000	-	3
RM250,001 - RM350,000	-	1
RM850,001 - RM950,000	1	-
RM1,000,001 - RM1,100,000	-	1
RM1,300,001 - RM1,400,000	2	-
Non-executive directors:		
Below RM50,000	3	-
RM50,001 - RM100,000	3	4

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2015 and 2014 are:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	-	714,992	-	661,592
- Foreign tax	2,162,249	1,448,982	-	-
- (Over)/under provision in prior years	(231,439)	36,979	(213,003)	34,772
	1,930,810	2,200,953	(213,003)	696,364
Deferred income tax (Note 26):				
- Relating to origination and reversal of temporary differences	357,512	252,313	458,352	391,390
- (Over)/under provision in prior years	(346,703)	246,329	(291,026)	242,574
	10,809	498,642	167,326	633,964
	1,941,619	2,699,595	(45,677)	1,330,328

9. Income tax expense (cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The Group's Vietnam subsidiaries are subjected to 7.5% (2014: 7.5%) corporate tax rate.

The Malaysian corporate income tax rate will reduce from 25% to 24% with effect from year of assessment 2016.

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2015 and 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before tax	11,696,225	10,551,901	20,358,211	1,274,460
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	2,924,056	2,637,975	5,089,553	318,615
Effect of reduction in tax rates	10,460	(219,434)	10,460	(219,434)
Effect of different tax rates in foreign jurisdiction	(4,406,044)	(2,000,546)	-	-
Effect of expenses not deductible for tax purposes	1,474,967	1,682,218	851,902	961,683
Effect of income not subject to tax	(39,789)	(7,882)	(5,493,563)	(7,882)
Deferred tax assets not recognised	2,556,111	323,956	-	-
(Over)/under provision in prior years:				
- Tax expense	(231,439)	36,979	(213,003)	34,772
- Deferred tax	(346,703)	246,329	(291,026)	242,574
	1,941,619	2,699,595	(45,677)	1,330,328

10. Earnings per ordinary share

(a) Basic

Basic earnings per ordinary share is calculated by dividing profit for the financial year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015	**2014**
Profit net of tax attributable to owners of the parent (RM)	9,754,606	7,852,306
Weighted average number of ordinary shares in issue	60,023,490	60,023,490
Basic earnings per ordinary share (sen)	16.25	13.08

(b) Diluted

The Group does not have any potential dilutive ordinary shares. Accordingly, the diluted earnings per share is not presented.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

11. Property, plant and equipment

	Long-term leasehold land RM	Leasehold buildings RM	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work in progress RM	Others RM	Total RM
Group								
At 31 December 2015								
Cost								
At 1 January 2015	18,234,336	66,663,348	129,486,598	3,491,058	2,284,644	470,605	10,282,464	230,913,053
Additions	-	33,700	5,958,233	469,354	233,218	6,006,047	5,033,067	17,733,619
Disposals	-	-	(309,539)	-	-	-	-	(309,539)
Write off	-	-	(2,725)	(6,429)	-	-	-	(9,154)
Reclassifications	-	-	1,799,521	-	-	(1,799,521)	-	-
Exchange differences	-	6,056,935	14,707,368	719,590	74,841	-	1,222,839	22,781,573
At 31 December 2015	18,234,336	72,753,983	151,639,456	4,673,573	2,592,703	4,677,131	16,538,370	271,109,552
Accumulated depreciation								
At 1 January 2015	2,726,646	10,502,715	56,264,046	2,234,153	1,149,422	-	7,932,485	80,809,467
Depreciation charge for the financial year (Note 6)	258,461	1,990,369	9,203,947	348,099	336,028	-	4,032,870	16,169,774
Disposals	-	-	(238,362)	-	-	-	-	(238,362)
Write off	-	-	(303)	(4,672)	-	-	-	(4,975)
Exchange differences	-	649,680	4,134,142	520,103	22,589	-	865,595	6,192,109
At 31 December 2015	2,985,107	13,142,764	69,363,470	3,097,683	1,508,039	-	12,830,950	102,928,013
Net carrying amount								
At 31 December 2015	15,249,229	59,611,219	82,275,986	1,575,890	1,084,664	4,677,131	3,707,420	168,181,539

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

11. Property, plant and equipment (cont'd)

	Long-term leasehold land RM	Leasehold buildings RM	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work in progress RM	Others RM	Total RM
Group								
At 31 December 2014								
Cost								
At 1 January 2014	18,234,336	64,600,863	116,223,756	2,833,568	2,035,527	126,936	6,267,149	210,322,135
Additions	-	279,545	9,315,545	401,367	229,495	343,669	3,299,792	13,869,413
Write off	-	-	-	(67,051)	-	-	(21,631)	(88,682)
Exchange differences	-	1,782,940	3,947,297	323,174	19,622	-	737,154	6,810,187
At 31 December 2014	18,234,336	66,663,348	129,486,598	3,491,058	2,284,644	470,605	10,282,464	230,913,053
Accumulated depreciation								
At 1 January 2014	2,468,184	8,588,568	48,253,913	1,919,567	833,314	-	5,337,044	67,400,590
Depreciation charge for the financial year (Note 6)	258,462	1,713,190	6,884,932	299,204	309,042	-	2,179,819	11,644,649
Write off	-	-	(4,920)	(49,228)	-	-	(21,631)	(75,779)
Exchange differences	-	200,957	1,130,121	64,610	7,066	-	437,253	1,840,007
At 31 December 2014	2,726,646	10,502,715	56,264,046	2,234,153	1,149,422	-	7,932,485	80,809,467
Net carrying amount								
At 31 December 2014	15,507,690	56,160,633	73,222,552	1,256,905	1,135,222	470,605	2,349,979	150,103,586

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

11. Property, plant and equipment (cont'd)

	Long-term leasehold land RM	Leasehold buildings RM	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work in progress RM	Others RM	Total RM
Company								
At 31 December 2015								
Cost								
At 1 January 2015	18,234,336	14,737,178	34,742,614	1,533,572	1,834,122	156,955	454,249	71,693,026
Additions	-	33,700	1,058,274	27,300	100,301	1,620,516	-	2,840,091
Reclassification	-	-	1,320,471	-	-	(1,320,471)	-	-
At 31 December 2015	18,234,336	14,770,878	37,121,359	1,560,872	1,934,423	457,000	454,249	74,533,117
Accumulated depreciation								
At 1 January 2015	2,726,646	4,842,667	30,686,452	1,419,677	1,013,449	-	446,688	41,135,579
Depreciation charge for the financial year (Note 6)	258,461	353,456	812,912	30,623	261,808	-	5,861	1,723,121
At 31 December 2015	2,985,107	5,196,123	31,499,364	1,450,300	1,275,257	-	452,549	42,858,700
Net carrying amount								
At 31 December 2015	15,249,229	9,574,755	5,621,995	110,572	659,166	457,000	1,700	31,674,417

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

11. Property, plant and equipment (cont'd)

	Long-term leasehold land RM	Leasehold buildings RM	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work in progress RM	Others RM	Total RM
Company								
At 31 December 2014								
Cost								
At 1 January 2014	18,234,336	14,737,178	34,637,786	1,511,072	1,604,627	179,926	475,880	71,380,805
Additions	-	-	59,313	28,610	229,495	156,955	-	474,373
Disposals	-	-	(134,411)	(1,190)	-		-	(135,601)
Reclassification	-	-	179,926	-	-	(179,926)	-	-
Write off	-	-	-	(4,920)	-	-	(21,631)	(26,551)
At 31 December 2014	18,234,336	14,737,178	34,742,614	1,533,572	1,834,122	156,955	454,249	71,693,026
Accumulated depreciation								
At 1 January 2014	2,468,184	4,489,289	30,325,725	1,397,792	746,242	-	448,657	39,875,889
Depreciation charge for the financial year (Note 6)	258,462	353,378	431,839	27,519	267,207	-	19,662	1,358,067
Disposals	-	-	(71,112)	(714)	-	-	-	(71,826)
Write off	-	-	-	(4,920)	-	-	(21,631)	(26,551)
At 31 December 2014	2,726,646	4,842,667	30,686,452	1,419,677	1,013,449	-	446,688	41,135,579
Net carrying amount								
At 31 December 2014	15,507,690	9,894,511	4,056,162	113,895	820,673	156,955	7,561	30,557,447

11. Property, plant and equipment (cont'd)

(a) Long term leasehold land

The long term leasehold land of the Group has remaining tenure of 59 (2014: 60) years.

12. Land use rights

	Group 2015 RM	Group 2014 RM
Cost		
At 1 January	19,161,186	12,298,627
Additions	17,333	6,594,221
Exchange differences	3,169,864	268,338
At 31 December	22,348,383	19,161,186
Accumulated amortisation		
At 1 January	1,034,563	664,046
Amortisation charge for the financial year (Note 6)	391,024	316,904
Exchange differences	175,023	53,613
At 31 December	1,600,610	1,034,563
Net carrying amount	20,747,773	18,126,623

The land use rights of the Group have remaining tenure of 31 to 42 (2014: 32 to 43) years.

13. Investment property

	Group/Company 2015 RM	Group/Company 2014 RM
Cost		
At 1 January/31 December	9,901,336	9,901,336
Accumulated depreciation		
At 1 January	4,092,460	3,951,591
Depreciation charge for the financial year (Note 6)	140,869	140,869
At 31 December	4,233,329	4,092,460
Net carrying amount	5,668,007	5,808,876

13. Investment property (cont'd)

Representing investment property held under lease term:

	Group/Company 2015 RM	2014 RM
Leasehold land	3,590,677	3,651,537
Building	2,077,330	2,157,339
	5,668,007	5,808,876

The investment property consists of leasehold land and building which are held under lease terms. The leasehold land of the Group has tenure of 59 (2015: 60) years.

The fair value of the investment property is approximately RM26,000,000 (2014: RM26,000,000) which is based on the estimates of market value by Directors.

In the previous year, the fair value was obtained from open-market value estimated by independent professionally qualified valuer, Paul Khong of CB Richard Ellis (Malaysia) Sdn. Bhd.. The fair value is determined based on depreciated replacement cost method for building and comparison method for land. The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as significant unobservable inputs used in the valuation model.

At 31 December 2014

Valuation technique	Significant unobservable inputs / (range)	Inter-relationship between key unobservable inputs and fair value measurement
		The estimated fair value would increase (decrease) if:
Depreciation replacement cost method	Estimated replacement cost per square feet (RM70 - RM125)	- The estimated replacement cost per square feet is higher (lower); or
	Depreciation rate per annum (2%)	- The estimated depreciation rate per annum is lower (higher).
Comparison method	Difference in location and accessibility, land shape, gross floor area, tenure of land (-10%)	- The adjustment for the comparable range is lower (higher).

13. Investment property (cont'd)

Depreciation replacement cost method

The value of building is determined by taking the current replacement cost of the building as new and allowing for depreciation for physical, functional and economic obsolescence.

Comparison method

The value of land is estimated by comparing the subject site with similar industrial lands which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, terrain of land, tenure and restrictions in any, availability of infrastructure, vacant possession and other relevant characteristics.

14. Intangible assets

Intangible assets represent computer software cost and goodwill arising from acquisition of a subsidiary in prior years.

	Goodwill RM	Computer software RM	Total RM
Group			
At 31 December 2015			
Cost			
At 1 January 2015	2,374,713	911,940	3,286,653
Exchange differences	-	26,626	26,626
At 31 December 2015	2,374,713	938,566	3,313,279
Accumulated amortisation and impairment			
At 1 January 2015	-	833,116	833,116
Amortisation charge for the financial year (Note 6)	-	36,244	36,244
Impairment of goodwill (Note 6)	2,374,713	-	2,374,713
Exchange differences	-	16,792	16,792
At 31 December 2015	2,374,713	886,152	3,260,865
Net carrying amount	-	52,414	52,414

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

14. Intangible assets (cont'd)

	Goodwill RM	Computer software RM	Total RM
Group (cont'd)			
At 31 December 2014			
Cost			
At 1 January 2014	2,374,713	824,688	3,199,401
Additions	-	78,865	78,865
Exchange differences	-	8,387	8,387
At 31 December 2014	2,374,713	911,940	3,286,653
Accumulated amortisation			
At 1 January 2014	-	798,466	798,466
Amortisation charge for the financial year (Note 6)	-	29,575	29,575
Exchange differences		5,075	5,075
At 31 December 2014	-	833,116	833,116
Net carrying amount	2,374,713	78,824	2,453,537

	Computer software 2015 RM	Computer software 2014 RM
Company		
Cost		
At 1 January/31 December	722,785	722,785
Accumulated amortisation		
At 1 January	720,655	715,544
Amortisation charge for the financial year (Note 6)	2,129	5,111
At 31 December	722,784	720,655
Net carrying amount	1	2,130

14. Intangible assets (cont'd)

Impairment tests for cash-generating unit ("CGU") containing goodwill

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period with annual growth rate of 5%. The cash flow projections are discounted using the current market assessment of the risks specific to the CGU at 8%.

Key assumptions used in value-in-use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Growth rate

The weighted average growth rates used are consistent with the long term average growth rate for the industry.

(iii) Discount rate

The discount rate used is pre-tax and reflects specific risks relating to the industry.

15. Investment in subsidiaries

	Company 2015 RM	2014 RM
Unquoted shares at cost:		
Outside Malaysia	30,806,165	27,746,365
In Malaysia	10,000,000	5,500,000
	40,806,165	33,246,365
Less: Accumulated impairment losses	(1,000,000)	(1,000,000)
	39,806,165	32,246,365

15. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest and voting interest [5] 2015 %	2014 %
Subsidiaries of the Company				
Box-Pak (Johore) Sdn. Bhd. [1]	Malaysia	Dormant	100	100
BP Mpak Sdn. Bhd. (formerly known as AMBM Packaging Distribution Sdn. Bhd.) [1]	Malaysia	Corrugated fibre board carton manufacturer	100	100
Box-Pak (Vietnam) Co., Ltd. ("BPV") [2]	Vietnam	Corrugated fibre board carton manufacturer	100	100
PT. KJ Box-Pak [3]	Indonesia	Dormant	99	99
BP Pak (Singapore) Pte Ltd ("BPS") [4]	Singapore	Investment holding	100	-
Subsidiary of BPS				
Boxpak (Myanmar) Company Limited [4]	Myanmar	Dormant	100	-
Subsidiary of BPV				
Box-Pak (Hanoi) Co., Ltd. ("BPH") [2]	Vietnam	Corrugated fibre board carton manufacturer	100	100

(1) Audited by Ernst & Young, Malaysia
(2) Audited by a member of Ernst & Young Global
(3) Not audited by Ernst & Young or a member firm of Ernst & Young Global
(4) Incorporated in 2015
(5) Equals to the proportion of voting rights held

15. Investment in subsidiaries (cont'd)

Incorporation of subsidiaries

During the financial year, the Group:

(i) incorporated a wholly-owned subsidiary in Singapore, known as BP Pak (Singapore) Pte Ltd ("BPS").

(ii) incorporated a wholly-owned indirect subsidiary in Myanmar, known as Boxpak (Myanmar) Company Limited. The subsidiary is wholly-owned by BPS.

The newly incorporated subsidiaries did not contribute materially to the results of the Group in the current financial year.

16. Inventories

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Raw materials	36,030,100	34,593,059	8,576,573	7,032,973
Work-in-progress	3,660,300	2,762,225	514,539	289,702
Finished goods	4,104,679	2,553,633	566,023	463,449
	43,795,079	39,908,917	9,657,135	7,786,124

During the financial year, the amounts of inventories recognised as an expense in cost of sales of the Group and of the Company were RM401,373,219 (2014: RM316,332,387) and RM62,609,085 (2014: RM62,910,060) respectively.

The Group and the Company have recorded a charge to income statement pertaining to inventories written down to net realisable value of RM247,545 (2014: RM13,710) and RM60,532 (2014: RM13,710) respectively.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

17. Trade and other receivables

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Current					
Trade receivables					
Third parties		107,841,493	77,365,436	18,478,854	15,270,995
Amount due from holding company		71,250	-	71,250	-
Amount due from subsidiaries		-	-	3,289,372	2,221,114
Amounts due from related companies		655,865	-	424,596	1,043,272
Amounts due from related parties		1,591,381	1,325,520	1,591,381	830,714
		110,159,989	78,690,956	23,855,453	19,366,095
Less: Allowance for impairment		(736,624)	(1,030,773)	(1,439,942)	(1,444,320)
Trade receivables, net	(a)	109,423,365	77,660,183	22,415,511	17,921,775
Others receivables					
Other receivables		2,946,076	2,782,701	315,021	444,271
Refundable deposits		244,745	1,508,314	60,250	455,535
Amount due from holding company	(b)	29,437	-	-	-
Amounts due from related companies	(b)	431,979	-	-	10,250
		3,652,237	4,291,015	375,271	910,056
Amounts due from subsidiaries	(c)	-	-	61,204,670	25,224,962
		3,652,237	4,291,015	61,579,941	26,135,018
Less: Allowance for impairment - Amount due from subsidiaries		-	-	(38,519)	(34,929)
Other receivables, net	(d)	3,652,237	4,291,015	61,541,422	26,100,089
		113,075,602	81,951,198	83,956,933	44,021,864

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

17. Trade and other receivables (cont'd)

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Non-current					
Other receivables					
Amount due from subsidiaries	(c)	-	-	38,920,237	43,371,986
Total trade and other receivables (current and non-current)		113,075,602	81,951,198	122,877,170	87,393,850
Add: Cash and bank balances (Note 19)		37,914,739	11,872,071	1,781,915	2,129,802
Total loans and receivables		150,990,341	93,823,269	124,659,085	89,523,652

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2014: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's and Company's trade receivables are as follows:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Neither past due nor impaired	78,462,775	55,307,570	12,784,160	13,603,444
1 to 30 days past due not impaired	22,222,001	15,984,839	3,920,985	1,704,298
31 to 60 days past due not impaired	7,021,753	5,021,862	2,647,371	774,460
61 to 90 days past due not impaired	1,279,110	660,589	913,636	171,053
91 to 120 days past due not impaired	350,861	131,603	268,991	24,468
More than 121 days past due not impaired	86,865	553,720	1,880,368	1,644,052
	30,960,590	22,352,613	9,631,351	4,318,331
Impaired	736,624	1,030,773	1,439,942	1,444,320
	110,159,989	78,690,956	23,855,453	19,366,095

17. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM30,960,590 (2014: RM22,352,613) and RM9,631,351 (2014: RM4,318,331) respectively that are past due at the reporting date but not impaired.

These receivables are unsecured. Management is confident that these receivables are recoverable as these accounts are still active.

Receivables that are impaired

The Group's and the Company's trade receivables and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade receivables - nominal amounts	736,624	1,030,773	1,439,942	1,444,320
Less: Allowance for impairment	(736,624)	(1,030,773)	(1,439,942)	(1,444,320)
	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
At 1 January	1,030,773	1,197,475	1,444,320	1,444,320
Charge for the financial year (Note 6)	-	-	2,374	-
Reversal of impairment losses (Note 6)	(91,317)	(166,702)	-	-
Written off	(202,832)	-	(6,752)	-
At 31 December	736,624	1,030,773	1,439,942	1,444,320

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

17. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amount due from holding company and related companies

Amounts due from holding company and related companies are unsecured, non-interest bearing and repayable on demand.

(c) Amount due from subsidiaries

Amounts due from subsidiaries which are denominated in USD of RM53,313,598 (2014: RM55,081,357) are unsecured, bore interest at 3% to 3.5% per annum and are repayable within 1 to 4 years. Amounts due from a subsidiary of RM9,878,610 (2014: RM7,414,446) are unsecured, bore interest at 5.56% and repayable on demand.

(d) Other receivables

The Company's other receivables that are impaired at the reporting date are as follows:

	Company	
	2015	2014
	RM	RM
At 1 January	34,929	34,929
Charge for the financial year (Note 6)	3,590	-
At 31 December	38,519	34,929

18. Other assets

	Note	Group		Company	
		2015	2014	2015	2014
		RM	RM	RM	RM
Current					
Prepayments	(a)	171,299	1,360,371	66,547	82,219
Non-current					
Non-refundable deposits for acquisition of property, plant and equipment	(b)	15,944,561	-	336,104	-
		16,115,860	1,360,371	402,651	82,219

18. Other assets (cont'd)

(a) Prepayments

Included in the prepayments are advance payments to suppliers for purchase of raw materials.

(b) Non-refundable deposits for acquisition of property, plant and equipment

These represent deposits placed for acquisition of land and building, plant and machinery.

19. Cash and bank balances

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Cash on hand and at banks	13,643,231	11,872,071	1,781,915	2,129,802
Deposits with a licensed bank	24,271,508	-	-	-
Cash and bank balances	37,914,739	11,872,071	1,781,915	2,129,802

The weighted average effective interest rate of deposit of the Group and of the Company at the reporting date was as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
Weighted average effective interest rate (%)				
- Fixed rate	0.30%	-	-	-

The average maturity days of deposits at the reporting date was as follows:

	Group		Company	
	2015 Days	**2014 Days**	**2015 Days**	**2014 Days**
Licensed bank	7	-	-	-

20. Provision for solid waste disposal

	Group/Company	
	2015	**2014**
	RM	**RM**
At 1 January	6,146	19,747
Additional provision during the financial year (Note 6)	198,441	198,134
Utilisation of provision during the financial year	(189,549)	(211,735)
At 31 December	15,038	6,146

The Group and the Company are required to dispose solid waste in accordance with environmental requirements in Malaysia. A provision has been made for estimated solid waste disposal cost based on service provider's price quotation.

21. Trade and other payables

		Group		Company	
		2015	**2014**	**2015**	**2014**
		RM	**RM**	**RM**	**RM**
Current	**Note**				
Trade payables					
Third parties		60,728,693	37,435,932	5,446,898	3,739,227
Amount due to holding company		2,014,487	-	2,014,487	-
Amount due to related companies		6,936	-	6,936	-
Amount due to a subsidiary		-	-	950,045	-
	(a)	62,750,116	37,435,932	8,418,366	3,739,227
Other payables					
Accrued operating expenses		9,048,191	7,848,779	6,543,596	4,875,297
Other payables	(b)	6,781,929	5,400,240	1,805,512	1,054,714
Amount due to holding company	(c)	14,752,126	8,154,903	13,757,976	8,153,363
Amount due to related companies	(c)	9,566,876	-	9,548,329	-
		40,149,122	21,403,922	31,655,413	14,083,374

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

21. Trade and other payables (cont'd)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Total trade and other payables	102,899,238	58,839,854	40,073,779	17,822,601
Add: Loans and borrowings (Note 23)	102,874,940	87,528,653	60,067,862	63,740,379
Total financial liabilities carried at amortised cost	205,774,178	146,368,507	100,141,641	81,562,980

(a) Trade payables

Trade payables are non-interest bearing and are normally settled from 60 to 90 (2014: 60 to 90) days.

(b) Other payables

Other payables are non-interest bearing and normally settled on an average term of six months (2014: average term of six months).

(c) Amounts due to holding company and related companies

Amount due to holding company is unsecured, bore interest at 4.85% per annum and repayable on demand. Amounts due to related companies are unsecured, non-interest bearing and repayable on demand except for an amount which is denominated in USD of RM7,948,329 which is unsecured, bore interest at 0.45% per annum and repayable on demand.

22. Retirement benefit obligations

The Group operates an unfunded, defined Retirement Benefit Scheme (the "Scheme") for their eligible employees. The Group's obligation under the Scheme is determined based on the latest actuarial valuation by an independent actuary dated 23 January 2014. Under the Scheme, eligible employees are entitled to retirement benefits varying between 18 days and 52 days per year of final salary upon attainment of the retirement age of 60.

The amounts recognised in the statements of financial position are determined as follows:

	Group/Company 2015 RM	Group/Company 2014 RM
Net defined benefit obligations, representing net liability	1,088,668	992,397

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

22. Retirement benefit obligations (cont'd)

The amounts recognised in the statements of financial position are determined as follows (cont'd):

	Group/Company 2015 RM	Group/Company 2014 RM
Analysed as:		
Not later than 1 year	-	-
Later than 1 year but not later than 2 years	-	-
Later than 2 years but not later than 5 years	165,077	50,781
Later than 5 years	923,591	941,616
	1,088,668	992,397
Analysed as:		
- non-current liabilities	1,088,668	992,397

Movements in the net liability were as follows:

	Group/Company 2015 RM	Group/Company 2014 RM
At 1 January	992,397	1,745,846
Recognised in the profit or loss (Note 7)	96,271	113,027
Benefits paid by the plan	-	(866,476)
At 31 December	1,088,668	992,397

The amounts recognised in the profit or loss are as follows:

	Group/Company 2015 RM	Group/Company 2014 RM
Current service cost	42,658	64,253
Interest cost	53,613	48,774
Total, included in staff cost (Note 7)	96,271	113,027

22. Retirement benefit obligations (cont'd)

Principal actuarial assumptions used:

	Group/Company	
	2015	**2014**
	%	**%**
Discount rate	5.4	5.4
Price inflation	3.5	3.5
Expected rate of salary increases	6.0	6.0

The discount rate is determined based on the values of AA rated corporate bond yields with 10 to 15 years of maturity.

Significant actuarial assumptions for determination of the defined benefits obligation is the discount rate. The sensitivity analysis below has been determined based on changes to the individual assumptions, with all other assumptions held constant.

	Group/ Company RM
A 1% increase/decrease in discount rate will decrease/increase the defined benefit obligation by	98,916

The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

23. Loans and borrowings

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Current				
Unsecured:				
Trade facilities	47,195,786	2,516,369	6,209,000	2,516,369
Revolving credit	15,000,000	34,191,840	15,000,000	13,000,000
Term loans	11,831,542	11,300,408	10,454,508	10,182,168
	74,027,328	48,008,617	31,663,508	25,698,537
Non-current				
Unsecured:				
Term loans	28,847,612	39,520,036	28,404,354	38,041,842

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

23. Loans and borrowings (cont'd)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Total loans and borrowings				
Trade facilities	47,195,786	2,516,369	6,209,000	2,516,369
Revolving credit	15,000,000	34,191,840	15,000,000	13,000,000
Term loans (current and non-current)	40,679,154	50,820,444	38,858,862	48,224,010
	102,874,940	87,528,653	60,067,862	63,740,379

Details of the term loans are as follows:

Loan		Drawdown date	Repayment term
Type 1	Cost of fund ("COF") + 0.9%	Nov-09	16 quarterly installments after 15 months of drawdown
Type 2	COF + 0.75%	Jan-11	19 quarterly installments after 15 months of drawdown
Type 3	Fixed 3.5%	Oct-12	61 monthly installments after 24 months of drawdown
Type 4	COF + 0.8%	Oct-13	20 quarterly installments after 3 months of drawdown

As at reporting date, the weighted average effective interest rates for the loans and borrowings, were as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
Term loans:				
- Fixed rates	3.50%	3.50%	3.50%	3.50%
- Floating rates	2.89%	3.18%	2.15%	2.15%
Bills payable/trust receipt	4.64%	1.36%	3.86%	1.36%
Revolving credits - Floating rates	5.48%	6.52%	5.48%	5.60%

23. Loans and borrowings (cont'd)

The remaining maturities of the loans and borrowings as at 31 December 2015 are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
On demand or within one year	74,027,328	48,008,617	31,663,508	25,698,537
More than 1 year and less than 2 years	10,897,766	11,300,408	10,454,508	10,182,168
More than 2 years and less than 5 years	17,949,846	28,219,628	17,949,846	27,859,674
	102,874,940	87,528,653	60,067,862	63,740,379

Term loans

The term loans amounted to RM38,858,862 (2014: RM48,224,010) are secured by corporate guarantee from the holding company.

24. Derivatives financial liability

	Contract/Notional amount		Liabilities	
	2015	2014	2015	2014
	RM	RM	RM	RM
Group/Company				
Non-hedging derivatives:				
Cross currency swap contract	34,477,452	43,471,490	15,213,214	7,524,601

	2015	2014
	RM	RM
Current	3,968,665	1,556,803
Non-current	11,244,549	5,967,798
Total	15,213,214	7,524,601

In the financial year ended 2012, the Company obtained a term loan denominated in Ringgit Malaysia ("RM") from a financial institution, with whom the Company entered into a United States Dollar ("USD")/RM cross currency swap contract. The term loan was subsequently converted into USD and extended to its subsidiary in Vietnam. The Company shall repay the loan in RM at a predetermined USD/RM conversion rate as per the cross-currency swap. The subsidiary shall repay the loan in USD to the Company.

24. Derivatives financial liability (cont'd)

During the year, the Group and the Company recognised a loss of RM7,688,613 (2014: RM2,775,099) arising from fair value loss on derivatives (Note 6).

25. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's and the Company's asset and liability:

		Fair value measurement using		
	Total	Quoted prices in active markets (Level 1)	Significant observable input (Level 2)	Significant unobservable input (Level 3)
Group/Company				
Asset for which fair values is disclosed:				
At 31 December 2015				
Investment property (Note 13)	26,000,000	-	-	26,000,000
At 31 December 2014				
Investment property (Note 13)	26,000,000	-	-	26,000,000
Liability measured at fair value:				
At 31 December 2015				
Derivative financial liability:				
- Cross currency swap contract (Note 24)	15,213,214	-	15,213,214	-
At 31 December 2014				
Derivative financial liability:				
- Cross currency swap contract (Note 24)	7,524,601	-	7,524,601	-

25. Fair value measurement (cont'd)

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 fair value is quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 fair value for currency swap contracts (collectively known as "derivative contracts") are valued using a valuation technique with market observable inputs. Further details are disclosed in Note 36 (e)(i) of the financial statements.

Level 3 fair value is determined using valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Further details are disclosed in Note 13 of the financial statements.

The Group does not have any financial instruments whose fair value are classified as Level 1 as at 31 December 2015.

26. Deferred tax liabilities

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
At 1 January	6,868,137	6,369,495	5,375,674	4,741,710
Recognised in profit or loss (Note 9)	10,809	498,642	167,326	633,964
At 31 December	6,878,946	6,868,137	5,543,000	5,375,674

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

26. Deferred tax liabilities (cont'd)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Capital allowance and depreciation/ amortisation differences RM	Leasehold land and buildings RM	Others RM	Total RM
At 1 January 2014	1,207,793	5,591,781	9,434	6,809,008
Recognised in profit or loss	86,512	(127,218)	832,711	792,005
At 31 December 2014/ 1 January 2015	1,294,305	5,464,563	842,145	7,601,013
Recognised in profit or loss	35,043	(59,277)	(134,034)	(158,268)
At 31 December 2015	1,329,348	5,405,286	708,111	7,442,745

Deferred tax assets of the Group:

	Unabsorbed tax losses RM	Provisions RM	Total RM
At 1 January 2014	-	(439,513)	(439,513)
Recognised in profit or loss	-	(293,363)	(293,363)
At 31 December 2014/1 January 2015	-	(732,876)	(732,876)
Recognised in profit or loss	(256,304)	425,381	169,077
At 31 December 2015	(256,304)	(307,495)	(563,799)

Deferred tax assets of the Group have not been recognised in respect of the following items (stated at gross):

	Group 2015 RM	2014 RM
Unabsorbed tax losses	23,760,205	14,728,763
Unutilised capital allowances	2,978,245	1,785,245
Unutilised reinvestment allowances	1,743,000	1,743,000
	28,481,450	18,257,008

At the reporting date, the Group has unabsorbed tax losses, unutilised capital allowances and reinvestment allowances of approximately RM28,481,450 (2014: RM18,257,008) that are available for offset against future taxable profits of the subsidiary in which the losses arose, for which no deferred tax asset was recognised due to uncertainty of its recoverability. The availability of unabsorbed tax losses, unutilised capital allowances and reinvestment allowances for offsetting against future taxable profits of the subsidiary in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

26. Deferred tax liabilities (cont'd)

Deferred tax liabilities of the Company:

	Capital allowance and depreciation/ amortisation differences RM	Leasehold land and buildings RM	Others RM	Total RM
At 1 January 2014	634,872	4,536,917	9,434	5,181,223
Recognised in profit or loss	195,676	(101,060)	832,711	927,327
At 31 December 2014/ 1 January 2015	830,548	4,435,857	842,145	6,108,550
Recognised in profit or loss	35,043	83,841	(134,034)	(15,150)
At 31 December 2015	865,591	4,519,698	708,111	6,093,400

Deferred tax assets of the Company:

	Unabsorbed tax losses RM	Provisions RM	Total RM
At 1 January 2014	-	(439,513)	(439,513)
Recognised in profit or loss	-	(293,363)	(293,363)
At 31 December 2014/1 January 2015	-	(732,876)	(732,876)
Recognised in profit or loss	(256,304)	438,780	182,476
At 31 December 2015	(256,304)	(294,096)	(550,400)

27. Share capital

	Group/Company			
	Number of ordinary shares of RM1.00 each		Amount	
	2015	2014	2015 RM	2014 RM
Authorised:				
At 1 January/31 December	70,000,000	70,000,000	70,000,000	70,000,000
Issued and fully paid:				
At 1 January/31 December	60,023,490	60,023,490	60,023,490	60,023,490

27. Share capital (cont'd)

The holders of ordinary shares are entitled to receive dividends as and when declared and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

28. Foreign currency translation reserve

	Group	
	2015	**2014**
	RM	**RM**
At 1 January	4,806,863	62,666
Foreign currency translation	17,755,738	4,744,197
At 31 December	22,562,601	4,806,863

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

29. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2015 under the single-tier system.

30. Dividends

Recognised during the financial year

	Group/Company	
	2015	**2014**
	RM	**RM**
Final dividend for 2013:		
7.5% single-tier tax exempt dividend, on 60,023,490 ordinary shares (7.5 sen per ordinary share)	-	4,501,762

No final dividend was recommended in respect of the financial year ended 31 December 2015.

31. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company with related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of finished goods to:				
Holding company	(217,583)	(221,011)	(217,583)	(221,011)
Related companies	(4,879,126)	(4,617,735)	(3,937,211)	(3,867,708)
Subsidiary	-	-	(1,867,078)	(264,859)
Other related parties	(4,014,725)	(1,709,810)	(3,969,053)	(1,687,494)
Rental paid/payable to:				
Holding company	-	3,627	-	3,627
Related company	540,000	-	-	-
Dividend income received from a subsidiary	-	-	(21,785,382)	-
Interest income received from subsidiaries	-	-	(527,150)	-
Interest paid to:				
Holding company	453,252	-	453,252	-
Related company	2,156	-	2,156	-

The related companies and their relationship with the Company are as follows:

Related companies/parties	Relationship
Kian Joo Can Factory Berhad	Holding company
Federal Metal Printing Factory Sdn. Berhad	Subsidiary of the holding company
Kian Joo Canpack (Shah Alam) Sdn. Bhd.	Subsidiary of the holding company
Kian Joo Canpack Sdn. Bhd.	Subsidiary of the holding company
KJM Aluminium Can Sdn. Bhd.	Subsidiary of the holding company
Kian Joo Packaging Sdn. Bhd.	Subsidiary of the holding company
KJ Can (Selangor) Sdn. Bhd.	Subsidiary of the holding company
KJ Can (Johore) Sdn. Bhd.	Subsidiary of the holding company
Kian Joo Can (Vietnam) Co., Ltd.	Subsidiary of the holding company
Aik Joo Can Factory Sdn. Berhad	Subsidiary of the major shareholder
F & B Nutrition Sdn. Bhd.	Subsidiary of the major shareholder
Canzo Sdn. Bhd.	Subsidiary of the major shareholder
Kian Joo-Visypak Sdn. Bhd.	Joint-venture of holding company

31. Related party transactions (cont'd)

(b) Compensation of key management personnel

The Group and the Company do not have any key management personnel who have authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly or indirectly, except for the directors. The directors' remunerations are as disclosed in Note 8.

32. Capital commitments

Commitments for capital expenditure as at 31 December 2015 and 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Capital expenditure				
Approved and contracted for:				
Land and building	35,453,938	-	-	-
Plant and machinery	17,772,795	2,540,612	2,287,732	949,106
	53,226,733	2,540,612	2,287,732	949,106

33. Operating lease commitments

The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the rental of hostel. These leases have an average tenure of two years with options to renew. There are no restrictions placed upon the Group by entering into the leases.

Future minimum lease payables under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Future minimum rentals payments: payments:				
Not later than 1 year	139,300	47,910	69,700	47,910
Later than 1 year and not later than 5 years	41,500	21,575	23,400	21,575
	180,800	69,485	93,100	69,485

The above lease payables are in respect of the rental of staff quarters and warehouse on terms and conditions mutually agreed by both parties.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

34. Financial guarantees

	Company 2015 RM	2014 RM
Unsecured:		
Guarantees given to banks for credit facilities granted to subsidiaries	39,594,786	23,790,287

No value has been placed on the corporate guarantees provided by the Company as the directors have assessed the guarantee contracts and concluded that the financial impact of the guarantee is not material as the subsidiaries concerned are in positive financial standing to meet their obligations as and when they fall due.

35. Segment information

(a) Business segments

The Group's activities are primarily in one industry segment of manufacturing and distribution of paper boxes, cartons, general paper and board printing. Other reporting segment includes investment holding which is not of a sufficient size to be reported separately.

Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group has only one reportable segment.

(b) Geographical information

The Group's geographical information is based on the location of the Group's assets. Sale to external customers disclosed in the geographical information is based on the geographical location of the customers.

BOX-PAX (MALAYSIA) BHD.
(Incorporated in Malaysia)

35. Segment information (cont'd)

(b) Geographical information (cont'd)

	Malaysia		Vietnam		Others		Adjustments and eliminations		Per consolidated financial statements	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Revenue:										
External customers	95,981,510	91,985,624	355,762,957	260,822,106	-	-	-	-	451,744,467	352,807,730
Inter-segment	21,785,382	2,170,840	-	624,560	-	-	(21,785,382)	(2,795,400)	-	-
Total revenue	117,766,892	94,156,464	355,762,957	261,446,666	-	-	(21,785,382)	(2,795,400)	451,744,467	352,807,730
Results:										
Interest income	527,150	254,931	335,715	435,213	1,846	-	(527,150)	(211,693)	337,561	478,451
Dividend income	21,836,850	20,449	-	-	-	-	(21,785,382)	-	51,468	20,449
Depreciation and amortisation	2,748,047	6,424,031	13,989,864	5,707,966	-	-	-	-	16,737,911	12,131,997
Segment profit/(loss)	17,657,963	(99,860)	17,322,700	11,431,693	6,679	-	(23,291,117)	(779,932)	11,696,225	10,551,901
Assets:										
* Additions to non-current assets	4,388,018	4,379,039	13,362,934	16,163,460	-	-	-	-	17,750,952	20,542,499
Segment assets	242,774,896	181,718,379	313,360,776	226,087,664	36,891,438	-	(185,950,401)	(96,220,864)	407,076,709	311,585,179
Segment liabilities	148,307,913	111,716,354	184,080,117	112,648,421	28,735,115	-	(131,345,213)	(62,568,029)	229,777,932	161,796,746

* Additions to non-current assets consist of:

	2015 RM	2014 RM
Property, plant and equipment	17,733,619	13,869,413
Land use rights	17,333	6,594,221
Intangible asset	-	78,865
	17,750,952	20,542,499

35. Segment information (cont'd)

(c) Major customer

Other than a single customer who contributed about 15% (2014: 14%) to the Group's revenue, there is no other customer who contributed significantly to the revenue of the Group and of the Company.

36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, liquidity risk and credit risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's primary interest rate risk relates to their floating interest-bearing debt. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment.

The investments in other financial assets are mainly short term in nature and they are not held for speculative purposes and includes funds placed in fixed deposits which yield better returns than cash at bank.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 (2014: 50) basis points lower/higher, with all other variables held constant, the Group's and the Company's profit before tax would have been RM31,009 (2014: RM30,992) and RM105,502 (2014: RM21,907) higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

36. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk

The Group operates in Malaysia and Vietnam and is exposed to various currencies, mainly United States Dollar ("USD"), Vietnam Dong ("VND"), Singapore Dollar ("SGD"), Europe Euro ("EURO") and Japanese Yen ("JPY"). Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The Group is not engaged in any hedging transactions other than as disclosed in Note 24.

The net unhedged financial assets and financial liabilities of the Group as at 31 December 2015 that are not denominated in their functional currency are as follows:

Group	**Net financial assets / liabilities held in non-functional currencies**					
	USD RM	**VND RM**	**SGD RM**	**EURO RM**	**JPY RM**	**Total RM**
At 31 December 2015						
Trade receivables	19,433,517	60,801,866	317,156	-	-	80,552,539
Cash and bank balances	25,658,124	10,633,922	29,619	-	-	36,321,665
Trade payables	(8,541,321)	(43,543,498)	-	-	(5,326)	(52,090,145)
Loans and borrowings	(6,201,702)	(39,594,786)	-	-	-	(45,796,488)
Net exposure	30,348,618	(11,702,496)	346,775	-	(5,326)	18,987,571
At 31 December 2014						
Trade receivables	9,307,243	46,103,241	239,331	-	-	55,649,815
Cash and bank balances	549,765	8,766,889	-	-	-	9,316,654
Trade payables	(14,279,291)	(25,976,898)	-	(39,376)	(778)	(40,296,343)
Loans and borrowings	(5,870,760)	(21,191,840)	-	-	-	(27,062,600)
Net exposure	(10,293,043)	7,701,392	239,331	(39,376)	(778)	(2,392,474)

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

36. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk (cont'd)

The net unhedged financial assets and financial liabilities of the Company as at 31 December 2015 that are not denominated in their functional currency are as follows:

Company	**Net financial assets / liabilities held in non-functional currencies**				
	USD	**SGD**	**EURO**	**JPY**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
At 31 December 2015					
Trade receivables	901	-	-	-	901
Cash and bank balances	930,180	-	-	-	930,180
Trade payables	(503,358)	-	-	(5,326)	(508,684)
Loans and borrowings	(4,381,410)	-	-	-	(4,381,410)
Net exposure	(3,953,687)	-	-	(5,326)	(3,959,013)
At 31 December 2014					
Trade receivables	68,435	34,667	-	-	103,102
Cash and bank balances	447,056	-	-	-	447,056
Trade payables	(21,386)	-	(39,376)	(778)	(61,540)
Loans and borrowings	(4,752,520)	-	-	-	(4,752,520)
Net exposure	(4,258,415)	34,667	(39,376)	(778)	(4,263,902)

36. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, VND, SGD, EURO and JPY exchange rates against the respective functional currencies of the entities within the Group, with all other variables held constant. The exposure to the other currencies are not significant, hence the effect of the changes in the exchange rates are not explained below:

		Group Profit before tax Increase/(decrease)	
		2015	**2014**
		RM	**RM**
USD/RM	- strengthened 3% (2014: 1%)	910,459	(102,930)
	- weakened 3% (2014: 1%)	(910,459)	102,930
VND/RM	- strengthened 3% (2014: 1%)	(351,075)	77,014
	- weakened 3% (2014: 1%)	351,075	(77,014)
SGD/RM	- strengthened 3% (2014: 1%)	10,403	2,393
	- weakened 3% (2014: 1%)	(10,403)	(2,393)
EURO/RM	- strengthened 3% (2014: 1%)	-	(394)
	- weakened 3% (2014: 1%)	-	394
JPY/RM	- strengthened 3% (2014: 1%)	(160)	(8)
	- weakened 3% (2014: 1%)	160	8

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

36. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk (cont'd)

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, VND, SGD, EURO and JPY exchange rates against the respective functional currencies of the entities within the Group, with all other variables held constant. The exposure to the other currencies are not significant, hence the effect of the changes in the exchange rates are not explained below (cont'd):

		Company Profit before tax Increase/(decrease)	
		2015 RM	**2014 RM**
USD/RM	- strengthened 3% (2014: 1%)	(118,611)	(42,584)
	- weakened 3% (2014: 1%)	118,611	42,584
SGD/RM	- strengthened 3% (2014: 1%)	-	347
	- weakened 3% (2014: 1%)	-	(347)
EURO/RM	- strengthened 3% (2014: 1%)	-	(394)
	- weakened 3% (2014: 1%)	-	394
JPY/RM	- strengthened 3% (2014: 1%)	(160)	(8)
	- weakened 3% (2014: 1%)	160	8

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2015			
	On demand or within one year RM	**One to five years RM**	**More than five years RM**	**Total RM**
Financial liabilities:				
Group				
Trade and other payables	102,899,238	-	-	102,899,238
Loans and borrowings	75,219,979	11,700,287	18,531,056	105,451,322
Derivatives financial liability	3,968,665	11,244,549	-	15,213,214
Total undiscounted financial liabilities	182,087,882	22,944,836	18,531,056	223,563,774
Company				
Trade and other payables	40,073,779	-	-	40,073,779
Loans and borrowings	32,821,324	11,256,130	18,531,056	62,608,510
Derivatives financial liability	3,968,665	11,244,549	-	15,213,214
Total undiscounted financial liabilities	76,863,768	22,500,679	18,531,056	117,895,503

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

36. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations (cont'd):

	2014			
	On demand or within one year RM	**One to five years RM**	**More than five years RM**	**Total RM**
Financial liabilities:				
Group				
Trade and other payables	58,839,854	-	-	58,839,854
Loans and borrowings	50,059,943	42,072,328	-	92,132,271
Derivatives financial liability	1,556,803	5,967,798	-	7,524,601
Total undiscounted financial liabilities	110,456,600	48,040,126	-	158,496,726
Company				
Trade and other payables	17,822,601	-	-	17,822,601
Loans and borrowings	27,310,330	40,555,577	-	67,865,907
Derivatives financial liability	1,556,803	5,967,798	-	7,524,601
Total undiscounted financial liabilities	46,689,734	46,523,375	-	93,213,109

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

36. Financial risk management objectives and policies (cont'd)

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Exposure to credit risk

At the reporting date, the Group's and Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM39,594,786 (2014: RM23,790,287) relating to a corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17.

36. *Financial risk management objectives and policies (cont'd)*

(e) Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximate of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	17
Other receivables (non-current)	
- with floating rate	17
Trade and other payables (current)	21
Loans and borrowings (current)	23
Loans and borrowings (non-current)	
- with floating rate	23

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The method and assumption used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:-

(i) Derivatives

The cross currency swap contract is valued using a valuation technique with market observable inputs. The fair value of the derivative contract is the amount that would be payable or receivable on completion/termination of the outstanding position, and is determined by reference to the difference between the contracted rate and the market rate as at the reporting date.

Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group/Company	
	Carrying amount RM	**Fair value RM**
Loans and borrowings (non-current)		
- at fixed rate	36,873,769	33,843,877

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

37. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new ordinary shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 2014.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Loans and borrowings	23	102,874,940	87,528,653	60,067,862	63,740,379
Trade and other payables	21	102,899,238	58,839,854	40,073,779	17,822,601
Less: Cash and bank balances	19	(37,914,739)	(11,872,071)	(1,781,915)	(2,129,802)
Net debt		167,859,439	134,496,436	98,359,726	79,433,178
Equity attributable to the owners of the parent, representing total capital		177,298,777	149,788,433	91,391,596	70,987,708
Capital and net debt		345,158,216	284,284,869	189,751,322	150,420,886
Gearing ratio		49%	47%	52%	53%

38. Subsequent event

In January 2016, a subsidiary, Boxpak (Myanmar) Company Limited has completed its purchase of the land situated in Yangon Region in the Republic of the Union of Myanmar at a consideration of USD5,612,250.

Box-Pak (Malaysia) Bhd.
(Incorporated in Malaysia)

39. Supplementary explanatory note on disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group and of the Company as at 31 December 2015 and 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained profits of the Company and its subsidiaries:				
- Realised	113,417,249	85,060,315	41,878,529	20,510,586
- Unrealised	(14,728,523)	(767,050)	(10,534,383)	(9,570,328)
	98,688,726	84,293,265	31,344,146	10,940,258
Add: Consolidated adjustments	(4,000,000)	640,855	-	-
Total retained profits as per financial statements	94,688,726	84,934,120	31,344,146	10,940,258

The determination of realised and unrealised profits above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0856474)

BOX-PAK (MALAYSIA) BHD.
(Incorporated in Malaysia)
(Co. Reg. No. 21338-W)

Condensed Consolidated Statement of Comprehensive Income for the third quarter ended 30 September 2016

(The figures have not been audited)

	Note	**INDIVIDUAL QUARTER** Current Quarter Ended 30.09.2016 RM'000 Unaudited	**INDIVIDUAL QUARTER** Preceding Quarter Ended 30.09.2015 RM'000 Unaudited	**CUMULATIVE QUARTER** Current Year-To-Date 30.09.2016 RM'000 Unaudited	**CUMULATIVE QUARTER** Preceding Year-To-Date 30.09.2015 RM'000 Unaudited
Revenue		123,702	112,396	367,217	306,317
Cost of sales		(114,149)	(100,694)	(332,843)	(274,142)
Gross profit		9,553	11,702	34,374	32,175
Other income/(expense)		572	(476)	5,669	163
Operating expenses		(7,147)	(6,463)	(30,036)	(17,877)
Finance costs		(2,290)	(1,099)	(5,841)	(2,818)
Profit Before Taxation	19	688	3,664	4,166	11,643
Taxation	21	2,596	(1,344)	1,261	(2,234)
Profit for the period		**3,284**	**2,320**	**5,427**	**9,409**
Other comprehensive income/(expense), net of tax					
Foreign currency translation differences for foreign operations		4,034	14,976	(3,605)	19,463
Other comprehensive income/(expense) for the period, net of tax		4,034	14,976	(3,605)	19,463
Total comprehensive income for the period		**7,318**	**17,296**	**1,822**	**28,872**
Profit attributable to:					
Owners of the company		3,284	2,320	5,427	9,409
Total comprehensive income attributable to:					
Owners of the company		7,318	17,296	1,822	28,872
Earnings per share attributable to owners of the company:					
Basic (sen)		5.47	3.87	9.04	15.68

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0856474)

BOX-PAK (MALAYSIA) BHD.
(Incorporated in Malaysia)
(Co. Reg. No. 21338-W)

Condensed Consolidated Statement of Financial Position
As at 30 September 2016

	Note	As at 30.09.2016 RM'000 Unaudited	As at 31.12.2015 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant & equipment		207,745	168,182
Land use rights		44,208	20,748
Investment properties		5,562	5,668
Intangible assets		562	52
Other assets		3,083	15,944
		261,160	210,594
Current Assets			
Inventories		47,329	43,795
Trade and other receivables		118,038	112,615
Other assets		-	171
Tax recoverable		2,089	1,526
Amount due from related companies		251	461
Cash and bank balances and short term funds		28,119	37,915
		195,826	196,483
TOTAL ASSETS		456,986	407,077
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		60,023	60,023
Share premium		24	24
Other reserves		18,958	22,563
Retained earnings	23	100,116	94,689
Total Equity		179,121	177,299
Non-Current Liabilities			
Retirement benefit obligation		1,167	1,089
Borrowings	25	54,529	28,848
Deferred tax liabilities		2,955	6,879
Derivative financial instrument		6,982	11,245
		65,633	48,061
Current Liabilities			
Provisions		4	15
Borrowings	25	80,283	74,027
Amount due to related companies		39,921	24,319
Trade and other payables		87,108	78,579
Tax payable		1,108	808
Derivative financial instrument		3,808	3,969
		212,232	181,717
Total Liabilities		277,865	229,778
TOTAL EQUITY AND LIABILITIES		456,986	407,077
Net assets per share attributable to owners of the Company (RM)		2.98	2.95

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0856474)

BOX-PAK (MALAYSIA) BHD.
(Incorporated in Malaysia)
(Co. Reg. No. 21338-W)

Condensed Consolidated Statement of Changes in Equity
For the third quarter ended 30 September 2016

	Attributable to Owners of the Company				
	Non-distributable			Distributable	
	Share Capital	Share Premium	Other Reserve	Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2015	60,023	24	4,807	84,934	149,788
Profit for the period	-	-	-	9,409	9,409
Currency translation differences	-	-	19,463	-	19,463
Total comprehensive income for the period	-	-	19,463	9,409	28,872
As at 30 September 2015	60,023	24	24,270	94,343	178,660
As at 1 January 2016	60,023	24	22,563	94,689	177,299
Profit for the period	-	-	-	5,427	5,427
Currency translation differences	-	-	(3,605)	-	(3,605)
Total comprehensive (expense)/income for the period	-	-	(3,605)	5,427	1,822
As at 30 September 2016	60,023	24	18,958	100,116	179,121

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0856474)

BOX-PAK (MALAYSIA) BHD.
(Incorporated in Malaysia)
(Co. Reg. No. 21338-W)

Condensed Consolidated Statement of Cash Flows
For the third quarter ended 30 September 2016

	Current Year-To-Date 30.09.2016 RM'000 Unaudited	Preceding Year-To-Date 30.09.2015 RM'000 Unaudited
Net cash generated from operating activities		
Receipts from customers	366,725	338,744
Payments to suppliers	(336,239)	(290,064)
Cash generated from operations	30,486	48,680
Interest paid	(5,841)	(3,094)
Income tax paid	(2,926)	(2,215)
	21,719	43,371
Net cash generated used in investing activities		
Acquisition of property, plant and equipment	(55,042)	(10,393)
Acquisition of land use rights	(24,396)	-
Acquisition of intangible assets	(613)	-
Proceeds from disposal of property, plant and equipment	73	69
Dividends received from a joint venture/short term investment	55	20
Interest received	686	138
	(79,237)	(10,166)
Net cash generated from/(used in) financing activities		
Proceeds from/(Repayments of) term loans, bankers' acceptances and revolving credit	31,936	(18,810)
Inter-company advance	15,813	8,101
	47,749	(10,709)
Net increase in Cash and Cash Equivalents	(9,769)	22,496
Effect of Exchange Rate Changes	(27)	1,264
Cash and Cash Equivalents at 1 January	37,915	11,872
Cash and Cash Equivalents at 30 September	28,119	35,632

Cash and Cash Equivalents at 30 September comprised the following:

Cash and bank balances	28,119	19,709
Short term funds	-	15,923
	28,119	35,632

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0856474)

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparations

The Interim Financial Statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia, 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 2015. 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 2015.

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 2015.

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 2016:

Annual Improvements to MFRSs 2012 - 2014 Cycle
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 127: Equity Method in Separate Financial Statements
Amendments to MFRS 101: Disclosure Initiatives
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities Applying the Consolidation Exception
MFRS 14: Regulatory Deferral Accounts

The adoption of thes 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:

MFRS 15: Revenue from Contracts with Customers
MFRS 9: Financial Instruments

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 2015 were not subject to any audit qualification.

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0856474)

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

4. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

6. Changes in Estimates

There were no changes in estimates that had a material effect on the financial statements in the period under review.

7. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period.

8. Dividends Paid

There were no dividends paid during the period under review.

9. Segmental Reporting

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

	Malaysia RM'000	Vietnam RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External sales	84,174	283,043	-	367,217	-	367,217
Inter-segmental sales	16,529	-	-	16,529	(16,529)	-
Total revenue	100,703	283,043	-	383,746	(16,529)	367,217
RESULTS						
Segment results	2,671	18,547	(351)	20,867	(16,529)	4,338
Other income	5,331	661	(4)	5,988	(319)	5,669
						10,007
Finance costs	(2,095)	(4,065)	-	(6,160)	319	(5,841)
Profit before taxation						4,166
Taxation						1,261
Profit after taxation						5,427
ASSETS AND LIABILITIES						
Segment assets	247,949	357,932	67,731	673,612	(218,715)	454,897
Unallocated corporate assets						2,089
Consolidated total assets						456,986
Segment liabilities	132,995	222,840	55	355,890	(92,878)	263,012
Unallocated corporate liabilities						14,853
Consolidated total liabilities						277,865
OTHER INFORMATION						
Capital Expenditure	5,993	49,369	24,396	79,758	-	79,758
Depreciation and amortisation	2,005	10,883	-	12,888	-	12,888
Non-cash expenses other than depreciation	5,469	325	320	6,114	-	6,114

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0856474)

10. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluation exercise for accounting purposes during the period under review.

11. Material Events Subsequent to the End of the Interim Period

Except for those in Note 22, there were no material events subsequent to the end of the period under review up to the date of this announcement that have not been disclosed in this quarterly financial statements.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period under review.

13. Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets since the end of the previous financial year.

14. Capital Commitments

The amount of capital commitments as at 30 September 2016 is as follows:

	RM'000
Approved and contracted for	-

15. Related Party Transactions

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

	Current Year-To-Date 30.09.2016 RM'000
Sales to holding company	231
Sales to related companies	3,469
Rental income from a related company	146
Rental expense to a related company	599
Interest payable to holding company	846

Nature of transaction	Identity	
Sales of trading inventories	Aik Joo Can Factory Sdn. Berhad [(i)]	1
	F & B Nutrition Sdn. Bhd. [(ii)]	3,782
	Canzo Sdn. Bhd. [(iii)]	23

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

(a) common directorship held by a director of the Group, Yeoh Jin Hoe; and
(b) being subsidiaries of Can-One Berhad, which is the holding company of Can-One International Sdn. Bhd., a major shareholder of the immediate holding company of the Group, Kian Joo Can Factory Berhad.

The above transactions were entered into in the normal course of business on terms that the Directors considered comparable to transactions entered into with third parties.

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0856474)

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 2016 ("Q3, 2016") versus Third Quarter ended 30 September 2015 ("Q3, 2015")

During the quarter under review, the Group recorded a revenue of RM123.7 million, an increase of 10% from RM112.4 million in Q3, 2015. This increase in revenue was mainly contributed by the subsidiaries in Vietnam.

The Group recorded a profit before taxation of RM0.7 million in the current quarter, a decrease from RM3.7 million in Q3, 2015. This loss was mainly attributable to higher material and operating costs and finance cost.

Year-To-Date ended 30 September 2016 ("YTD 2016") versus Year-To-Date ended 30 September 2015 ("YTD 2015")

In YTD 2016, the Group's revenue was RM367.2 million, an increase of 20% from RM306.3 million recorded in YTD 2015. This increase in revenue was mainly contributed by increased revenue from subsidiaries in Vietnam.

Profit before tax decreased to RM4.2 million in YTD 2016, from RM11.6 million in YTD 2015. The decrease in profit before tax was mainly attributable to the higher material and operating costs, finance cost and initial pre-operating expenses incurred in Myanmar.

17. Material Change in Performance of Operating Segments of Q3, 2016 compared with immediate preceding quarter ended 30 June 2016

For the current quarter under review, the Group's net revenue increased marginally to RM123.7 million from RM123.1 million in the immediate preceding quarter. The increase in revenue in the current quarter was mainly contributed by subsidiaries in Vietnam.

The Group recorded a profit before taxation of RM0.7 million in the current quarter, down from RM1.1 million in the immediate preceding quarter. This was mainly attributable to higher operating costs and higher finance cost.

18. Commentary on Prospects

The volatility in foreign currency exchange rate poses a challenge for the Group due to its exposure arising from its overseas operations and material costs which are denominated in United States Dollar ("USD"). The rise in the minimum wage which took effect from 1 July 2016, has the impact of increasing operating cost.

Competition in the packaging industry in Malaysia and Vietnam has remained stiff and in order to maintain its market share, the Group will need to constantly review its price structure.

The Group will step up its effort to streamline its operations and to improve on cost efficiency in order to improve its performance in this current environment of rising material and production costs.

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0866974)

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

19. Profit Before Taxation

Included in profit before taxation are the following items:

	Current Quarter Ended 30.09.2016 RM'000	Preceding Quarter Ended 30.09.2015 RM'000	Current Year-To-Date 30.09.2016 RM'000	Preceding Year-To-Date 30.09.2015 RM'000
Interest income	(230)	(100)	(686)	(138)
Interest expense	2,290	1,375	5,841	3,094
Depreciation and amortisation	4,826	6,941	12,888	12,727
Dividend income	(32)	-	(55)	(20)
Provision for waste disposal	60	65	180	155
Foreign exchange (gain)/loss	(427)	(7,702)	5,039	(11,524)
(Gain)/loss on derivatives	78	7,175	(4,423)	10,043
Gain on disposal of assets	(41)	-	(58)	
Write off of assets	30	-	30	-

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 30.09.2016 RM'000	Preceding Quarter Ended 30.09.2015 RM'000	Current Year-To-Date 30.09.2016 RM'000	Preceding Year-To-Date 30.09.2015 RM'000
Income Tax				
- current year	(1,031)	(1,247)	(2,662)	(2,264)
- prior year	-	(53)	-	-
Deferred taxation	3,627	(44)	3,923	30
	2,596	(1,344)	1,261	(2,234)

The effective tax rate for the financial period under review was lower than the statutory tax rate due to lower tax rate in Vietnam.

22. Status of Corporate Proposals

(I) Proposed renounceable rights issue of new ordinary shares of RM1.00 each in Box-Pak (Malaysia) Bhd. ("Box-Pak") ("Right Shares") together with free detachable warrants ("Warrants") to raise gross proceeds of up to RM120.0 million ("Proposed Rights Issue with Warrants");

(II) Proposed authority to allot and issue such number of shares in Box-Pak, representing up to 10% of the issued and paid-up capital of Box-Pak in accordance with Section 132D of the Companies Act, 1965;

(III) Proposed increase in the authorised share capital of Box-Pak from RM70,000,000 comprising 70,000,000 ordinary shares of RM1.00 each ("Box-Pak Shares") to RM600,000,000 comprising 600,000,000 Box-Pak Shares; and

(IV) Proposed amendments to Box-Pak's Memorandum and Articles of Association.

(collectively referred to as the "Proposals")

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0856474)

22. Status of Corporate Proposals (cont'd)

On 16 August 2016, Box-Pak announced the Proposals.

On 13 October 2016, an application for the following has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities"):

(i) Admission of the Warrants to the Official List of Bursa Securities;

(ii) Listing of and quotation for up to 60,023,490 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities;

(iii) Listing of and quotation for up to 15,005,872 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market of Bursa Securities; and

(iv) Listing of and quotation for up to 15,005,872 new Box-Pak Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

On 9 November 2016, Bursa Securities granted approval on the Proposals subject to the following

(i) BoxPak and AmInvestment Bank Berhad ("AmInvestment Bank"), its principal adviser for the Proposed Rights Issue with Warrants must fully comply with the relevant provisions under the Main Market Listing Requirements ("MMLR") pertaining to the implementation of the Proposed Rights Issue with Warrants;

(ii) the admission and listing and quotation of the Warrants and the new Box-Pak Shares to be issued pursuant to the Proposed Rights Issue with Warrants must take place upon achieving full compliance of the public shareholding spread requirements as prescribed under Paragraph 8.02 of the MMLR;

(iii) BoxPak and AmInvestment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue with Warrants;

(iv) AmInvestment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue with Warrants is completed; and

(v) Box-Pak to furnish Bursa Securities on a quarterly basis a summary of total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detail computation of listing fees payable.

The above Proposals are subject to the approval of Box-Pak's shareholders at a general meeting to be convened.

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

23. Retained Earnings

	As at 30.09.2016 RM'000	**As at 31.12.2015 RM'000**
Total retained earnings of Group:		
- Realised	122,900	113,417
- Unrealised	(18,784)	(14,728)
	104,116	98,689
Consolidation adjustments	(4,000)	(4,000)
Total Group retained earnings as per Consolidated Accounts	100,116	94,689

CERTIFIED TRUE COPY

Company Secretary
TAN BEE KENG
(MAICSA 0838474)

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

24. Material Litigations

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

25. Group Borrowings and Debt Securities

Total Group borrowings are as follows:

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
Current - unsecured		
- Revolving credit	15,000	15,000
- Trade facilities	54,547	47,196
- Term loans	10,736	11,831
	80,283	74,027
Non-current - unsecured		
- Term loans	54,529	28,848
	134,812	102,875

Borrowings which are denominated in foreign currencies are as follows:

Current - unsecured		
- Trade facilities (denominated in VND)	43,424	39,595
- Term loans (denominated in USD)	649	3,364
Non-current - unsecured		
- Term loans (denominated in VND)	26,178	-
- Term loans (denominated in USD)	415	2,838

26. Dividend

The Board does not recommend any dividend for the financial period under review.

27. Earnings Per Share

	Current Quarter Ended 30.09.2016	Preceding Quarter Ended 30.09.2015	Current Year-To-Date 30.09.2016	Preceding Year-To-Date 30.09.2015
Profit attributable to owners of the company (RM '000)	3,284	2,320	5,427	9,409
Weighted average number of ordinary shares in issue ('000)	60,023	60,023	60,023	60,023
Basic earnings per share (sen)	5.47	3.87	9.04	15.68

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 15 November 2016.

Batu Caves, Selangor Darul Ehsan
15 November 2016

BOX-PAK (MALAYSIA) BHD
(Reg No.:21338-W)
Lot 4, Jalan Perusahaan Dua
68100 Batu Caves
Selangor Darul Ehsan
Malaysia

T +603 6189.6688
F +603 6189.2515

E info@boxpak.com.my
www.boxpak.com.my
GST No : 000857997312

Registered Office

Lot 4, Jalan Perusahaan Dua
68100 Batu Caves
Selangor Darul Ehsan
Malaysia

Date: 0 8 FEB 2017

To: The Shareholders of Box-Pak (Malaysia) Bhd ("Box-Pak")

Dear Sir/Madam,

On behalf of the Board of Directors of Box-Pak ("**Board**"), I wish to report, after making due enquiries in relation to the period between 31 December 2015 (being the date on which the last audited consolidated financial statements of Box-Pak and its subsidiaries ("**Box-Pak Group**") have been made up) and the date hereof (being a date not earlier than fourteen (14) days before the date of issuance of this Abridged Prospectus), that:-

(i) the business of the Box-Pak Group has, in the opinion of the Board, been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstance has arisen since the last audited consolidated financial statements of the Box-Pak Group which has adversely affected the trading or the value of the assets of the Box-Pak Group

(iii) the current assets of the Box-Pak Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) there are no contingent liabilities which have arisen by reason of any guarantee or indemnity given by the Box-Pak Group;

(v) there has been, since the last audited consolidated financial statements of the Box-Pak Group, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowings of the Box-Pak Group; and

(vi) there has been, since the last audited consolidated financial statements of the Box-Pak Group, no material change in the published reserves or any unusual factor affecting the profits of the Box-Pak Group.

Yours faithfully,
For and on behalf of the Board of
BOX-PAK (MALAYSIA) BHD

YEOH JIN HOE
Group Managing Director

1. SHARE CAPITAL

Save for the Rights Shares, Warrants and new Box-Pak Shares to be issued pursuant to the exercise of the Warrants, no securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of this Abridged Prospectus.

As at the date of this Abridged Prospectus, save for our Entitled Shareholders who will be provisionally allotted the Rights Shares under the Rights Issue with Warrants, no person has been or is entitled to be granted an option to subscribe for any securities of our Company and no capital of our Group is under any option or agreed conditionally or unconditionally to be put under any option.

2. ARTICLES OF ASSOCIATION

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are as follows:-

Article 90 – Remuneration of Directors

The remuneration of the Directors shall be such sum or sums as may be voted by the Company in general meeting. Any Director holding office for a part of a year shall be entitled to a proportionate part of such remuneration. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

PROVIDED ALWAYS that fees payable to non-executive Directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or percentage of turnover. The Director shall be paid by the Company such reasonable travelling hotel and other expenses as they may incur in attending meetings of the Company or of Directors or of committees of Directors or which they may otherwise incur in or about the Company's business.

Article 91 – Remuneration for extra services

Any Director who by request performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary or otherwise as the board may determine. PROVIDED ALWAYS that fees payable to non-executive Directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or percentage of turnover.

3. CONSENTS

Our Principal Adviser, Principal Bankers, Share Registrar and the Solicitors for the Rights Issue with Warrants have given and have not subsequently withdrawn their consents for the inclusion of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Company Secretary has given and has not subsequently withdrawn her consent for the inclusion of her name and all references thereto in the form and context in which it appears in this Abridged Prospectus.

Messrs Ernst & Young, being our Auditors for the FYE 31 December 2015, have given and have not subsequently withdrawn its consent for the inclusion of its name, the auditors' report on the consolidated financial statements of our Company for the financial year ended 31 December 2015 and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Messrs BDO, being our Auditors and Reporting Accountants have given and have not subsequently withdrawn their consent for the inclusion of its name, the proforma consolidated statements of financial position of our Group as at 31 December 2015 together with the Reporting Accountant's letter and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Independent Market Researcher has given and has not subsequently withdrawn its consent for the inclusion of its name and all references thereto in the form and context in which it appears in this Abridged Prospectus.

Bloomberg Finance L.P. has given and has not subsequently withdrawn its consent for the inclusion of its name and citation of the market data of our Shares and all references thereto, in the form and context in which they appear in this Abridged Prospectus.

4. MATERIAL CONTRACTS

Save as disclosed below, neither our Company nor our subsidiary companies have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of this Abridged Prospectus:-

(i) reservation agreement dated 23 June 2015 entered into between Myanmar Japan Thilawa Development Ltd ("**MJTDL**") and our Company in relation to the reservation of a Sub-Lease Land for a reservation fee of USD1,683,675 satisfied via cash consideration ("**Reservation Agreement**"). The Reservation Agreement was entered into in order for our Company to sublease the Sub-Lease Land to Boxpak (Myanmar) Company Limited ("**BPMC**"). On 29 December 2015, BPMC entered into a land sublease agreement with MJTDL to obtain a leasehold right to occupy the Sub-Lease Land from 29 December 2015 to 4 June 2064 for a total cash consideration of USD5,612,250.

5. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, neither we nor our subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings, pending or threatened, against our Group, or of any facts likely to give rise to any proceedings which may materially affect the business or financial position of our Group.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6. GENERAL

(i) There are no existing or proposed service contracts entered or to be entered into by our Company with any Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of issuance of this Abridged Prospectus; and

(ii) Save as disclosed in this Abridged Prospectus and to the best of their knowledge, our Board is not aware of the following:-

(a) material information including special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group;

(b) known trends, demands, commitments, events or uncertainties that will result in or are likely to materially increase or decrease our Group's liquidity;

(c) material commitments for capital expenditure;

(d) unusual, infrequent events or transactions or significant economic changes that materially affect the amount of reported income from our operations; and

(e) known trends or uncertainties that have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on our Group's revenues or operating income.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia during normal office hours from Mondays to Fridays (except public holidays) for a period of twelve (12) months from the date of issuance of this Abridged Prospectus:

(i) our Memorandum and Articles of Association;

(ii) our audited consolidated financial statements for the past two (2) financial years ended 31 December 2014 and 31 December 2015 as well as our latest unaudited consolidated financial statements for the FPE 30 September 2016;

(iii) the proforma consolidated statements of financial position of our Group as at 31 December 2015 together with the Reporting Accountants' letter thereon referred to in Appendix III of this Abridged Prospectus;

(iv) the Directors' Report referred to in Appendix VI of this Abridged Prospectus;

(v) the consent letters referred to in Section 3 of this Appendix;

(vi) the material contracts referred to in Section 4 of this Appendix;

(vii) the Independent Market Research report by Converging Knowledge Sdn. Bhd. referred to in Section 7 of the Abridged Prospectus;

(viii) the Deed Poll; and

(ix) the undertaking letter dated 7 October 2016 by KJCFB in relation to the Undertaking and Additional Undertaking referred to in Section 3 of this Abridged Prospectus.

8. RESPONSIBILITY STATEMENT

Our Board has seen and approved the Abridged Prospectus and all the documentation relating to the Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in the Documents false or misleading.

AmInvestment Bank, being our Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]