



BOX-PAK (MALAYSIA) BHD.

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the fourth quarter and financial year ended 31 December 2020**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		Current Year Quarter ended	Preceding Year Quarter ended	Changes %	Financial Year ended	Financial Year ended	Changes %
		31.12.2020 RM'000	31.12.2019 RM'000		31.12.2020 RM'000	31.12.2019 RM'000	
Revenue		187,148	170,100	10.0	650,860	647,469	0.5
Cost of sales		(164,116)	(147,223)	(11.5)	(577,478)	(593,116)	2.6
Gross profit		<u>23,032</u>	<u>22,877</u>	0.7	<u>73,382</u>	<u>54,353</u>	35.0
Other income		515	609	(15.4)	1,896	3,559	(46.7)
Operating expenses		(13,529)	(14,884)	9.1	(48,145)	(50,986)	5.6
Finance costs		(2,735)	(4,236)	35.4	(11,429)	(15,210)	24.9
Profit/(Loss) Before Taxation	19	<u>7,283</u>	<u>4,366</u>	(66.8)	<u>15,704</u>	<u>(8,284)</u>	289.6
Taxation	21	(1,432)	(1,454)	(1.5)	(3,756)	(2,223)	69.0
Profit/(Loss) After Taxation		<u>5,851</u>	<u>2,912</u>	(100.9)	<u>11,948</u>	<u>(10,507)</u>	213.7
Other comprehensive (loss)/income, net of taxation							
Fair value of cash flow hedge		(2,448)	399	713.5	(909)	(1,531)	(40.6)
Foreign currency translation differences for foreign operations		(1,758)	(2,873)	(38.8)	(3,188)	(1,771)	(80.0)
Actuarial gain recognised on defined benefit plan		<u>210</u>	<u>-</u>	100.0	<u>210</u>	<u>-</u>	100.0
Other comprehensive loss, net of taxation		<u>(3,996)</u>	<u>(2,474)</u>	61.5	<u>(3,887)</u>	<u>(3,302)</u>	(17.7)
Total comprehensive income/(loss)		<u>1,855</u>	<u>438</u>	323.5	<u>8,061</u>	<u>(13,809)</u>	158.4
Profit/(Loss) attributable to:							
Owners of the company		5,851	2,912	(100.9)	11,948	(10,507)	213.7
Total comprehensive income/(loss) attributable to:							
Owners of the company		1,855	438	323.5	8,061	(13,809)	158.4
Profit/(Loss) per share attributable to owners of the company:							
Basic (sen)		4.87	2.43	(100.4)	9.95	(8.75)	213.7
Diluted (sen)		<u>4.87</u>	<u>2.43</u>	(100.4)	<u>9.95</u>	<u>(8.75)</u>	213.7

The above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements

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

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

Condensed Consolidated Statement of Financial Position**As at 31 December 2020**

		As at 31.12.2020 RM'000 Unaudited	As at 31.12.2019 RM'000 Audited
	Note		
ASSETS			
Non-Current Assets			
Property, plant and equipment		285,829	307,684
Right-of-use assets		62,290	63,189
Intangible assets		622	1,005
Deferred tax assets		205	229
Other assets		784	922
		<u>349,730</u>	<u>373,029</u>
Current Assets			
Inventories		71,109	73,235
Trade and other receivables		157,576	155,747
Other assets		1,461	519
Tax recoverable		10	242
Cash and bank balances and short term funds		44,264	27,134
		<u>274,420</u>	<u>256,877</u>
TOTAL ASSETS		<u><u>624,150</u></u>	<u><u>629,906</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		167,363	167,363
Warrants reserves		6,056	6,056
Other reserves		6,023	10,120
Retained earnings		64,832	52,674
Total Equity		<u>244,274</u>	<u>236,213</u>
Non-Current Liabilities			
Retirement benefit obligation		1,132	1,245
Borrowings	24	61,177	84,179
Lease liabilities		2,539	2,655
Deferred tax liabilities		845	875
Amount due to related companies		21,357	22,516
Derivative financial instrument	25	1,676	1,459
		<u>88,726</u>	<u>112,929</u>
Current Liabilities			
Provisions		9	5
Retirement benefit obligation		-	134
Borrowings	24	142,243	153,570
Lease liabilities		4,469	3,149
Amount due to related companies		-	85
Trade and other payables		141,716	121,806
Tax payable		1,372	1,367
Derivative financial instrument	25	1,341	648
		<u>291,150</u>	<u>280,764</u>
Total Liabilities		<u>379,876</u>	<u>393,693</u>
TOTAL EQUITY AND LIABILITIES		<u><u>624,150</u></u>	<u><u>629,906</u></u>
Net assets per share attributable to owners of the Company (RM)		<u>2.03</u>	<u>1.97</u>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements



BOX-PAK (MALAYSIA) BHD.

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Unaudited Condensed Consolidated Statement of Changes in Equity
For the financial year ended 31 December 2020**

	Attributable to Owners of the Company				
	Non-distributable			Distributable	
	Share Capital RM'000	Warrants Reserves RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000
As at 1 January 2020	167,363	6,056	10,120	52,674	236,213
Profit for the financial year	-	-	-	11,948	11,948
Cash flow hedge	-	-	(909)	-	(909)
Currency translation differences	-	-	(3,188)	-	(3,188)
Actuarial gain on defined benefit plans	-	-	-	210	210
Total comprehensive (loss)/income for the financial year	-	-	(4,097)	12,158	8,061
As at 31 December 2020	167,363	6,056	6,023	64,832	244,274
As at 1 January 2019	167,363	6,056	13,422	63,329	250,170
Adjustments on initial application of MFRS 16 (Note a)	-	-	-	(148)	(148)
Loss for the financial year	-	-	-	(10,507)	(10,507)
Cash flow hedge	-	-	(1,531)	-	(1,531)
Currency translation differences	-	-	(1,771)	-	(1,771)
Total comprehensive loss for the financial year	-	-	(3,302)	(10,507)	(13,809)
As at 31 December 2019	167,363	6,056	10,120	52,674	236,213

Note a

The adoption of MFRS 16 *Leases* has fundamentally changed the accounting for leases of the Group by introducing a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use assets representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. However, there are recognition exemptions for short term leases and leases of low value items.

The above Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements

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

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Unaudited Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 December 2020**

	Current Year ended 31.12.2020 RM'000	Preceding Year ended 31.12.2019 RM'000
Net cash generated from operating activities		
Receipts from customers	649,531	673,441
Payments to suppliers	(587,058)	(602,728)
Cash generated from operations	62,473	70,713
Interest paid	(11,069)	(14,954)
Income tax paid	(3,737)	(1,177)
Income tax refunded	233	2,158
	47,900	56,740
Net cash used in investing activities		
Acquisition of property, plant and equipment		
- Property, plant and equipment	(15,008)	(21,400)
- Intangible assets	(314)	(990)
Income distribution from short term funds	201	98
Net change in short term funds	(9,645)	(3,237)
Interest received	47	270
Proceeds from disposal of property, plant and equipment	121	108
	(24,598)	(25,151)
Net cash used in financing activities		
Net repayment in borrowings	(31,820)	(51,323)
Inter-company receipts	21,317	(891)
Payment on lease liabilities	(4,094)	(2,685)
Interest on lease liabilities	(360)	(256)
	(14,957)	(55,155)
Net increase/(decrease) in Cash and Cash Equivalents	8,345	(23,566)
Effect of Exchange Rate Changes	(398)	129
Cash and Cash Equivalents at 1 January	22,433	45,870
Cash and Cash Equivalents at 31 December	30,380	22,433
Cash and Cash Equivalents at 31 December comprised the following:		
Cash and bank balances	28,380	19,165
Deposits with licensed bank	2,000	3,731
Short-term funds	13,884	4,238
Cash and bank balances and short term funds	44,264	27,134
Less: Short-term funds	(13,884)	(4,238)
Bank overdrafts	-	(463)
Cash and Cash Equivalents at 31 December	30,380	22,433

The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements



1. Basis of Preparations

The Interim Financial Statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and comply with MFRS 134: *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. 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 2019.

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 2019.

2.1 Adoption of Standards, Amendments and IC Interpretations

The accounting policies adopted are consistent with those of previous financial year except for the adoption of the following new and amended MFRSs and IC Interpretation which are mandatory for financial periods beginning on or after 1 January 2020:

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Definition of a Business
Amendments to MFRS 101 and MFRS 108 Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
Amendments to MFRS 16 Covid-19-Related Rent Concessions
Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS

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

2.2 MFRSs, Amendments to MFRS and IC Interpretation Issued But Not Yet Effective

As at the date of authorisation of this report, the following MFRS, Amendments and IC Interpretation were issued but not yet effective and have not been adopted by the Group:

Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)
Annual Improvements to MFRS Standards 2018 - 2020
Amendments to MFRS 3 Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon their initial application.

3. Qualification of Audit Report of the Preceding Annual Financial Statements

The financial statements for the year ended 31 December 2019 were not subject to any audit qualification.

4. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.



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

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and the financial year under review.

6. Changes in Estimates

There were no changes in estimates that had a material effect on the financial statements during the current quarter and the financial year 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 quarter and the financial year under review.

8. Dividends Paid

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

9. Segmental Reporting

Segmental results for the financial year ended 31 December 2020 are as follows:

	Malaysia RM'000	Vietnam RM'000	Myanmar RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	176,782	458,605	15,473	-	650,860	-	650,860
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	176,782	458,605	15,473	-	650,860	-	650,860
RESULTS							
Segment results	7,473	27,780	(9,841)	(175)	25,237	-	25,237
Other income	2,473	2,137	29	4,213	8,852	(6,956)	1,896
							<u>27,133</u>
Finance costs	(3,720)	(7,450)	(4,379)	(2,836)	(18,385)	6,956	(11,429)
Profit before taxation							<u>15,704</u>
Taxation							<u>(3,756)</u>
Profit after taxation							<u><u>11,948</u></u>
ASSETS AND LIABILITIES							
Segment assets	318,530	418,057	138,721	162,122	1,037,430	(413,495)	623,935
Unallocated corporate assets							215
Consolidated total assets							<u><u>624,150</u></u>
Segment liabilities	109,228	250,570	122,200	75,743	557,741	(183,099)	374,642
Unallocated corporate liabilities							5,234
Consolidated total liabilities							<u><u>379,876</u></u>
OTHER INFORMATION							
Capital Expenditure	8,013	12,188	1,113	-	21,314	-	21,314
Depreciation and amortisation	8,804	19,188	5,328	38	33,358	-	33,358
Non-cash expenses other than depreciation	509	413	8	1	931	-	931



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

9. Segmental Reporting (Cont'd)

Segmental results for the financial year ended 31 December 2019 are as follows:

	Malaysia RM'000	Vietnam RM'000	Myanmar RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	175,357	464,894	7,218	-	647,469	-	647,469
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	175,357	464,894	7,218	-	647,469	-	647,469
RESULTS							
Segment results	(1,963)	17,437	(12,456)	(129)	2,889	478	3,367
Other income	4,894	1,007	164	4,421	10,486	(6,927)	3,559
							6,926
Finance costs	(5,460)	(8,916)	(4,188)	(3,111)	(21,675)	6,465	(15,210)
Loss before taxation							(8,284)
Taxation	60	(1,858)	-	(425)	(2,223)	-	(2,223)
Loss after taxation							(10,507)
ASSETS AND LIABILITIES							
Segment assets	320,792	411,744	145,875	165,254	1,043,665	(414,230)	629,435
Unallocated corporate assets							471
Consolidated total assets							629,906
Segment liabilities	118,244	260,865	115,147	78,920	573,176	(183,832)	389,344
Unallocated corporate liabilities							4,349
Consolidated total liabilities							393,693
OTHER INFORMATION							
Capital Expenditure	8,493	6,772	11,302	-	26,567	-	26,567
Depreciation and amortisation	7,859	16,643	5,626	38	30,166	-	30,166
Non-cash expenses other than depreciation	5,820	1,347	-	1	7,168	-	7,168

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



10. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluation exercise for accounting purposes during the financial year under review.

11. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the financial year 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 current quarter and the financial year under review.

13. Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets since the end of the previous financial year.

14. Capital Commitments

The amount of capital commitments as at 31 December 2020 is as follows:

	RM'000
Approved and contracted for	<u>3,521</u>

15. Related Party Transactions

The Group has entered into the following related party transactions:

	Current Financial Year ended 31.12.2020 RM'000
Sales to holding company	176
Sales to related companies	5,094
Rental income from a related company	232
Rental payable to a related company	2,476
Interest payable to related companies	<u>1,159</u>

The above transactions were entered into in the normal course of business on terms that the Directors considered comparable to transactions entered into with third parties.



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

16. Operating Segments Review

Fourth Quarter ended 31 December 2020 ("Q4, 2020") versus Fourth Quarter ended 31 December 2019 ("Q4, 2019")

In Q4, 2020, the Group recorded a revenue of RM187.1 million, an increase of 10.0% from RM170.1 million in Q4, 2019. The improvement in revenue was mainly due to increase in demand for cartons in Malaysia, Vietnam and Myanmar.

Gross profit increased from RM22.9 million in Q4, 2019 to RM23.0 million in Q4, 2020. This was mainly attributable to improvement in gross profit margin from Malaysia operations and lower gross loss incurred by Myanmar operations. This was attributable to improved cost management and higher production efficiency.

With higher gross profit, the Group recorded a profit before taxation of RM7.3 million in Q4, 2020.

Financial Year ended 31 December 2020 ("FYE 2020") versus Financial Year ended 31 December 2019 ("FYE 2019")

In FYE 2020, the Group's revenue was RM650.9 million, a slight increase of 0.5% from RM647.5 million recorded in FYE 2019. The higher revenue in FYE 2020 was attributable to the higher sales volume in Malaysia and Myanmar operations.

Gross profit increased from RM54.4 million in FYE 2019 to RM73.4 million in FYE 2020. This was mainly attributable to an increase in gross profit margin from Malaysia and Vietnam operations and lower gross loss incurred by Myanmar operations. The improvement in Malaysia and Vietnam operations was attributable to improved cost management and higher production efficiency.

As a result of higher gross profit, the Group recorded a profit before taxation of RM15.7 million in FYE 2020 as compared to a loss before taxation of RM8.3 million in FYE 2019. The loss in FYE 2019 was partially caused by an impairment loss on doubtful debts amounting to RM2.4 million.

17. Material Change in Performance of Operating Segments for Q4, 2020 compared with Immediate Preceding Quarter ended 30 September 2020 ("Q3, 2020")

	Current Year Quarter ended 31.12.2020 RM'000	Immediate Preceding Quarter ended 30.09.2020 RM'000	Changes %
Revenue	187,148	173,818	7.7
Operating Profit	9,503	9,658	(1.6)
Profit Before Interest and Taxation	10,018	10,225	(2.0)
Profit Before Taxation	7,283	7,527	(3.2)
Profit After Taxation	5,851	6,313	(7.3)
Profit attributable to:			
Owners of the company	5,851	6,313	(7.3)



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

17. Material Change in Performance of Operating Segments for Q4, 2020 compared with Immediate Preceding Quarter ended 30 September 2020 ("Q3, 2020") (Cont'd)

For the current quarter under review, the Group's net revenue increased to RM187.1 million from RM173.8 million in the immediate preceding quarter. The increase was mainly contributed by increase in sales volume in Malaysia, Vietnam and Myanmar operations.

As a result of improvement in revenue, the Group's gross profit improved from RM21.7 million in the immediate preceding quarter to RM23.0 million in Q4, 2020.

Consequently, the Group recorded a profit before taxation of RM7.3 million in Q4, 2020 similar to Q3, 2020.

18. Commentary on Prospects

The Group operates in a very competitive industry. The Group's results improved throughout the financial year ended 31 December 2020, amid the ongoing Covid-19 pandemic which has disrupted business operations and supply chain globally. The Management will continue to be vigilant to ensure that the Group's operations comply with the relevant Standard Operating Procedures issued by the Government of the relevant countries to minimise disruption to our business operations.

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

Our plant in Myanmar commenced operation in the first quarter of 2019. Since this is a greenfield project, the Group can only anticipate positive contribution from this plant in four (4) to five (5) years from its commencement.

The recent political upheaval in Myanmar casts some uncertainties over our operations in Myanmar. On 1 February 2021, Myanmar's military government declared a one (1) year state of emergency in Myanmar. At the date of this report, our plants in Myanmar has not been severely affected by the political situations in Myanmar. The Management will nevertheless constantly monitor the development closely.

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

19. Profit/(Loss) Before Taxation

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

	Current Year Quarter ended 31.12.2020 RM'000	Preceding Year Quarter ended 31.12.2019 RM'000	Current Financial Year ended 31.12.2020 RM'000	Preceding Financial Year ended 31.12.2019 RM'000
Other income:				
- Interest income	(8)	(28)	(47)	(270)
- Income distribution from short term funds	(66)	(71)	(201)	(98)
- Gain on derivatives	-	(280)	-	(2,680)
- (Gain)/Loss on disposal of property, plant and equipment	(8)	6	(65)	(76)
- Others	(433)	(236)	(1,583)	(435)
	(515)	(609)	(1,896)	(3,559)



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

19. Profit/(Loss) Before Taxation (Cont'd)

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

	Current Year Quarter ended 31.12.2020 RM'000	Preceding Year Quarter ended 31.12.2019 RM'000	Current Financial Year ended 31.12.2020 RM'000	Preceding Financial Year ended 31.12.2019 RM'000
Interest expense	2,735	4,236	11,429	15,210
Depreciation and amortisation	7,928	9,332	33,358	30,166
Provision for waste disposal	58	7	136	187
Impairment loss on doubtful debts	43	315	43	2,603
Net foreign exchange (gain)/loss	499	1,480	(474)	2,980
Write off of:				
- inventories	91	94	222	231
- property, plant and equipment	(213)	-	-	-

20. Variance from Forecast Profit and shortfall in Profit Guarantee

No profit forecast or guarantee was issued by the Company.

21. Taxation

	Current Year Quarter ended 31.12.2020 RM'000	Preceding Year Quarter ended 31.12.2019 RM'000	Current Financial Year ended 31.12.2020 RM'000	Preceding Financial Year ended 31.12.2019 RM'000
Income Tax				
- current year	(1,428)	(1,453)	(3,752)	(2,312)
- prior year	(11)	1	(11)	(2)
Deferred taxation	7	(2)	7	91
	(1,432)	(1,454)	(3,756)	(2,223)

The disproportionate tax charges for the Group was attributable to the absence of group relief.

22. Status of Corporate Proposals

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

23. Material Litigation

There was no material litigation nor pending material litigation against the Group since the end of the previous financial year up to the date of issue of this quarterly report.



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

24. Group Borrowings and Debt Securities

Total Group borrowings are as follows:

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Current - unsecured		
- Revolving credit	13,000	27,800
- Trade facilities	107,874	103,524
- Term loans	21,369	21,783
- Bank overdraft	-	463
	<hr/>	<hr/>
	142,243	153,570
Non-current - unsecured		
- Term loans	61,177	84,179
	<hr/>	<hr/>
	203,420	237,749

Borrowings which are denominated in foreign currencies are as follows:

Current - unsecured		
- Trade facilities (denominated in Vietnam Dong ("VND"))	86,964	83,238
- Trade facilities (denominated in USD)	3,917	195
- Term loans (denominated in VND)	7,711	7,845
- Term loans (denominated in USD)	13,658	13,938
	<hr/>	<hr/>
Non-current - unsecured		
- Term loans (denominated in VND)	11,567	19,612
- Term loans (denominated in USD)	49,610	64,567
	<hr/>	<hr/>

The interest rates for the borrowings are as follows:

Term loans:		
- Floating rates	1.22% - 3.51%	2.90% - 7.20%
Trade facilities	1.30% - 5.57%	2.33% - 7.06%
Revolving credits	3.15%	4.56% - 4.80%

Hedging activities on major borrowings:

- (a) No hedging was done on borrowings denominated in VND as the borrowings obtained by the subsidiaries in Vietnam will be retired in the same currency.
- (b) In 2018, the Group entered into an interest rate swap contract with a financial institution to hedge the interest rate exposure in respect of a long-term loan denominated in USD. The outstanding balance of the said term loan amounted to RM63.3 million.



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

25. Derivative financial instruments

(a) Disclosure of derivatives

As at 31 December 2020, the Group had an interest rate swap contract with a financial institution to hedge the interest rate exposure in respect of a long-term loan denominated in USD.

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

Details of derivative financial instruments outstanding as at 31 December 2020 are set out below:

Type of derivatives	Contract/ Notional amount RM'000	Fair value Liabilities RM'000
Hedging derivatives:		
Interest swap contract		
- Less than one (1) year	13,658	1,341
- One (1) year to three (3) years	49,610	1,676
		<hr/>
		3,017

There have been no significant changes since the end of the previous financial year ended 31 December 2019 in respect of the following:

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

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

The fair value of financial instruments increased by RM0.9 million, from RM2.1 million as at 31 December 2019 to RM3.0 million as at 31 December 2020 mainly due to change in USD/RM exchange rate and interest rate.



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

26. Dividend

No dividend has been declared for the financial year under review (FYE 2019: Nil).

27. Profit/(Loss) Per Ordinary Share

(a) Basic

Basic profit/(loss) per ordinary share for the financial year under review is calculated by dividing profit/(loss) for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year:

	Current Year Quarter ended 31.12.2020	Preceding Year Quarter ended 31.12.2019	Current Financial Year ended 31.12.2020	Preceding Financial Year ended 31.12.2019
Profit/(Loss) attributable to owners of the Company (RM '000)	5,851	2,912	11,948	(10,507)
Weighted average number of ordinary shares in issue ('000)	120,047	120,047	120,047	120,047
Basic profit/(loss) per ordinary share (sen)	4.87	2.43	9.95	(8.75)

(b) Diluted

For the financial year under review, the outstanding warrants did not have a dilutive effect to the profit/(loss) per ordinary share as the average market price of ordinary shares as at the end of the reporting year was below the exercise price of the warrants.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Board passed on 24 February 2021.

Batu Caves, Selangor Darul Ehsan
24 February 2021