



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 2021**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		Current Year Quarter Ended 31.12.2021 RM'000	Preceding Year Quarter Ended 31.12.2020 RM'000	Changes %	Financial Year Ended 31.12.2021 RM'000	Financial Year Ended 31.12.2020 RM'000	Changes %
Revenue		189,834	187,148	1.4	678,221	650,860	4.2
Cost of sales		(196,415)	(164,116)	(19.7)	(646,233)	(577,478)	(11.9)
Gross profit		<u>(6,581)</u>	<u>23,032</u>	(128.6)	<u>31,988</u>	<u>73,382</u>	(56.4)
Other income		154	515	(70.1)	484	1,896	(74.5)
Operating expenses		(108,583)	(13,529)	(702.6)	(145,201)	(48,145)	(201.6)
Finance costs		(2,888)	(2,735)	(5.6)	(11,377)	(11,429)	0.5
(Loss)/Profit Before Taxation	19	<u>(117,898)</u>	<u>7,283</u>	1,718.8	<u>(124,106)</u>	<u>15,704</u>	890.3
Taxation	21	(285)	(1,432)	(80.1)	(1,957)	(3,756)	(47.9)
(Loss)/Profit for the period		<u>(118,183)</u>	<u>5,851</u>	2,119.9	<u>(126,063)</u>	<u>11,948</u>	1,155.1
Other comprehensive income/(loss), net of tax							
Fair value of cash flow hedge		554	(2,448)	122.6	1,661	(909)	(282.7)
Foreign currency translation differences for foreign operations		(602)	(1,758)	(65.8)	8,111	(3,188)	354.4
Actuarial gain recognised on defined benefit plan		-	210	100.0	-	210	100.0
Other comprehensive (loss)/income for the period, net of tax		<u>(48)</u>	<u>(3,996)</u>	(98.8)	<u>9,772</u>	<u>(3,887)</u>	351.4
Total comprehensive (loss)/income for the period		<u>(118,231)</u>	<u>1,855</u>	(6,473.6)	<u>(116,291)</u>	<u>8,061</u>	1,542.6
(Loss)/Profit attributable to:							
Owners of the Company		<u>(118,183)</u>	<u>5,851</u>	2,119.9	<u>(126,063)</u>	<u>11,948</u>	1,155.1
Total comprehensive (loss)/income attributable to:							
Owners of the Company		<u>(118,231)</u>	<u>1,855</u>	(6,473.6)	<u>(116,291)</u>	<u>8,061</u>	1,542.6
(Loss)/Profit per share attributable to owners of the Company:							
Basic (sen)		(98.45)	4.87	2,121.6	(105.01)	9.95	1,155.4
Diluted (sen)		<u>(98.45)</u>	<u>4.87</u>	2,121.6	<u>(105.01)</u>	<u>9.95</u>	1,155.4

The above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements

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

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Condensed Consolidated Statement of Financial Position
As at 31 December 2021**

	Note	As at 31.12.2021 RM'000 Unaudited	As at 31.12.2020 RM'000 Audited
ASSETS			
Non-Current Assets			
Property, plant and equipment		198,201	285,829
Right-of-use assets		45,241	62,290
Intangible assets		991	622
Deferred tax assets		205	205
Contract assets		726	784
		<u>245,364</u>	<u>349,730</u>
Current Assets			
Inventories		115,307	71,108
Trade and other receivables		186,590	157,176
Contract assets		-	1,218
Prepayments		1,131	643
Tax recoverable		12	10
Cash and bank balances and short term funds		21,697	44,264
		<u>324,737</u>	<u>274,419</u>
TOTAL ASSETS		<u><u>570,101</u></u>	<u><u>624,149</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		167,363	167,363
Warrants reserves		6,056	6,056
Other reserves		15,795	6,023
(Accumulated loss)/Retained earnings		(61,231)	64,832
Total Equity		<u>127,983</u>	<u>244,274</u>
Non-Current Liabilities			
Retirement benefit obligation		1,232	1,132
Borrowings	24	44,850	61,177
Lease liabilities		1,777	2,539
Deferred tax liabilities		814	845
Amount due to related companies		38,690	21,357
Derivative financial instrument	25	1,076	1,676
		<u>88,439</u>	<u>88,726</u>
Current Liabilities			
Provisions		6	9
Borrowings	24	198,991	142,243
Lease liabilities		4,638	4,469
Trade and other payables		149,764	141,715
Tax payable		-	1,372
Derivative financial instrument	25	280	1,341
		<u>353,679</u>	<u>291,149</u>
Total Liabilities		<u>442,118</u>	<u>379,875</u>
TOTAL EQUITY AND LIABILITIES		<u><u>570,101</u></u>	<u><u>624,149</u></u>
Net assets per share attributable to owners of the Company (RM)		<u>1.07</u>	<u>2.03</u>

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



BOX-PAK (MALAYSIA) BHD.

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Unaudited Condensed Consolidated Statement of Changes in Equity
For the financial year ended 31 December 2021**

	Attributable to Owners of the Company				
	Non-distributable			Distributable	
	Share Capital	Warrants Reserves	Other Reserves	Retained Earnings/ (Accumulated loss)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	167,363	6,056	6,023	64,832	244,274
Loss for the financial year	-	-	-	(126,063)	(126,063)
Cash flow hedge	-	-	1,661	-	1,661
Currency translation differences	-	-	8,111	-	8,111
Total comprehensive income/(loss) for the financial period	-	-	9,772	(126,063)	(116,291)
As at 31 December 2021	167,363	6,056	15,795	(61,231)	127,983
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 period	-	-	(4,097)	12,158	8,061
As at 31 December 2020	167,363	6,056	6,023	64,832	244,274

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

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

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Unaudited Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 December 2021**

	Current Year Ended 31.12.2021 RM'000	Preceding Year Ended 31.12.2020 RM'000
Net cash (used in)/generated from operating activities		
Receipts from customers	648,033	649,888
Payments to suppliers	(663,646)	(588,272)
Cash (used in)/generated from operations	(15,613)	61,616
Interest paid	(11,121)	(11,069)
Income tax paid	(3,423)	(3,737)
Income tax refunded	-	233
	<u>(30,157)</u>	<u>47,043</u>
Net cash used in investing activities		
Acquisition of:		
- Property, plant and equipment	(21,743)	(14,790)
- Intangible assets	(1,155)	(314)
Income distribution from short term funds	97	201
Net change in short term funds	13,884	(9,645)
Interest received	25	47
Proceeds from disposal of property, plant and equipment	500	121
	<u>(8,392)</u>	<u>(24,380)</u>
Net cash from/(used in) financing activities		
Net drawdown/(repayment) in borrowings	37,202	(31,820)
Inter-company (repayments)/receipts	(3,071)	21,317
Payment on lease liabilities	(4,679)	(3,781)
Interest on lease liabilities	(256)	(360)
	<u>29,196</u>	<u>(14,644)</u>
Net (decrease)/increase in Cash and Cash Equivalents	(9,353)	8,019
Effect of Exchange Rate Changes	670	(72)
Cash and Cash Equivalents at 1 January	30,380	22,433
Cash and Cash Equivalents at 31 December	<u>21,697</u>	<u>30,380</u>
Cash and Cash Equivalents at 31 December comprised the following:		
Cash and bank balances	19,297	28,380
Deposits with licensed bank	2,400	2,000
Short-term funds	-	13,884
Cash and bank balances and short term funds	<u>21,697</u>	<u>44,264</u>
Less: Short-term funds	-	(13,884)
Cash and Cash Equivalents at 31 December	<u>21,697</u>	<u>30,380</u>

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



1. Basis of Preparations

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

This report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the condensed report provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

2. Significant Accounting Policies

The accounting policies adopted in the preparation of this report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020.

2.1 Adoption of Standards, Amendments and IC Interpretations

The accounting policies adopted are consistent with those of previous financial year except for the adoption of the following new and amended MFRSs and IC Interpretation which are mandatory for financial periods beginning on or after 1 January 2021:

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

Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendments to MFRS 16 Leases)

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

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

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

Annual Improvements to MFRS Standards 2018 - 2020

Amendments to MFRS 3 *Reference to the Conceptual Framework*

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

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

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

MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts*

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

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

Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*

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

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

The financial statements for the year ended 31 December 2020 were not subject to any audit qualification.

4. Seasonal or Cyclical Factors

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



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

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

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year under review save as disclosed in Note 16.

6. Changes in Estimates

There were no changes in estimates that had a material effect during the current quarter and financial year under review save as disclosed in Note 16.

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 during the current quarter and financial year under review.

8. Dividends Paid

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

9. Segmental Reporting

Segmental results for the financial year ended 31 December 2021 are as follows:

	Malaysia RM'000	Vietnam RM'000	Myanmar RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	196,090	459,923	22,208	-	678,221	-	678,221
Inter-segmental sales	-	-	-	-	-	-	-
Total revenue	196,090	459,923	22,208	-	678,221	-	678,221
RESULTS							
Segment results	(3,185)	(5,080)	(105,789)	(323)	(114,377)	1,165	(113,212)
Other income	2,125	890	3	4,953	7,971	(7,488)	483
							(112,729)
Finance costs	(3,512)	(5,497)	(5,469)	(3,223)	(17,701)	6,324	(11,377)
Profit before taxation							(124,106)
Taxation							(1,957)
Profit after taxation							(126,063)
ASSETS AND LIABILITIES							
Segment assets	349,186	443,202	40,863	184,675	1,017,926	(447,763)	570,163
Unallocated corporate assets							217
Consolidated total assets							570,380
Segment liabilities	143,909	247,222	135,024	96,237	622,392	(182,165)	440,227
Unallocated corporate liabilities							2,170
Consolidated total liabilities							442,397
OTHER INFORMATION							
Additions to non-current assets	11,250	14,336	842	-	26,428	-	26,428
Depreciation and amortisation	10,371	27,365	5,112	-	42,848	-	42,848
Non-cash expenses other than depreciation	6,106	8,681	99,313	-	114,100	-	114,100



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 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
							27,133
Finance costs	(3,720)	(7,450)	(4,379)	(2,836)	(18,385)	6,956	(11,429)
Profit before taxation							15,704
Taxation							(3,756)
Loss after taxation							11,948
ASSETS AND LIABILITIES							
Segment assets	318,541	418,057	138,721	162,122	1,037,441	(413,497)	623,944
Unallocated corporate assets							205
Consolidated total assets							624,149
Segment liabilities	109,228	251,942	122,200	78,760	562,130	(183,100)	379,030
Unallocated corporate liabilities							845
Consolidated total liabilities							379,875
OTHER INFORMATION							
Additions to non-current assets	8,013	11,970	1,113	-	21,096	-	21,096
Depreciation and amortisation	8,804	19,188	5,366	-	33,358	-	33,358
Non-cash expenses other than depreciation	57	17	96	1	171	-	171

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10. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluation exercise for accounting purposes during the current quarter and 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 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 2021 is as follows:

	RM'000
Approved and contracted for	<u>613</u>

15. Related Party Transactions

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

	Current Financial Year Ended 31.12.2021 RM'000
Sales to holding company	108
Sales to related companies	5,180
Rental income from a related company	232
Rental payable to a related company	2,959
Interest payable to holding company	34
Interest payable to related companies	<u>1,094</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 2021 ("Q4, 2021") versus Fourth Quarter ended 31 December 2020 ("Q4, 2020")

In Q4, 2021, the Group recorded a revenue of RM189.8 million, an increase of 1.4% from RM187.1 million in Q4, 2020, with Myanmar plant registering a higher revenue.

The Group recorded gross loss of RM6.6 million in Q4, 2021 as opposed to gross profit of RM23.0 million in Q4, 2020 due to inventories written down of RM13.3 million recorded in Q4, 2021.

Loss before taxation of RM117.9 million was recorded in Q4, 2021 as opposed to a profit before taxation of RM7.3 million in Q4, 2020. The loss before taxation was mainly attributable to the following:

- Impairment loss on property, plant and equipment and right-of-use assets of RM95.6 million recorded in Myanmar plant; and
- Inventories written down of RM13.3 million recorded in Q4, 2021.

Financial Year Ended 31 December 2021 ("FYE 2021") versus Financial Year Ended ended 31 December 2020 ("FYE 2020")

In FYE 2021, the Group's revenue was RM678.2 million, representing an increase of 4.2% from RM650.9 million recorded in FYE 2020. The higher revenue in FYE 2021 was attributable to the higher overall selling price.

However, gross profit of the Group decreased from RM73.4 million in FYE 2020 to RM32.0 million in FYE 2021. This was mainly attributable to lower gross profit margin recorded in Q3, 2021 due to lower production efficiency which arose from the various lockdown measures imposed by the local Governments in Malaysia and Vietnam as a result of Covid-19 outbreaks.

The Group recorded a loss before taxation of RM124.1 million in FYE 2021 as opposed to a profit before taxation of RM15.7 million in FYE 2020. This was mainly attributable to the following:

- Impairment loss on property, plant and equipment and right-of-use assets of RM95.6 million recorded in Myanmar plant; and
- Inventories written down of RM13.4 million recorded in FYE 2021.

17. Material Change in Performance of Operating Segments for Q4, 2021 compared with Immediate Preceding Quarter Ended 30 September 2021 ("Q3, 2021")

	Current Year Quarter Ended 31.12.2021 RM'000	Immediate Preceding Quarter Ended 30.9.2021 RM'000	Changes %
Revenue	189,834	123,964	53.1
Operating Loss	(115,164)	(8,050)	1,330.6
Loss Before Interest and Tax	(115,010)	(7,977)	1,341.8
Loss Before Taxation	(117,898)	(11,456)	929.1
Loss After Taxation	(118,183)	(11,671)	912.6
Loss attributable to:			
Owners of the company	(118,183)	(11,671)	912.6



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

17. Material Change in Performance of Operating Segments for Q4, 2021 compared with Immediate Preceding Quarter Ended 30 September 2021 ("Q3, 2021") (Con't)

For the current quarter under review, the Group's net revenue increased to RM189.8 million in Q4, 2021 from RM124.0 million in the immediate preceding quarter. The increase in revenue was mainly attributable to recovery of operations from the Malaysia and Vietnam plants lockdowns measures in Q3, 2021.

Despite the higher revenue, the Group reported a gross loss of RM6.6 million in Q4, 2021 as opposed to a gross profit of RM3.0 million in the immediate preceding quarter, due to inventories written down of RM13.3 million in Q4, 2021.

The Group's recorded a loss before taxation of RM117.9 million in Q4, 2021 as compared to loss before taxation of RM11.5 million in Q3, 2021. This was mainly due to the following:

- Impairment loss on property, plant and equipment and right-of-use assets of RM95.6 million recorded in Myanmar plant; and
- Inventories written down of RM13.3 million recorded in Q4, 2021.

18. Commentary on Prospects

The Group operates in a very competitive industry and this has been exacerbated by the Covid-19 pandemic and lockdowns imposed by the local Governments in Malaysia and Vietnam. As a consequence, the results continued to reflect the challenges of managing escalating cost of raw materials, elevated freight rates as well as the weakening Ringgit against the United States Dollar ("USD") and uncertainties arising from the Omicron variant of Covid-19. The Group also faced operational restrictions due to regulatory compliance of Covid-19 standard operating procedures for manufacturers both in Malaysia as well as our overseas operations.

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

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

The Board of Directors ("Board") remains cautiously optimistic in addressing the challenges faced by the Group in year 2022.

19. (Loss)/Profit Before Taxation

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

	Current Year Quarter Ended 31.12.2021 RM'000	Preceding Year Quarter Ended 31.12.2020 RM'000	Current Financial Year Ended 31.12.2021 RM'000	Preceding Financial Year Ended 31.12.2020 RM'000
Other income:				
- Interest income	(6)	(8)	(25)	(47)
- Income distribution from short term funds	-	(66)	(97)	(201)
- Gain on disposal of property, plant and equipment	-	(8)	-	(65)
- Others	(148)	(433)	(362)	(1,583)
	(154)	(515)	(484)	(1,896)



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

19. (Loss)/Profit Before Taxation (Con't)

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

	Current Year Quarter Ended 31.12.2021 RM'000	Preceding Year Quarter Ended 31.12.2020 RM'000	Current Financial Year Ended 31.12.2021 RM'000	Preceding Financial Year Ended 31.12.2020 RM'000
Interest expense	2,888	2,735	11,377	11,429
Depreciation and amortisation	16,408	7,928	42,848	33,358
Provision for waste disposal	-	58	179	136
Impairment loss on:				
- property, plant and equipment	80,547	-	80,547	-
- right-of-use assets	16,726	-	16,726	-
- trade receivables	319	43	319	43
Net foreign exchange (gain)/loss	(233)	512	1,663	(461)
Write off of:				
- inventories	-	91	-	222
- property, plant and equipment	-	254	53	467

20. Variance from Forecast Profit and shortfall in Profit Guarantee

No profit forecast or guarantee was issued by the Group.

21. Taxation

	Current Year Quarter Ended 31.12.2021 RM'000	Preceding Year Quarter Ended 31.12.2020 RM'000	Current Financial Year Ended 31.12.2021 RM'000	Preceding Financial Year Ended 31.12.2020 RM'000
Income Tax				
- current year	285	1,428	1,980	3,752
- prior year	7	11	7	11
Deferred taxation	(7)	(7)	(30)	(7)
	285	1,432	1,957	3,756

22. Status of Corporate Proposals

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

23. Material Litigations

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



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**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 31.12.2021 RM'000	As at 31.12.2020 RM'000
Current - unsecured		
- Revolving credit	47,000	13,000
- Trade facilities	133,304	107,874
- Term loans	18,687	21,369
	<hr/>	<hr/>
	198,991	142,243
Non-current - unsecured		
- Term loans	44,850	61,177
	<hr/>	<hr/>
	243,841	203,420

Borrowings which are denominated in foreign currencies are as follows:

Current - unsecured		
- Trade facilities (denominated in Vietnam Dong ("VND"))	98,096	86,964
- Trade facilities (denominated in USD)	4,325	3,917
- Term loans (denominated in VND)	8,066	7,711
- Term loans (denominated in USD)	10,621	13,658
	<hr/>	<hr/>
Non-current - unsecured		
- Term loans (denominated in VND)	4,033	11,567
- Term loans (denominated in USD)	40,817	49,610
	<hr/>	<hr/>

The interest rates for the borrowings are as follows:

Term loans:		
- Floating rates	1.16% - 4.85%	1.22% - 3.51%
Trade facilities	1.02% - 5.81%	1.30% - 5.57%
Revolving credits	3.19% - 3.50%	3.15%

Hedging activities on major borrowings:

- (a) No hedging was done on borrowings denominated in VND as the borrowings obtained by subsidiaries in Vietnam will be settled 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 as at 31 December 2021 of the said term loan amounted to RM51.4 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 2021, the Group had an interest rate swap contract with a financial institution to hedge the interest rate exposure in respect of a long-term loan denominated in USD.

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

Details of the derivative financial instruments outstanding as at 31 December 2021 are set out below:

Type of derivatives	Contract/ Notional amount RM'000	Fair value Liabilities RM'000
Hedging derivatives:		
Interest swap contract		
- Less than one (1) year	10,621	280
- One (1) year to three (3) years	40,817	1,076
		<hr/>
		1,356

There have been no significant changes since the end of the previous financial year ended 31 December 2020 in respect of the following:

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

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

The fair value of financial instruments decreased by RM1.6 million, from RM3.0 million as at 31 December 2020 to RM1.4 million as at 31 December 2021 due mainly to change in USD/RM exchange rate and interest rate.



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

26. Dividend

No dividend has been declared for the financial year ended 31 December 2021 (FYE 2020: Nil).

27. Earnings Per Share

(a) Basic

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

	Current Year Quarter Ended 31.12.2021	Preceding Year Quarter Ended 31.12.2020	Current Financial Year Ended 31.12.2021	Preceding Financial Year Ended 31.12.2020
(Loss)/Profit attributable to owners of the Company (RM '000)	<u>(118,183)</u>	<u>5,851</u>	<u>(126,063)</u>	<u>11,948</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,047</u>	<u>120,047</u>	<u>120,047</u>	<u>120,047</u>
Basic (loss)/profit per share (sen)	<u>(98.45)</u>	<u>4.87</u>	<u>(105.01)</u>	<u>9.95</u>

(b) Diluted

For the financial year under review, the diluted (loss)/profit per share was the same as the basic (loss)/profit per share because the effect of the assumed conversion of warrants outstanding would be anti-dilutive.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Board dated 23 February 2022.

Batu Caves, Selangor Darul Ehsan
23 February 2022