



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

**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2024**

		<b>As at 30.9.2024 RM'000 Unaudited</b>	<b>As at 31.12.2023 RM'000 Audited</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		155,371	179,345
Right-of-use assets		39,954	44,351
Intangible assets		85	68
Prepayments		30,948	-
		<u>226,358</u>	<u>223,764</u>
<b>Current Assets</b>			
Inventories		74,466	75,831
Trade and other receivables		151,003	133,958
Prepayments		1,597	1,270
Tax recoverable		662	374
Cash and bank balances and short term funds		33,684	77,485
		<u>261,412</u>	<u>288,918</u>
<b>TOTAL ASSETS</b>		<u><u>487,770</u></u>	<u><u>512,682</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the company</b>			
Share capital		167,363	167,363
Foreign currency translation reserve		14,996	15,489
Accumulated losses		(93,441)	(73,472)
<b>Total Equity</b>		<u>88,918</u>	<u>109,380</u>
<b>Non-Current Liabilities</b>			
Borrowings	24	35,690	44,019
Lease liabilities		2,261	2,655
Retirement benefit obligation		2,513	2,424
Deferred tax liabilities		727	750
		<u>41,191</u>	<u>49,848</u>
<b>Current Liabilities</b>			
Trade and other payables		145,671	166,437
Borrowings	24	207,827	181,630
Lease liabilities		2,609	3,571
Retirement benefit obligation		86	965
Derivative financial instrument	25	1,324	-
Tax payable		144	851
		<u>357,661</u>	<u>353,454</u>
<b>Total Liabilities</b>		<u>398,852</u>	<u>403,302</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>487,770</u></u>	<u><u>512,682</u></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<u>0.74</u>	<u>0.91</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 2023 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 Profit or Loss and Other Comprehensive Income for the Third Quarter and Period-to-date Ended 30 September 2024**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		Current Quarter Ended 30.9.2024 RM'000	Preceding Quarter Ended 30.9.2023 RM'000	Changes %	Financial Period-to-Date Ended 30.9.2024 RM'000	Financial Period-to-Date Ended 30.9.2023 RM'000	Changes %
Revenue		169,021	166,072	1.8	487,162	477,903	1.9
Cost of sales		(155,203)	(150,302)	(3.3)	(443,474)	(438,536)	(1.1)
Gross profit		13,818	15,770	(12.4)	43,688	39,367	11.0
Other income		180	587	(69.3)	876	1,930	(54.6)
Operating expenses		(26,235)	(12,591)	(108.4)	(53,483)	(37,582)	(42.3)
Finance costs		(3,450)	(3,810)	9.4	(9,882)	(11,375)	13.1
Loss Before Taxation	19	(15,687)	(44)	(35,552.3)	(18,801)	(7,660)	(145.4)
Taxation	21	(199)	(603)	67.0	(1,168)	(1,789)	34.7
<b>Loss for the period</b>		<b>(15,886)</b>	<b>(647)</b>	<b>(2,355.3)</b>	<b>(19,969)</b>	<b>(9,449)</b>	<b>(111.3)</b>
<b>Other comprehensive income/(loss), net of tax</b>							
Foreign currency translation differences for foreign operations		3,640	(4,034)	(190.2)	(493)	149	(430.9)
<b>Total comprehensive loss for the period</b>		<b>(12,246)</b>	<b>(4,681)</b>	<b>(161.6)</b>	<b>(20,462)</b>	<b>(9,300)</b>	<b>(120.0)</b>
<b>Loss attributable to:</b>							
Owners of the Company		(15,886)	(647)	(2,355.3)	(19,969)	(9,449)	(111.3)
<b>Total comprehensive loss attributable to:</b>							
Owners of the Company		(12,246)	(4,681)	(161.6)	(20,462)	(9,300)	(120.0)
<b>Loss per share attributable to owners of the Company:</b>							
Basic (sen)		(13.23)	(0.54)	(2,350.0)	(16.63)	(7.87)	(111.3)

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 2023 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 Third Quarter Ended 30 September 2024**

<----- Attributable to Owners of the Company ----->  
<----- Non-distributable ----->

	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000
<b>As at 1 January 2024</b>	167,363	15,489	(73,472)	109,380
Loss for the financial period	-	-	(19,969)	(19,969)
Foreign currency translation differences for foreign operations	-	(493)	-	(493)
Total comprehensive loss for the financial period	-	(493)	(19,969)	(20,462)
<b>As at 30 September 2024</b>	<u>167,363</u>	<u>14,996</u>	<u>(93,441)</u>	<u>88,918</u>
<b>As at 1 January 2023</b>	167,363	16,721	(63,933)	120,151
Loss for the financial period	-	-	(9,449)	(9,449)
Foreign currency translation differences for foreign operations	-	149	-	149
Total comprehensive income/(loss) for the financial period	-	149	(9,449)	(9,300)
<b>As at 30 September 2023</b>	<u>167,363</u>	<u>16,870</u>	<u>(73,382)</u>	<u>110,851</u>

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 2023 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 Third Quarter Ended 30 September 2024**

	<b>Current Period-to-Date 30.9.2024 RM'000</b>	<b>Preceding Period-to-Date 30.9.2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(18,801)	(7,660)
<b>Adjustments:</b>		
Depreciation and amortisation of assets	23,608	23,101
Loss/(Gain) on disposal of property, plant and equipment	76	(116)
Net gain on termination and remeasurement of lease contracts	(17)	(101)
Interest expense	9,882	11,375
Interest income	(170)	(154)
Net impairment loss/(reversal of impairment loss) on financial instruments	88	(500)
Retirement benefits obligations	251	117
Write down/(Write back) of inventories	52	(3,023)
Write off in respect of:		
- inventories	384	916
- property, plant and equipment	-	221
Income distribution from short term funds	(10)	(19)
Fair value loss on derivative	1,324	-
Unrealised loss/(gain) on foreign exchange	7,694	(817)
Operating profit before changes in working capital	<u>24,361</u>	<u>23,340</u>
Changes in working capital:		
Inventories	928	9,060
Trade and other receivables	(61,798)	20,342
Trade and other payables	(6,852)	(24,584)
Contract liabilities	(5)	(131)
<b>Cash (used in)/generated from operations</b>	<u>(43,366)</u>	<u>28,027</u>
Retirement benefits paid	(1,041)	(259)
Interest paid	-	(139)
Income tax paid	(2,187)	(2,226)
Net (cash used)/generated from in operating activities	<u>(46,594)</u>	<u>25,403</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(10,250)	(10,704)
Acquisition of intangible asset	(88)	-
Proceeds from disposal of property, plant and equipment	242	333
Dividends received from short term investment	10	19
Interest received	170	154
Net cash used in investing activities	<u>(9,916)</u>	<u>(10,198)</u>

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

(Incorporated in Malaysia)

[Registration No. 197401004216 (21338-W)]

**Unaudited Condensed Consolidated Statement of Cash Flows (Cont'd)  
For the Third Quarter Ended 30 September 2024**

	<b>Current Period-to-Date 30.9.2024 RM'000</b>	<b>Preceding Period-to-Date 30.9.2023 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of term loans	(4,195)	(8,427)
Net movement in other borrowings	40,482	(391)
Payment of lease liabilities	(3,065)	(1,488)
Net repayment to related companies	(13,639)	(2,151)
Interest paid	(9,673)	(11,235)
Net cash generated from/(used in) financing activities	<u>9,910</u>	<u>(23,692)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(46,600)</b>	<b>(8,487)</b>
Effect of exchange rate changes	2,799	(3,510)
Cash and cash equivalents brought forward	77,485	49,019
<b>Cash and cash equivalents carried forward</b>	<u><u>33,684</u></u>	<u><u>37,022</u></u>
	<b>30.9.2024 RM'000</b>	<b>30.9.2023 RM'000</b>
Cash and Cash Equivalents at 30 September comprise the following:		
Cash and bank balances	27,152	35,522
Deposit with a licensed bank	1,023	-
Short term funds	5,509	1,500
	<u><u>33,684</u></u>	<u><u>37,022</u></u>

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 2023 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 compliance with the requirements of MFRS 134 Interim Financial Reporting and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These interim financial statements include only condensed financial statements and should be read in conjunction with the annual financial statements for the financial year ended 31 December 2023 ("FYE 2023"). The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the financial position and performance of Box-Pak (Malaysia) Bhd. ("Box-Pak" or "the Company") group of companies ("Box-Pak Group" or "the Group") since FYE 2023.

## 2. Significant Accounting Policies

The accounting policies adopted for this interim report are consistent with those adopted in the audited financial statements for the FYE 2023 except for the following:

(a) The Group adopted the following accounting standards, interpretations or amendments which are applicable to the Group that have been issued by the Malaysian Accounting Standards Board ("MASB") effective 1 January 2024:

- Amendments to MFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures - Supplier Finance Arrangements*

The adoption of new amendments does not have any material financial impact to the Group.

(b) The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group :

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7, <i>The Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

## 3. Auditors' report

The auditors' report dated 2 April 2024 in respect of the financial statements for the FYE 2023 was not subject to any audit qualification.



**4. Seasonal or Cyclical Factors**

The operations of the Group are not subject to seasonal or cyclical fluctuations except that certain products are subject to seasonal demand where higher sales will be recorded a few months before the major festive seasons such as Ramadan and Chinese New Year and lower sales in the first quarter of every financial year.

**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 period 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 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 during the current quarter and the financial period under review.

**8. Dividends Paid**

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

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**BOX-PAK (MALAYSIA) BHD.** [Registration No. 197401004216 (21338-W)]

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**9. Segmental Reporting**

Segmental results for the current quarter ended 30 September 2024 are as follows:

	Malaysia RM'000	Vietnam RM'000	Myanmar RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>							
External sales	48,742	105,048	15,231	-	169,021	-	169,021
Inter-segmental sales	26	-	-	-	26	(26)	-
<b>Total revenue</b>	<b>48,768</b>	<b>105,048</b>	<b>15,231</b>	<b>-</b>	<b>169,047</b>	<b>(26)</b>	<b>169,021</b>

**RESULTS**

Segment results	(13,331)	(244)	1,308	(75)	(12,342)	(75)	(12,417)
Other income	1,899	226	58	1,136	3,319	(3,139)	180
							<u>(12,237)</u>
Finance costs	(1,968)	(1,795)	(1,277)	(1,623)	(6,663)	3,213	(3,450)
Loss before taxation							<u>(15,687)</u>
Taxation							(199)
Loss after taxation							<u><u>(15,886)</u></u>

Segmental results for the preceding quarter ended 30 September 2023 are as follows:

	Malaysia RM'000	Vietnam RM'000	Myanmar RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>							
External sales	45,670	110,412	9,990	-	166,072	-	166,072
Inter-segmental sales	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>45,670</b>	<b>110,412</b>	<b>9,990</b>	<b>-</b>	<b>166,072</b>	<b>-</b>	<b>166,072</b>

**RESULTS**

Segment results	586	2,353	63	(78)	2,924	255	3,179
Other income	1,474	735	82	1,298	3,589	(3,002)	587
							<u>3,766</u>
Finance costs	(2,014)	(1,374)	(1,378)	(1,792)	(6,558)	2,748	(3,810)
Loss before taxation							<u>(44)</u>
Taxation							(603)
Loss after taxation							<u><u>(647)</u></u>





**9. Segmental Reporting (Cont'd)**

Segmental results for the financial period ended 30 September 2024 are as follows:

	Malaysia RM'000	Vietnam RM'000	Myanmar RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>							
External sales	142,519	305,392	39,251	-	487,162	-	487,162
Inter-segmental sales	26	-	-	-	26	(26)	-
<b>Total revenue</b>	<b>142,545</b>	<b>305,392</b>	<b>39,251</b>	<b>-</b>	<b>487,188</b>	<b>(26)</b>	<b>487,162</b>
<b>RESULTS</b>							
Segment results	(11,026)	491	867	(250)	(9,918)	123	(9,795)
Other income	6,363	756	342	3,653	11,114	(10,238)	876
							<u>(8,919)</u>
Finance costs	(5,771)	(4,831)	(4,058)	(5,336)	(19,996)	10,114	(9,882)
Loss before taxation							<u>(18,801)</u>
Taxation							(1,168)
Loss after taxation							<u><u>(19,969)</u></u>
<b>ASSETS AND LIABILITIES</b>							
Segment assets	387,533	431,210	49,001	187,262	1,055,006	(567,898)	487,108
Unallocated corporate assets							662
Consolidated total assets							<u><u>487,770</u></u>
Segment liabilities	156,961	250,816	156,211	102,476	666,464	(269,807)	396,657
Unallocated corporate liabilities							2,195
Consolidated total liabilities							<u><u>398,852</u></u>
<b>OTHER INFORMATION</b>							
Capital Expenditure	2,789	6,998	551	-	10,338	-	10,338
Depreciation and amortisation	6,502	15,765	1,308	33	23,608	-	23,608
Non-cash expenses other than depreciation	10,259	1,084	4,059	-	15,402	-	15,402



**9. Segmental Reporting (Cont'd)**

Segmental results for the financial period ended 30 September 2023 are as follows:

	Malaysia RM'000	Vietnam RM'000	Myanmar RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>							
External sales	126,699	316,921	34,283	-	477,903	-	477,903
Inter-segmental sales	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>126,699</b>	<b>316,921</b>	<b>34,283</b>	<b>-</b>	<b>477,903</b>	<b>-</b>	<b>477,903</b>
<b>RESULTS</b>							
Segment results	(528)	2,208	(228)	(239)	1,213	572	1,785
Other income	5,172	1,368	134	3,783	10,457	(8,527)	1,930
							<u>3,715</u>
Finance costs	(5,837)	(4,464)	(3,997)	(5,032)	(19,330)	7,955	(11,375)
Loss before taxation							<u>(7,660)</u>
Taxation							<u>(1,789)</u>
Loss after taxation							<u><u>(9,449)</u></u>
<b>ASSETS AND LIABILITIES</b>							
Segment assets	353,349	412,038	49,397	210,097	1,024,881	(530,579)	494,302
Unallocated corporate assets							3
Consolidated total assets							<u><u>494,305</u></u>
Segment liabilities	159,970	201,618	166,716	118,818	647,122	(264,981)	382,141
Unallocated corporate liabilities							1,313
Consolidated total liabilities							<u><u>383,454</u></u>
<b>OTHER INFORMATION</b>							
Capital Expenditure	2,537	7,467	695	5	10,704	-	10,704
Depreciation and amortisation	6,040	15,603	1,428	30	23,101	-	23,101
Non-cash expenses other than depreciation	676	3,582	723	3	4,984	-	4,984



## 10. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluation exercise for accounting purposes during the current quarter and the financial period under review.

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

There were no material events subsequent to the end of the financial period under review up to the date of this announcement, that have not been disclosed in this quarterly interim financial statements.

## 12. Changes in the Composition of the Group

Krafton Greenpax (Viet Nam) Company Limited ("KGV"), a private limited company was incorporated in Vietnam on 16 July 2024. KGV is wholly-owned by Box-Pak (Vietnam) Co., Ltd., which in turn is a subsidiary of Box-Pak. The principal activities of KGV are production of carton boxes and production and conversion of corrugated board.

Save for the above, there were no changes in the composition of the Group during the current quarter under review.

## 13. Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets during the current quarter under review and since the end of the financial period.

## 14. Capital Commitments

The amount of capital commitments as at 30 September 2024 is as follows:

	<b>RM'000</b>
Approved and contracted for	8,302

This note is to be read in conjunction with Note 22.

## 15. Related Party Transactions

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

	<b>Current Period-to-Date Ended 30.9.2024 RM'000</b>
Sales to immediate holding company	155
Sales to related companies	11,103
Rental payable to a related company	2,412
Interest payable to related companies	422

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**

**Third Quarter ended 30 September 2024 ("Q3, 2024") versus Third Quarter ended 30 September 2023 ("Q3, 2023")**

In Q3, 2024, the Group recorded a revenue of RM169.0 million, an increase of 1.8% from RM166.1 million in Q3, 2023. The increased in revenue mainly due to higher sales tonnage being achieved in Q3, 2024.

The Group's overall gross profit decreased by RM2.0 million in the current quarter under review. The decrease in gross profit was mainly attributed to lower average selling price in order to remain competitive.

The Group has recorded a foreign exchange loss of RM12.2 million in Q3, 2024 as compared with the foreign exchange gain of RM0.08 million in Q3, 2023.

Consequently, the Group recorded a higher loss before taxation in Q3, 2024.

**Period-To-Date ended 30 September 2024 ("PTD Q3, 2024") versus Period-To-Date ended 30 September 2023 ("PTD Q3, 2023")**

In PTD Q3, 2024, the Group's revenue was RM487.2 million, an increase of 1.9% from RM477.9 million recorded in PTD Q3, 2023. The increased in revenue was mainly due to higher sales tonnage achieved during the period.

The Group's PTD Q3, 2024 gross profit has increased by RM4.3 million as compared to PTD Q3, 2023. The increased in gross profit was mainly due to higher production and sales volume.

The Group has recorded a foreign exchange loss of RM13.3 million in PTD Q3, 2024 as compared with the foreign exchange gain of RM1.0 million in PTD Q3, 2023.

Consequently, the Group has recorded a higher loss before taxation in PTD Q3, 2024 as compared to PTD Q3, 2023.

**17. Material Change in Performance of Operating Segments for Q3, 2024 compared with Immediate Preceding Quarter Ended 30 June 2024 ("Q2, 2024")**

	<b>Current Quarter Ended 30.9.2024 RM'000</b>	<b>Immediate Preceding Quarter Ended 30.6.2024 RM'000</b>	<b>Changes %</b>
Revenue	169,021	160,780	5.1
Gross Profit	13,818	13,076	5.7
Loss Before Interest and Tax	(12,237)	(3,103)	294.4
Loss Before Taxation	(15,687)	(6,127)	156.0
Loss After Taxation	(15,886)	(6,523)	143.5
<b>Loss attributable to:</b>			
Owners of the Company	(15,886)	(6,523)	143.5



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

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**17. Material Change in Performance of Operating Segments for Q3, 2024 compared with Immediate Preceding Quarter Ended 30 June 2024 ("Q2, 2024") (Cont'd)**

The Group's overall revenue increased by RM8.2 million in the current quarter under review. The increase in revenue was mainly due to higher sales tonnage achieved by the Group. With the higher production and sales volume, the Group has recorded a higher gross profit by RM0.7 million.

The Group has recorded a foreign exchange loss of RM12.2 million in Q3, 2024 as compared with RM3.3 million in Q2, 2024.

Consequently, the Group recorded a higher loss before taxation in Q3, 2024, compared to Q2, 2024.

**18. Commentary on Prospects**

The Group operates in a very competitive industry with numerous competitors. As a consequence, the results continued to reflect the challenges of managing inflationary cost impact, and the volatility of Malaysian Ringgit against United States Dollar ("USD").

Moreover, secondary packaging such as corrugated cartons are very dependent on the economic condition in the countries we operate in. In particular, Vietnam experienced headwinds in their economy due to a slowdown in exports. This has a direct impact to the demand for carton packaging.

Some of the plans or measures that continue to be undertaken by the Group in 2024 included the following:

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

The Board of Directors ("Board") remains cautiously optimistic in addressing the challenges faced by the Group as the Group strives to improve its performance in 2024.



**BOX-PAK (MALAYSIA) BHD.** [Registration No. 197401004216 (21338-W)]

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

**19. Loss Before Taxation**

Included in loss before taxation are the following items:

	<b>Current Quarter Ended 30.9.2024 RM'000</b>	<b>Preceding Quarter Ended 30.9.2023 RM'000</b>	<b>Current Period-to-Date Ended 30.9.2024 RM'000</b>	<b>Preceding Period-to-Date Ended 30.9.2023 RM'000</b>
Other income:				
- Interest income	(55)	(55)	(170)	(154)
- Income distribution from short-term funds	(5)	(11)	(10)	(19)
- (Gain)/Loss on disposal of property, plant and equipment	(9)	(104)	76	(116)
- Others	(111)	(417)	(772)	(1,641)
	(180)	(587)	(876)	(1,930)
Interest expense	3,450	3,810	9,882	11,375
Depreciation and amortisation	6,732	6,579	23,608	23,101
Provision for waste disposal	14	(18)	20	4
Net foreign exchange loss/(gain)	12,186	(79)	13,310	(964)
Net impairment loss/(reversal of impairment loss) on financial instruments	53	(63)	88	(500)
Write off of:				
- inventories	89	493	384	916
- property, plant and equipment	-	170	-	221

**20. Variance from Forecast Profit and shortfall in Profit Guarantee**

No profit forecast or guarantee was issued by the Group.

**21. Taxation**

	<b>Current Quarter Ended 30.9.2024 RM'000</b>	<b>Preceding Quarter Ended 30.9.2023 RM'000</b>	<b>Current Period-to-Date Ended 30.9.2024 RM'000</b>	<b>Preceding Period-to-Date Ended 30.9.2023 RM'000</b>
Income Tax				
- current year	206	627	1,191	1,813
Deferred taxation	(7)	(24)	(23)	(24)
	<u>199</u>	<u>603</u>	<u>1,168</u>	<u>1,789</u>

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



**BOX-PAK (MALAYSIA) BHD.** [Registration No. 197401004216 (21338-W)]

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

**22. Status of Corporate Proposals**

**Sublease by Box-Pak (Vietnam) Co., Ltd (“BPV”), a wholly-owned subsidiary of the Company, through a project company (i.e. Krafton Greenpax (Viet Nam) Company Limited (“KGV”)), a company which is a wholly-owned subsidiary of BPV, of a parcel of leasehold vacant industrial land located in land Lot I-9, D5 & N5 Streets, Huu Thanh Industrial Zone, Duc Hoa District, Long An Province, Vietnam (“Subject Property”).**

BPV had on 27 March 2024, entered into a conditional in-principle land sublease agreement (“**In-Principle Land Sublease Agreement**”) with IDICO Corporation - Joint Stock Company (“**IDICO**”) for the sublease of the Subject Property, measuring approximately 50,000 square metres for a period of approximately 45 years up to 6 August 2069, for a sublease consideration (which is stipulated as “lump sum infrastructure using fee” in the In-Principle Land Sublease Agreement) of Vietnamese Dong 179,524,000,000 (exclusive of value added tax), equivalent to approximately RM34,286,478 (“**Sublease**”).

The conditions precedent in the In-Principle Land Sublease Agreement was fulfilled and became unconditional on 16 July 2024. The Land Sublease Agreement was signed on even date.

As at 30 September 2024, the Land Use Right Certificate (“LURC”) of the abovementioned subject property is pending approval by the local relevant authority to KGV.

Save for the above, there was no other corporate proposal announced but not completed as at the date of the issue of this quarterly report.

**23. Material Litigations**

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

**24. Group Borrowings and Debt Securities**

Total Group borrowings are as follows:

	<b>As at 30.9.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
Non-current - unsecured		
- Term loans	35,635	43,932
- Finance lease liabilities	55	87
	<u>35,690</u>	<u>44,019</u>
Current - unsecured		
- Revolving credit	48,218	30,970
- Trade facilities	154,476	144,950
- Term loans	5,091	5,669
- Finance lease liabilities	42	41
	<u>207,827</u>	<u>181,630</u>
Total borrowings	<u><u>243,517</u></u>	<u><u>225,649</u></u>



**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 (Cont'd)**

	<b>As at 30.9.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
Borrowings which are denominated in foreign currencies are as follows:		
Current - unsecured		
- Trade facilities (denominated in Vietnam Dong ("VND"))	122,893	116,907
- Trade facilities (denominated in USD)	5,903	3,652
- Term loans (denominated in USD)	5,091	5,669
Non-current - unsecured		
- Term loans (denominated in USD)	35,635	43,932

The interest rates for the borrowings are as follows:

Term loans:		
- Floating rates	6.90%	7.26%
Trade facilities	3.50% - 6.27%	2.80% - 6.74%
Revolving credits	4.72% - 6.61%	4.71% - 5.88%
Finance lease liabilities	2.08%	2.08%

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 repaid in the same currency.
- (b) Certain amounts of the Group's borrowings denominated in USD were hedged.

**25. Derivative financial instruments**

As at 30 September 2024, the Group had entered into forward foreign currency exchange contracts to hedge against USD/RM exchange rate fluctuations.

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

Details of derivative financial instruments outstanding as at 30 September 2024 are set out below :

<b>Type of derivative</b>	<b>Notional Amount RM'000</b>	<b>Current Liabilities RM'000</b>
<u>Non-hedging derivative</u>		
Foreign exchange contracts	10,232	1,324

Other than the above derivatives which were measured at fair value, the Group did not remeasure other financial assets and financial liabilities after initial recognition





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

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**26. Dividend**

No dividend has been declared for the financial period under review (PTD Q3, 2023: Nil).

**27. Loss Per Share**

**(a) Basic**

Basic loss per ordinary share for the financial period under review is calculated by dividing loss for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period:

	<b>Current Quarter Ended 30.9.2024</b>	<b>Preceding Quarter Ended 30.9.2023</b>	<b>Current Period-to-Date Ended 30.9.2024</b>	<b>Preceding Period-to-Date Ended 30.9.2023</b>
Loss attributable to owners of the Company (RM '000)	<u>(15,886)</u>	<u>(647)</u>	<u>(19,969)</u>	<u>(9,449)</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>
<b>Basic loss per share (sen)</b>	<u><u>(13.23)</u></u>	<u><u>(0.54)</u></u>	<u><u>(16.63)</u></u>	<u><u>(7.87)</u></u>

**(b) Diluted**

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

**28. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Board passed on 21 November 2024.

Batu Caves, Selangor Darul Ehsan  
21 November 2024