

THIS STATEMENT/CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) on the perusal of draft circulars and other documents, Bursa Securities has not perused this Circular prior to its issuance, as it is an Exempt Circular. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the content of this Circular.



BOX-PAK (MALAYSIA) BHD.

[Registration No. 197401004216 (21338-W)]

(Incorporated in Malaysia)

PART A

**SHARE BUY-BACK STATEMENT IN RELATION TO THE
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY
TO PURCHASE ITS OWN SHARES**

PART B

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The above proposals will be tabled as Special Business at the Forty-Sixth Annual General Meeting (“46th AGM”) of Box-Pak (Malaysia) Bhd. (“Box-Pak” or “the Company”) which will be conducted fully virtual and entirely through live streaming from the Broadcast Venue. The Notice of the 46th AGM of the Company, Proxy Form and Administrative Details for the 46th AGM are made available together with the Company’s Annual Report 2019 (“Annual Report 2019”) at <http://www.boxpak.com.my/2020AGM>.

The Proxy Form must be deposited with/received by the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor” or “TIIH”) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. Alternatively, the Proxy Form may be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Details for the 46th AGM for further information on electronic submission. All Proxy Forms must be deposited with/received by Tricor not less than forty-eight (48) hours before the time appointed for holding the 46th AGM of the Company or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, speaking and voting remotely at the said AGM using remote participation and voting facilities, should you subsequently wish to do so.

Last day and time for lodging the Proxy Form : Monday, 22 June 2020 at 10.00 a.m.
Date and time of the 46th AGM of the Company : Wednesday, 24 June 2020 at 10.00 a.m.
Broadcast Venue of the 46th AGM of the Company : Conference Room
Lot 4, Jalan Perusahaan Dua
68100 Batu Caves
Selangor Darul Ehsan
Malaysia

DEFINITIONS

In this Circular, unless otherwise stated, the following abbreviations shall have the following meanings:

Act	: Companies Act 2016
AGM	: Annual General Meeting
Annual Report 2019	: Annual Report of Box-Pak issued for the financial year ended 31 December 2019
ARMC	: Audit and Risk Management Committee
Board	: The Board of Directors of Box-Pak
Box-Pak or the Company	: Box-Pak (Malaysia) Bhd. [Registration No. 197401004216 (21338-W)]
Box-Pak Group or the Group	: Box-Pak and its subsidiaries
Box-Pak Share(s) or Share(s)	: Ordinary share(s) in Box-Pak
Bursa Securities	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Can-One	: Can-One Berhad [Registration No. 200401000396 (638899-K)]
Can-One Group	: Can-One and its subsidiaries excluding Box-Pak Group
Can-One International	: Can-One International Sdn. Bhd. [Registration No. 200601010179 (729929-K)], a wholly-owned subsidiary of Can-One
Can-One Share(s)	: Ordinary share(s) in Can-One
CMSA	: Capital Market and Services Act, 2007
Code	: Malaysian Code on Take-Overs and Mergers 2016
Director(s)	: Shall have the meaning given in Section 2(1) of the CMSA and for the purpose of the Proposed Renewal of Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive officer of Box-Pak or its subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements
Eller Axis	: Eller Axis Sdn. Bhd. [Registration No. 200001003247 (505852-K)], a Substantial Shareholder of Can-One
EPS	: Earnings per Share
Kian Joo	: Kian Joo Can Factory Berhad [Registration No. 195801000045 (003186-P)], the holding company of Box-Pak.
Kian Joo Group	: Kian Joo and its subsidiaries excluding Box-Pak Group
Kian Joo Share(s)	: Ordinary share(s) in Kian Joo
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 30 April 2020, being the latest practicable date prior to the printing of this Circular

DEFINITIONS (CONT'D)

Major Shareholder	: A person who has an interest or interests in one (1) or more voting shares in a corporation and the number or aggregate number of those shares, is – (a) ten per centum (10%) or more of the total number of voting shares in the corporation; or (b) five per centum (5%) or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act For the purpose of the Proposed Renewal of Mandate, a Major Shareholder (as defined above) includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company or any other corporation which is its subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements
NA	: Net assets
Person(s) Connected	: Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements
Proposed Renewal of Authority	: Proposed renewal of existing authority for Proposed Share Buy-Back obtained on 21 May 2019 from shareholders of the Company
Proposed Renewal of Mandate	: Proposed renewal of existing mandate for RRPTs obtained from shareholders of the Company on 21 May 2019 as set out in Section 2.4 of Part B of this Circular
Proposed Share Buy-Back	: The proposal to enable Box-Pak to purchase or hold in aggregate such number of its ordinary shares representing not more than ten per centum (10%) of the total number of issued shares of Box-Pak
Purchased Shares	: Shares purchased pursuant to the Proposed Share Buy-Back
Related Party	: A Director, Major Shareholder or Person Connected with such Director or Major Shareholder
RM and Sen	: Ringgit Malaysia and Sen respectively
RRPTs	: Transactions entered into or proposed to be entered into by the Group which involve the interest, direct or indirect, of the Related Parties and which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of Box-Pak Group and are in the ordinary course of business of Box-Pak as specified in Section 2.4 of Part B of this Circular
SC	: Securities Commission Malaysia
Substantial Shareholder	: A person who has an interest or interests in one (1) or more voting shares in Box-Pak and the number or the aggregate number of such shares, is not less than five per centum (5%) of the total number of all the voting shares in Box-Pak
Transacting Party	: A party with which the Company or any of its subsidiaries has entered or may or intend to enter into a RRPT under the Proposed Renewal of Mandate
Warrant(s)	: 15,005,861 five (5)-year warrants issued pursuant to the Deed Poll dated 3 February 2017. Each Warrant entitles the Warrant holder to subscribe for 1 Box-Pak Share at the exercise price of RM2.04 for each Warrant to be satisfied in cash. The Warrants can be exercised at any time during the exercise period from 14 March 2017 to 31 March 2022 and upon the terms and subject to the provisions of the Deed Poll dated 3 February 2017 constituting the Warrants.

DEFINITIONS (CONT'D)

Unless otherwise stated, the information set out above in relation to the Major Shareholders, Directors and Persons Connected is as at LPD.

Words denoting the singular shall 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. References to person shall include corporations and vice versa.

Any reference to any enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted.

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

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

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CONTENTS

PART A :	PAGE
SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES	
1. INTRODUCTION.....	6
2. DETAILS OF THE PROPOSED SHARE BUY-BACK	6
3. ADVANTAGES/RATIONALE FOR THE PROPOSED SHARE BUY-BACK.....	8
4. POTENTIAL DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK	8
5. EFFECTS OF THE PROPOSED SHARE BUY-BACK	8
6. PUBLIC SHAREHOLDING SPREAD.....	14
7. IMPLICATION OF THE PROPOSED SHARE BUY-BACK IN RELATION TO THE CODE	14
8. PURCHASE, RESALE, TRANSFER AND CANCELLATION OF PURCHASED SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS.....	14
9. APPROVAL REQUIRED	14
10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	14
11. BOARD'S RECOMMENDATION.....	14
12. 46TH AGM OF THE COMPANY	14
PART B :	
CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE	
LETTER TO SHAREHOLDERS OF BOX-PAK CONTAINING:	
1. INTRODUCTION.....	16
2. BACKGROUND INFORMATION IN RESPECT OF THE PROPOSED RENEWAL OF MANDATE.....	17
3. RATIONALE FOR AND BENEFITS OF THE PROPOSED RENEWAL OF MANDATE.....	22
4. EFFECTS OF THE PROPOSED RENEWAL OF MANDATE	22
5. APPROVAL REQUIRED.....	22
6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM.....	22
7. BOARD'S RECOMMENDATION.....	23
8. 46TH AGM OF THE COMPANY	24
9. FURTHER INFORMATION	24
APPENDIX	
APPENDIX A FURTHER INFORMATION	25

PART A

**SHARE BUY-BACK STATEMENT IN RELATION TO THE
PROPOSED RENEWAL OF AUTHORITY FOR
THE COMPANY TO PURCHASE ITS OWN SHARES**

STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

1. INTRODUCTION

The shareholders of the Company had on 21 May 2019 approved, *inter-alia*, the authority for the Company to purchase such number of Shares of up to ten per centum (10%) of the prevailing total number of issued shares of the Company.

In accordance with the Listing Requirements, the said authority will expire at the conclusion of the forthcoming 46th AGM of the Company unless authority for its renewal is obtained from shareholders of the Company.

Accordingly, on 13 May 2020, the Company announced to Bursa Securities that it intends to seek shareholders' approval for the Proposed Renewal of Authority at the forthcoming 46th AGM of the Company.

The purpose of this Statement is to provide you with the relevant information on the Proposed Share Buy-Back and to seek your approval for the ordinary resolution on the Proposed Renewal of Authority which will be tabled at the forthcoming 46th AGM of the Company which will be conducted fully virtual and entirely through live streaming from the Broadcast Venue at the Conference Room, Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia on Wednesday, 24 June 2020 at 10.00 a.m..

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Board proposes to seek from the shareholders of the Company a renewal of authority for the Company to purchase from time to time and at any time, in aggregate such number of Shares representing not more than ten per centum (10%) of the total number of issued shares of the Company as at the time of the purchase, on Bursa Securities through stockbrokers to be appointed by the Company at a later date.

As at LPD, the total number issued shares of the Company is 120,046,980. Hence, the maximum number of Shares which may be purchased by the Company will be 12,004,698 Shares.

As at LPD, the Company has 15,005,861 Warrants which remain unexercised and entitle the Warrant holders to subscribe for 15,005,861 new Shares. Assuming all the Warrants are exercised into new Shares, the total number of issued shares of the Company will increase to 135,052,841 Shares. Consequently, the maximum number of Shares which the Company may purchase will be 13,505,284 Shares.

The Proposed Share Buy-Back is subject to compliance with the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase including compliance with the public shareholding spread as required by the Listing Requirements.

The authority from shareholders for the Proposed Share Buy-Back, if renewed, will be effective immediately upon the passing of the ordinary resolution to be tabled at the forthcoming 46th AGM of the Company and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company, 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 in a general meeting,

whichever occurs first.

The Proposed Renewal of Authority does not impose an obligation on the Company to purchase its own Shares but rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

The actual number of Shares to be purchased, the total amount of funds involved for each purchase and the funding of the purchase will depend on, *inter-alia*, the market conditions and sentiments of the stock market as well as the availability of retained profits and financial resources available to the Company.

2.1 Status and Treatment of Purchased Shares

Pursuant to the provisions of Section 127(7) of the Act, the Board may deal with the Purchased Shares in the following manner:

- (a) cancel the Shares so purchased; or
- (b) retain the Shares so purchased as treasury shares; or
- (c) retain part of the Shares so purchased as treasury shares and cancel the remainder; or
- (d) distribute the treasury shares as share dividends to shareholders; or
- (e) resell the treasury shares or any of the said shares in accordance with the Listing Requirements; or
- (f) transfer the treasury shares, or any of the said shares as purchase consideration; or
- (g) transfer the treasury shares, or any of the shares for the purposes of or under an employees' share scheme; or
- (h) cancel the treasury shares or any of the said shares.

Appropriate announcement(s) and notice(s) will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the Purchased Shares in compliance with the Listing Requirements and the Act. The Board may decide to cancel the Purchased Shares if the cancellation of the said shares is expected to enhance the EPS of the Group and thereby in the long term, have a positive impact on the market price of the Shares. If the Board decides to retain the Purchased Shares as treasury shares, it may distribute the treasury shares as share dividends to the Company's shareholders and/or resell the Purchased Shares in accordance with the Listing Requirements and utilise the proceeds for any feasible investment opportunity arising in future as working capital.

While the Purchased Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distributions and otherwise are suspended, and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or a class of shares in the Company for any purpose including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on resolution at a meeting of the shareholders.

2.2 Funding for the Proposed Share Buy-Back

The Board proposes to allocate a maximum amount not exceeding the retained profits of the Company for the Proposed Share Buy-Back. The retained profits of the Company based on the audited financial statements of the Company for the financial year ended 31 December 2019 was RM22,650,146.

The Proposed Share Buy-Back will be funded from internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of internally generated funds and borrowings and repayment capabilities of the Company at the time of purchase.

In the event that the Proposed Share Buy-Back is to be partly financed by bank borrowings, this is not expected to affect the Company's repayment capabilities. Although the cash flow of the Company and the Group will be reduced to the extent of the number of Shares bought and the purchase consideration, the Company do not foresee any difficulty and the Proposed Share Buy-Back is not expected to have a negative impact on the financial results of the Group.

The Board is mindful of the interest of the Company and its shareholders and will be prudent in respect of the Proposed Share Buy-Back exercise.

2.3 Price Purchase

Pursuant to the Listing Requirements, the Company may only purchase its own Shares on Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price for the Shares for the five (5) market days immediately before the date of the purchase.

2.4 Resale or transfer price

The Company may only resell the Purchased Shares held as treasury shares on Bursa Securities or transfer the treasury shares pursuant to Section 127(7) of the Act at:

- (a) a price which is not less than the weighted average market price for the shares for the five (5) market days immediately before the resale or transfer; or

2.4 Resale or transfer price (*cont'd*)

- (b) a discounted price of not more than five per centum (5%) to the weighted average market price for the shares for the five (5) market days immediately before the resale or transfer provided that:
 - (i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

3. ADVANTAGES/RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is expected to enhance the EPS and the return on equity in the event of the cancellation of the Shares bought back by the Company which will benefit its shareholders.

The Purchased Shares can also be held as treasury shares and resold in accordance with the Listing Requirements on the market of Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total number of issued shares of the Company.

In the event the treasury shares are distributed as share dividends to shareholders, this would serve as a reward to the shareholders of the Company. In the event the treasury shares are transferred to employees of the Group, this would serve as a reward to the employees of the Group.

The treasury shares can be treated as long term investment. It makes business sense to invest in our own Company as the Board is confident of Box-Pak's future prospects and performance in the long term.

In addition, the Proposed Share Buy-Back will also provide flexibility for the Company in fine-tuning its capital structure, in terms of the debt and equity composition and the size of equity, as well as to stabilise a downward trend of the market price of Box-Pak Shares.

4. POTENTIAL DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

Potential disadvantages of the Proposed Share Buy-Back are as follows:

- (i) the Proposed Share Buy-Back, if exercised, will reduce the financial resources of the Company. This may result in the Company having to forgo other investment opportunities that may emerge in the future or deprive the Company of interest income that may be earned from deposits with licensed financial institutions;
- (ii) the cashflow of the Company may be affected if the Company decides to utilise bank borrowing to finance the Proposed Share Buy-Back;
- (iii) the Proposed Share Buy-Back may reduce the consolidated NA of the Company if the purchase price of Box-Pak Shares is higher than the consolidated NA of the Company at the time of purchase;
- (iv) as the Proposed Share Buy-Back can only be made wholly out of the retained profits of the Company, it may reduce the amount of retained profits available for distribution in the form of cash dividends to the shareholders of the Company in the event that the Purchased Shares are cancelled, or if the Purchased Shares are held as treasury shares and are subsequently sold on the market of Bursa Securities at a loss.

However, the financial resources of the Company may increase if the Purchased Shares held as treasury shares are resold in the market at prices higher than the purchase price. Therefore, the Proposed Share Buy-Back will be undertaken only after due consideration of the financial resources of the Company. The Board will be mindful of the interests of the Company and its shareholders when undertaking the Proposed Share Buy-Back.

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

5.1 Issued Shares

The effect of the Proposed Share Buy-Back on the number of issued shares of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

5.1 Issued Shares (cont'd)

The Proposed Share Buy-Back will result in a reduction of the total number of issued shares of the Company if the Purchased Shares are cancelled. Based on the assumption that the Proposed Share Buy-Back is implemented in full and all the Purchased Shares are cancelled, the effect on the number of issued shares of the Company is illustrated below:

Scenario I - Assuming no Warrants are exercised and the Proposed Share Buy-Back is implemented in full

Scenario II - Assuming all Warrants are exercised and the Proposed Share Buy-Back is implemented in full

	Scenario I	Scenario II
	No. of Shares	No. of Shares
Existing number of issued Shares as at LPD	120,046,980	120,046,980
To be issued pursuant to exercise of Warrants	-	15,005,861
Enlarged issued share capital	120,046,980	135,052,841
Less:		
Maximum number of Purchased Shares cancelled	(12,004,698)	(13,505,284)
Resultant number of issued Shares upon completion of the Proposed Share Buy-Back	108,042,282	121,547,557

However, there will be no effect on the total number of issued shares of the Company if the Purchased Shares are retained as treasury shares, resold or distributed to the shareholders.

5.2 NA

When the Company purchases its own shares, regardless of whether they are retained as treasury shares or are subsequently cancelled, the NA per Share of the Group will decrease if the cost per Share purchased exceeds the NA per Share of the Group at the time of purchase. Conversely, if the cost per Share purchased is below the NA per Share of the Group at the time of purchase, the NA per Share of the Group will increase.

In the case where the Purchased Shares are treated as treasury shares and are subsequently resold on Bursa Securities, the NA per Share of the Group upon resale will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as share dividends, the NA of the Group will decrease by the cost of the treasury shares.

5.3 Working Capital

The Proposed Share Buy-Back, if exercised, will reduce the working capital and cashflow of the Group, the quantum of which is dependent on the number of Shares purchased, the purchase price(s) of the Shares and the funding cost, if any.

However, the working capital and the cashflow of the Group will increase upon resale of the Purchased Shares which are retained as treasury shares. Again, the quantum of the increase in the working capital and cashflow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

5.4 Earnings

All things being equal, the Proposed Share Buy-Back will result in a lower number of Shares being used for the computation of EPS whether the Shares purchased are subsequently cancelled or retained as treasury shares. The extent of the effect on the EPS of the Group will depend on the purchase price(s) of the Shares, the number of Shares purchased, and the effective funding cost or loss in interest income and/or the opportunity cost in relation to other investment opportunities to the Group.

In the event that the treasury shares are resold on the open market, the EPS of the Group may increase if the Company realises a gain from the sale and vice versa. The effects on the earnings of the Group will depend on the actual selling price(s), the number of treasury shares resold and the effective gain or loss arising from the resale.

5.5 Dividends

The Proposed Share Buy-Back is not expected to have any material effect on the dividend payments of the Company as any dividend to be declared by the Company in the future would be determined by the Board after taking into consideration the performance of the Group and the prevailing economic conditions.

However, as stated in Sections 2 and 3 above, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back.

5.6 Directors' and Substantial Shareholders' Shareholdings

(a) Directors

Scenario I - Assuming no Warrants are exercised and the Company acquires the maximum number of Shares authorised under the Proposed Share Buy-Back

Based on the Company's Register of Directors' shareholdings as at LPD and assuming that no Warrants are exercised and the Company acquires the maximum number of Shares authorised under the Proposed Share Buy-Back from shareholders other than the Directors and that all the Shares so purchased are fully cancelled, the effect of the Proposed Share Buy-Back on the percentage of shareholdings of the Directors of the Company are as follows:

Director	As at LPD			After Proposed Share Buy-Back			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	%*		No. of Shares	%#		No. of Shares
Datuk Dr. Roslan Bin A. Ghaffar	-	-	-	-	-	-	
Yeoh Jin Hoe	-	-	66,016,121 ^(a)	54.99	-	66,016,121 ^(a)	61.10
Chee Khay Leong	-	-	-	-	-	-	-
Tan Kim Seng	24,000	0.02	405,000 ^(b)	0.34	24,000	405,000 ^(b)	0.37
Keith Christopher Yeoh Min Kit	-	-	-	-	-	-	-
Gong Wooi Teik	-	-	-	-	-	-	-
Tee Keng Hoon	-	-	-	-	-	-	-
Tuan Ngah @ Syed Ahmad Bin Tuan Baru	-	-	-	-	-	-	-

Notes:

^(a) Deemed interest through Shares held by Kian Joo, an indirect wholly-owned subsidiary of Can-One.

^(b) Deemed interest through Shares held by his spouse, Lim Siew Jong.

* Based on 120,046,980 issued Shares.

Based on 108,042,282 issued Shares, net of 12,004,698 Purchased Shares cancelled.

5.6 Directors' and Substantial Shareholders' Shareholdings (cont'd)

(a) Directors (cont'd)

Scenario II - Assuming all Warrants are exercised and the Company acquires the maximum number of Shares authorised under the Proposed Share Buy-Back

Based on the Company's Register of Directors' shareholdings as at LPD and assuming that all Warrants are exercised and the Company acquires the maximum number of Shares authorised under the Proposed Share Buy-Back from shareholders other than the Directors and that all the Shares so purchased are fully cancelled, the effect of the Proposed Share Buy-Back on the percentage of shareholdings of the Directors of the Company are as follows:

Director	As at LPD			After Proposed Share Buy-Back			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	% *		No. of Shares	% #		No. of Shares
Datuk Dr. Roslan Bin A. Ghaffar	-	-	-	-	-	-	
Yeoh Jin Hoe	-	-	74,292,651 ^{(a) (c)}	55.01	-	74,292,651 ^{(a) (c)}	61.12
Chee Khay Leong	-	-	-	-	-	-	-
Tan Kim Seng	27,000 ^(d)	0.02	430,000 ^{(b) (e)}	0.32	27,000 ^(d)	430,000 ^{(b) (e)}	0.35
Keith Christopher Yeoh Min Kit	-	-	-	-	-	-	-
Gong Wooi Teik	-	-	-	-	-	-	-
Tee Keng Hoon	-	-	-	-	-	-	-
Tuan Ngah @ Syed Ahmad Bin Tuan Baru	-	-	-	-	-	-	-

Notes:

^(a) Deemed interest through Shares held by Kian Joo, an indirect wholly-owned subsidiary of Can-One.

^(b) Deemed interest through Shares held by his spouse, Lim Siew Jong.

^(c) Exercise of 8,276,530 Warrants.

^(d) Exercise of 3,000 Warrants.

^(e) Exercise of 25,000 Warrants.

* Based on 135,052,841 issued Shares.

Based on 121,547,557 issued Shares, net of 13,505,284 Purchased Shares cancelled.

5.6 Directors' and Substantial Shareholders' Shareholdings (cont'd)

(b) Substantial Shareholders

Scenario I - Assuming no Warrants are exercised and the Company acquires the maximum number of Shares authorised under the Proposed Share Buy-Back

Based on the Company's Register of Substantial Shareholders as at LPD and assuming that no Warrants are exercised and the Company acquires the maximum number of Shares authorised under the Proposed Share Buy-Back from shareholders other than the Substantial Shareholders of the Company and that all the Shares so purchased are fully cancelled, the effect of the Proposed Share Buy-Back on the percentage of shareholdings of the Substantial Shareholders of the Company are as follows:

Substantial Shareholder	As at LPD			After Proposed Share Buy-Back			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	% *		No. of Shares	% #		No. of Shares
Kian Joo	66,016,121	54.99	-	66,016,121	61.10	-	-
Can-One International	-	-	66,016,121 ^(a)	-	-	66,016,121 ^(a)	61.10
Can-One	-	-	66,016,121 ^(b)	-	-	66,016,121 ^(b)	61.10
Eller Axis	-	-	66,016,121 ^(c)	-	-	66,016,121 ^(c)	61.10
Yeoh Jin Hoe	-	-	66,016,121 ^(d)	-	-	66,016,121 ^(d)	61.10

Notes:

^(a) Deemed interest through Kian Joo, a wholly-owned subsidiary of Can-One International.

^(b) Deemed interest through Can-One International, a wholly-owned subsidiary of Can-One.

^(c) Deemed interest through Can-One in which Eller Axis holds more than 20% voting shares.

^(d) Deemed interest through Eller Axis in which he holds more than 20% voting shares.

* Based on 120,046,980 issued Shares.

Based on 108,042,282 issued Shares, net of 12,004,698 Purchased Shares cancelled.

5.6 Directors' and Substantial Shareholders' Shareholdings (cont'd)

(b) Substantial Shareholders (cont'd)

Scenario II - Assuming all Warrants are exercised and the Company acquires the maximum number of Shares authorised under the Proposed Share Buy-Back

Based on the Company's Register of Substantial Shareholders as at LPD and assuming that all Warrants are exercised and the Company acquires the maximum number of Shares authorised under the Proposed Share Buy-Back from shareholders other than the Substantial Shareholders of the Company and that all the Shares so purchased are fully cancelled, the effect of the Proposed Share Buy-Back on the percentage of shareholdings of the Substantial Shareholders of the Company are as follows:

Substantial Shareholder	As at LPD			After Proposed Share Buy-Back					
	Direct		Indirect	Direct		Indirect			
	No. of Shares	% *		No. of Shares	% #		No. of Shares	% #	
Kian Joo	74,292,651 ^(e)	55.01	-	-	74,292,651 ^(e)	61.12	-	-	
Can-One International	-	-	74,292,651 ^(a)	55.01	-	-	-	74,292,651 ^(a)	61.12
Can-One	-	-	74,292,651 ^(b)	55.01	-	-	-	74,292,651 ^(b)	61.12
Eller Axis	-	-	74,292,651 ^(c)	55.01	-	-	-	74,292,651 ^(c)	61.12
Yeoh Jin Hoe	-	-	74,292,651 ^(d)	55.01	-	-	-	74,292,651 ^(d)	61.12

Notes:

^(a) Deemed interest through Kian Joo, a wholly-owned subsidiary of Can-One International.

^(b) Deemed interest through Can-One International, a wholly-owned subsidiary of Can-One.

^(c) Deemed interest through Can-One in which Eller Axis holds more than 20% voting shares.

^(d) Deemed interest through Eller Axis in which he holds more than 20% voting shares.

^(e) Exercise of 8,276,530 Warrants.

* Based on 135,052,841 issued Shares.

Based on 121,547,557 issued Shares, net of 13,505,284 Purchased Shares cancelled.

6. PUBLIC SHAREHOLDING SPREAD

Board on the Record of Depositors as at LPD, the public shareholding spread of the Company was 44.65%. Assuming that no Warrants are exercised and the Company acquires the maximum number of Shares authorised under the Proposed Share Buy-Back from the public shareholders and all the Purchased Shares are cancelled, the public shareholding spread of the Company would be reduced to 38.50%.

As at the date hereof, the Company has yet to determine the actual percentage of its own shares to be purchased pursuant to the Proposed Renewal of Authority. However, the Company is mindful of the above implication relating to public shareholding spread and will use its best endeavours in purchasing its own shares to such an extent that it will not result in the Company being in breach of the minimum public shareholding spread of twenty-five per centum (25%).

7. IMPLICATION OF THE PROPOSED SHARE BUY-BACK IN RELATION TO THE CODE

In the event the Proposed Share Buy-Back results in any Director, Major Shareholder and/or parties acting in concert with him/them triggering a mandatory offer obligation under the Code, the affected Director or Major Shareholder will be obliged to make a mandatory offer for the remaining Shares in the Company not held by him/them.

However, exemption may be sought from the SC by the affected Director or Major Shareholder under Section 219 of the CMSA before a mandatory offer obligation is triggered.

8. PURCHASE, RESALE, TRANSFER AND CANCELLATION OF PURCHASED SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

The Company has not made any purchase, resale, transfer or cancellation of its own shares in the twelve (12) months preceding the date of this Statement. As at LPD, no treasury shares were held by the Company.

9. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to the approval of the shareholders at the forthcoming 46th AGM of the Company.

10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the proportionate increase in the percentage of shareholdings including, amongst others, the voting rights of the shareholders of the Company as a result of the Proposed Share Buy-Back, none of the Directors and/or Major Shareholders of the Company and/or Persons Connected with them have any interest, direct or indirect, in the Proposed Share Buy-Back or resale of treasury shares, if any.

11. BOARD'S RECOMMENDATION

The Board, after having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interests of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Authority to be tabled at the forthcoming 46th AGM of the Company.

12. 46TH AGM OF THE COMPANY

The 46th AGM of the Company, the Notice of which is set out in the Annual Report 2019, will be conducted fully virtual and entirely through live streaming from the Broadcast Venue at the Conference Room at Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia on Wednesday, 24 June 2020 at 10.00 a.m. for purpose of considering and, if thought fit, passing the ordinary resolution as set out in the Notice of the AGM to approve and give effect to the Proposed Renewal of Authority.

If you are unable to attend, speak and vote remotely at the 46th AGM of the Company, you are requested to complete and return the Proxy Form in accordance with the instructions thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. Alternatively, the Proxy Form may be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Details for the 46th AGM for further information on electronic submission. All Proxy Forms must be deposited with/received by Tricor not less than forty-eight (48) hours before the time appointed for holding the 46th AGM of the Company or any adjournment thereof.

This Share Buy-Back Statement is dated 21 May 2020.

PART B

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**



BOX-PAK (MALAYSIA) BHD.

Registration No. 197401004216 (21338-W)
(Incorporated in Malaysia)

Registered Office

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

21 May 2020

Directors:

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

To: The Shareholders of Box-Pak

Dear Sir/Madam

PROPOSED RENEWAL OF MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

The shareholders of the Company had on 21 May 2019 approved the shareholders' mandate for the Company to enter into RRPTs set out in Section 2.4 below.

In accordance with the Listing Requirements, the mandate referred to above shall lapse at the conclusion of the forthcoming 46th AGM of the Company unless authority for its renewal is obtained from the shareholders of the Company.

Accordingly, on 13 May 2020, the Company announced to Bursa Securities that it intends to seek shareholders' approval for the Proposed Renewal of Mandate at the Company's forthcoming 46th AGM.

The purpose of this Circular is to provide you with relevant information pertaining to the Proposed Renewal of Mandate and to seek your approval for the ordinary resolution in connection with the Proposed Renewal of Mandate to be tabled at the forthcoming 46th AGM of the Company which will be conducted fully virtual and entirely through live streaming from the Broadcast Venue at the Conference Room, Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia on Wednesday, 24 June 2020 at 10.00 a.m.

SHAREHOLDERS OF BOX-PAK ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENT OF PART B OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF MANDATE AT THE FORTHCOMING 46TH AGM OF THE COMPANY.

2. BACKGROUND INFORMATION IN RESPECT OF THE PROPOSED RENEWAL OF MANDATE

Pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements and Practice Note 12, a listed issuer may seek its shareholders' mandate for RRPTs provided that:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year (based on the type of transactions, names of related parties involved in each type of transaction made and their relationship with the listed issuers) where:
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or
 - (ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds one per centum (1%),whichever is the higher;
- (c) the contents of the circular issued by the listed issuer to its shareholders for purposes of the shareholders' mandate shall include information as set out in the Listing Requirements and Practice Note 12;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder and interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the ordinary resolutions approving the transactions. An interested director or interested major shareholder must also ensure that persons connected with him will abstain from voting on the ordinary resolutions approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a recurrent related party transaction entered into by the listed issuer exceeds the estimated value of the recurrent related party transaction disclosed in the circular by ten per centum (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate pursuant to Paragraph 10.09(2) of Chapter 10 of the Listing Requirements, the provision of Paragraph 10.08 of Chapter 10 of Listing Requirements will not apply.

2.1. Principal activities of the Group

The business activities of the Group are broadly categorised into manufacturing and distribution of paper boxes, cartons, general paper and board printing and investment holding.

The principal activities of the subsidiary companies of the Company in relation to RRPTs are as follows:

Name of companies	Equity Interest (%)	Principal Activities
<i>Subsidiary companies of Box-Pak</i>		
BP MPak Sdn. Bhd.	100	Corrugated fibre board carton manufacturer
Box-Pak (Hanoi) Co., Ltd.	100	Corrugated fibre board carton manufacturer
Box-Pak (Vietnam) Co., Ltd.	100	Corrugated fibre board carton manufacturer
Boxpak (Myanmar) Company Limited	100	Corrugated fibre board carton manufacturer
BP Pak (Singapore) Pte. Ltd.	100	Investment holding

2.2. Principal activities of the related Transacting Parties

Can-One, a Major Shareholder of Box-Pak, is principally an investment holding company.

The principal activities of Can-One's subsidiary companies in relation to the RRPTs are as follows:

Name of companies	Can-One's Equity Interest (%)	Principal Activities
<i>Subsidiary companies of Can-One</i>		
Aik Joo Can Factory Sdn. Berhad	100	Can manufacturer
AJCan Sdn. Bhd.	100	Can manufacturer
Canzo Sdn. Bhd.	100	Can manufacturer
Kian Joo	100	Can manufacturer and investment holding
PT. Corum	100	Can manufacturer
Hinoki Beverages Sdn. Bhd.	100	Provision of contract manufacturing services
TOGO Palm Oils & Fats Sdn. Bhd.	100	Packing and blending of edible oils and fats
Grensing Pte. Ltd.	100	International trading
<i>Subsidiary companies of Kian Joo</i>		
Federal Metal Printing Factory, Sdn. Berhad	100	Can manufacturer
Kian Joo Can (Vietnam) Co., Ltd.	100	Can manufacturer
Metal-Pak (Malaysia) Sdn. Bhd.	100	Can manufacturer
Kianjoo Can (Myanmar) Company Limited	100	Can manufacturer
KJ Can (Johore) Sdn. Bhd.	100	Can manufacturer
KJ Can (Selangor) Sdn. Bhd.	100	Can manufacturer
KJM Aluminium Can Sdn. Bhd.	100	2-piece aluminium retortable can manufacturer
Kian Joo Canpack Sdn. Bhd.	100	Provision of contract manufacturing services
Kian Joo Canpack (Shah Alam) Sdn. Bhd	100	Provision of contract packing services
KJ Can (Singapore) Pte. Ltd.	100	Trading

2.2. Category of RRPTs

The category of RRPTs to be covered by the Proposed Renewal of Mandate relates to sale of cartons.

2.3. Nature of the RRPTs

Details of RRPTs for which the Proposed Renewal of Mandate is being sought as well as the Transacting Parties, the interested Related Parties and the nature of their relationships are as follows:

Provider of products/ services	Recipient of products/ services	Nature of transaction	Estimated Annual Value * (RM'000)	Estimated Value as disclosed in the Circular to Shareholders dated 22 April 2019 @ (RM'000)	Actual Value transacted from 21 May 2019 up to LPD ** (RM'000)	Interested Related Parties as at LPD	Notes
Box-Pak Group	Can-One Group	Sales of cartons	37,000	37,000	12,047	Kian Joo Can-One International Can-One Eller Axis Yeoh Jin Hoe Chee Khay Leong	(1) (2) (3) (4) (5) (6)

Notes:

- (1) Kian Joo is a Major Shareholder of Box-Pak and an indirect wholly-owned subsidiary of Can-One.
 - (2) Can-One International is the holding company of Kian Joo. Accordingly, it is a Major Shareholder of Box-Pak by virtue of Kian Joo's shareholdings in Box-Pak.
 - (3) Can-One is the holding company of Kian Joo by virtue of Can-One International's interest in Kian Joo as well as a Major Shareholder of Box-Pak by virtue of Kian Joo's interest in Box-Pak.
 - (4) Eller Axis is a Major Shareholder of Can-One. Accordingly, it is a Major Shareholder of Kian Joo and Box-Pak.
 - (5) Yeoh Jin Hoe is the Group Managing Director of Box-Pak and Kian Joo. He is also a Major Shareholder of Kian Joo having indirect equity interest over 444,167,786 Kian Joo Shares representing 100.00% of the total number of issued Kian Joo Shares by virtue of his controlling interest in Eller Axis. Accordingly, he is also a Major Shareholder of Box-Pak, having indirect equity interest over 66,016,121 Box-Pak Shares representing 54.99% of the total number of issued Box-Pak Shares which are held by Kian Joo. He is also a Director of Can-One International and Eller Axis and a Non-Independent Non-Executive Director of Can-One. He is also a Major Shareholder of Can-One holding 7,505,700 Can-One Shares representing 3.91% of the total number of issued Can-One Shares and has an indirect equity interest over 45,592,981 Can-One Shares representing 23.73% of the total number of issued Can-One Shares held via Eller Axis.
 - (6) Chee Khay Leong is the President cum Chief Executive Officer of Box-Pak and Kian Joo. He does not have any interest, direct or indirect, in the shares of Box-Pak and Kian Joo. He is the Executive Director of Can-One and he holds 2,054,100 Can-One Shares representing 1.07% of the total number of issued Can-One Shares.
- * The values are merely estimates and refer to values of transactions to be entered into from 24 June 2020 to the following AGM in June 2021. The estimates may vary and are subject to changes.
- @ Estimated Value as disclosed in the Circular to Shareholders dated 22 April 2019 comprised sales of cartons from Box-Pak Group to Kian Joo Group and Can-One Group of RM12,000,000 and RM25,000,000 respectively. Kian Joo became an indirect wholly-owned subsidiary of Can-One on 28 June 2019.
- ** The actual value transacted from 21 May 2019 up to the LPD did not exceed by ten per centum (10%) or more of the Estimated Value as disclosed in the Circular to Shareholders dated 22 April 2019.

There were no outstanding amounts due from the Transacting Parties under the RRPTs which exceeded the credit term as at 31 December 2019.

2.4. Nature of the RRPTs (*cont'd*)

Sale of cartons to Can-One Group

Box-Pak Group is a member of the Can-One Group and has been a reliable supplier of carton boxes to the Group. The estimated value of the transactions is based on the projected sales volume. The transactions are undertaken by the relevant members of Box-Pak Group in their ordinary course of business and on their normal commercial terms and on terms which are not more favourable to the Transacting Parties than those generally available to the public and are not detrimental to the minority shareholders.

2.5. Review methods or procedures for the RRPTs

The Group had established various methods and procedures to supplement existing internal procedures with third parties to ensure that RRPTs are undertaken on normal commercial terms, which are consistent with Box-Pak Group's usual business practices, and are on terms not more favourable than those extended to third parties/public and are not detrimental to the minority shareholders.

- (a) All RRPTs of value up to RM250,000 must be reviewed and approved by the Group General Manager/President cum Chief Executive Officer/Group Managing Director. For transactions of a value above RM250,000 and up to RM2,000,000, approval from the Exco Committee (which consists of the Group Managing Director, President cum Chief Executive Officer and Group Chief Financial Officer) is required. All transactions with values exceeding RM2,000,000 must be reviewed by the ARMC and approved by the Board.
- (b) For RRPTs, a Register must be maintained by Box-Pak to record all such transactions pursuant to the Proposed Renewal of Mandate for reporting purposes in the annual reports. At no time, should the value of these transactions deviates materially from the amount that has been approved by the shareholders pursuant to the Proposed Renewal of Mandate.
- (c) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the ARMC in its review of the RRPTs may, as it deems fit and whenever available, requests for additional information pertaining to the transactions from independent sources or advisers.

- (d) The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the Proposed Renewal of Mandate to ensure that relevant approvals have been obtained and review procedures are followed.
- (e) The Board and the ARMC shall review the internal audit report to ascertain that the guidelines and procedures established to monitor RRPTs have been complied with. If during the review, the ARMC is of the opinion that the guidelines and procedures are not sufficient to ensure that the RRPTs will be conducted on normal commercial terms in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders or be disadvantageous to the Company, the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures.
- (f) If a member of the Board or the ARMC has an interest as the case may be, he must abstain from any decision making of the Board or the ARMC in respect of the said transactions.
- (g) The transaction prices, terms and conditions shall be determined by market forces, under similar commercial terms for transactions with third parties. In addition, additional quotations shall be obtained from third parties by the Company who will perform suppliers' evaluations and ranking on the price, delivery, services and other terms and conditions before entering into such transactions.

2.6. Validity period of the Proposed Renewal of Mandate

The Proposed Renewal of Mandate, if approved at the forthcoming 46th AGM of the Company, will take effect from the date of passing of the ordinary resolution at the 46th AGM of the Company to approve the Proposed Renewal of Mandate and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time the Proposed Renewal of Mandate will lapse, unless renewed by ordinary resolution passed at such meeting; or
- (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

Thereafter, the Board will seek your approval for the Proposed Renewal of Mandate at each subsequent AGM or at an Extraordinary General Meeting that may be held on the same day as the AGM, subject to satisfactory review by the ARMC of its continued application to the RRPTs.

Transactions with any Related Parties which do not fall within the ambit of the Proposed Renewal of Mandate, will be subject to other applicable provisions of the Listing Requirements, the Act and/or any applicable law.

2.7. Disclosure of RRPTs

If the Proposed Renewal of Mandate is approved, disclosure will be made of the breakdown of the aggregate value of RRPTs conducted pursuant to the Proposed Renewal of Mandate during the financial year based on the following information in the Company's Annual Report 2020 and in the Annual Reports for subsequent financial years that the Proposed Renewal of Mandate continues to be in force:

- (a) the type of RRPTs made; and
- (b) the names of the Related Parties involved and their relationships with the Group.

The threshold for the disclosure is where:

- (i) the consideration, value of the assets, capital outlay or costs of the aggregated RRPTs is equal to or exceeds RM1.0 million; or
- (ii) any one (1) of the percentage ratios of such aggregated RRPTs is equal to or exceeds one per centum (1%),

whichever is the higher.

2.8. Statement by the ARMC

The ARMC has reviewed the terms of the Proposed Renewal of Mandate and is satisfied that the procedures for the RRPTs as set out in Section 2.5, as well as the annual reviews to be made by the ARMC in relation thereto, are sufficient to ensure that RRPTs will be made in accordance with the Group's normal commercial terms and are not more favourable to the Transacting Parties than those generally available to third party/public and are not to the detriment of the minority shareholders.

The Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and these procedures and processes are reviewed annually.

2.8. Statement by the ARMC (Cont'd)

The ARMC shall annually review the RRPTs and also review the established guidelines and procedures to ascertain that they have been complied. If during the review, the ARMC is of the opinion that the guidelines and procedures are not sufficient to ensure that the RRPTs will be conducted on normal commercial terms in the ordinary course of business and are on terms not more favourable to the Transacting Parties than those generally available to third party/public and are not detrimental to the minority shareholders or be disadvantageous to the Company, the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED RENEWAL OF MANDATE

The rationale for and the benefit of the Proposed Renewal of Mandate to the Company are as follows:

- (a) the Proposed Renewal of Mandate will empower the Company to enter into transactions with Related Parties which are necessary for the day-to-day operations of the Company, undertaken on normal commercial terms which are on terms not more favourable to the Related Parties than those generally made available to third party/public and are not detrimental to the minority shareholders; and
- (b) the Proposed Renewal of Mandate eliminates the need to frequently make announcements to Bursa Securities, convene general meeting and/or seek shareholders' approval from time to time as and when RRPTs which are comprised within the Proposed Renewal of Mandate shall arise. In this respect, the Proposed Renewal of Mandate is intended to save administrative time and expenses which could be better utilised by the Group to pursue its corporate objectives and realise business opportunities in a more timely and effective manner.

4. EFFECTS OF THE PROPOSED RENEWAL OF MANDATE

The Proposed Renewal of Mandate is not expected to have any effect on the total number of issued shares and Substantial Shareholders' shareholdings of the Company, the consolidated NA per Share and the consolidated earnings of the Group for the financial year ending 31 December 2020.

5. APPROVAL REQUIRED

The Proposed Renewal of Mandate is subject to approval being obtained from the shareholders of the Company at the forthcoming 46th AGM of the Company.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Based on the Company's Register of Substantial Shareholders and Register of Directors' Shareholdings as at LPD, the shareholdings of the interested Directors, Major Shareholders of the Company and Person Connected with them in the Proposed Renewal of Mandate are set out below:

INTERESTED DIRECTORS

Director	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Yeoh Jin Hoe	-	-	66,016,121 ^(a)	54.99
Chee Khay Leong	-	-	-	-

Note:

^(a) Deemed interest through Shares held by Kian Joo in which he has an interest.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM (CONT'D)

Accordingly, the abovenamed Directors (namely, Yeoh Jin Hoe and Chee Khay Leong), being Directors who are interested in the Proposed Renewal of Mandate have abstained and will continue to abstain from all deliberations and voting on the RRPTs involving them as stated in the Proposed Renewal of Mandate at the relevant Board Meetings and shall also abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, at the forthcoming 46th AGM of the Company on the resolution to approve the Proposed Renewal of Mandate involving their interests, as stated in the Proposed Renewal of Mandate.

INTERESTED MAJOR SHAREHOLDERS

Major Shareholder	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Kian Joo	66,016,121	54.99	-	-
Can-One International	-	-	66,016,121 ^(a)	54.99
Can-One	-	-	66,016,121 ^(b)	54.99
Eller Axis	-	-	66,016,121 ^(c)	54.99
Yeoh Jin Hoe	-	-	66,016,121 ^(d)	54.99

Notes:

^(a) Deemed interest through Kian Joo, a wholly-owned subsidiary of Can-One International.

^(b) Deemed interest through Can-One International, a wholly-owned subsidiary of Can-One.

^(c) Deemed interest through Can-One in which Eller Axis holds more than 20% voting shares.

^(d) Deemed interest through Eller Axis in which he holds more than 20% voting shares.

Accordingly, the abovenamed Major Shareholders of the Group who are interested (directly or indirectly) in the Proposed Renewal of Mandate shall abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, at the forthcoming 46th AGM of the Company on the resolution to approve the Proposed Renewal of Mandate involving their interests, as stated in the Proposed Renewal of Mandate.

Further, the abovenamed interested Directors and interested Major Shareholders have undertake to ensure that the Persons Connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, at the forthcoming 46th AGM of the Company on the ordinary resolution to approve the Proposed Renewal of Mandate involving their interests.

Save as disclosed above, there are no Directors, Major Shareholders of the Group and Persons Connected with them who have any interest, direct or indirect, in the Proposed Renewal of Mandate.

7. BOARD'S RECOMMENDATION

The Board (save for the interested Directors in respect of the relevant resolution to approve RRPTs involving their interests as set out in Section 6 above and who hence expressed no opinion thereon), having considered all aspects of the Proposed Renewal of Mandate, is of the opinion that the Proposed Renewal of Mandate is fair and reasonable and is in the best interest of the Company and its shareholders.

Accordingly, the Board (save for the interested Directors in respect of the relevant resolution to approve RRPTs involving their interest as set out in Section 6 above) recommends that you vote in favour of the ordinary resolution on the Proposed Renewal of Mandate to be tabled at the forthcoming 46th AGM of the Company.

8. 46TH AGM OF THE COMPANY

The 46th AGM of the Company, the Notice of which is set out in the Annual Report 2019, will be conducted fully virtual and entirely through live streaming from the Broadcast Venue at the Conference Room, Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia on Wednesday, 24 June 2020 at 10.00 a.m. for purpose of considering and, if thought fit, passing the ordinary resolution as set out in the Notice of the AGM to approve and give effect to the Proposed Renewal of Mandate.

If you are unable to attend, speak and vote remotely at the 46th AGM of the Company, you are requested to complete and return the Proxy Form in accordance with the instructions thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. Alternatively, the Proxy Form may be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Details for the 46th AGM for further information on electronic submission. All Proxy Forms must be deposited with/received by Tricor not less than forty-eight (48) hours before the time appointed for holding the 46th AGM of the Company or any adjournment thereof.

9. FURTHER INFORMATION

Shareholders are requested to refer to Appendix A for further information.

Yours faithfully
for and on behalf of the Board of
BOX-PAK (MALAYSIA) BHD.

DATUK DR. ROSLAN BIN A. GHAFAR
Independent Non-Executive Chairman

FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board who collectively and individually accepts full responsibility for the accuracy of the information given and confirmed that, after making all reasonable enquiries as to the best of its knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at LPD, neither the Company nor its subsidiaries have engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and to the best knowledge of the Board, there are no proceedings pending or threatened or any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

3. MATERIAL CONTRACTS

Neither the Company nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business of the Group) within two (2) years preceding the LPD.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the Company's Registered Office at Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming 46th AGM of the Company:

- (i) Constitution of the Company; and
- (ii) Audited consolidated financial statements of the Group and of the Company for the past two (2) financial years ended 31 December 2018 and 31 December 2019.

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