ANNUAL REPORT 2023

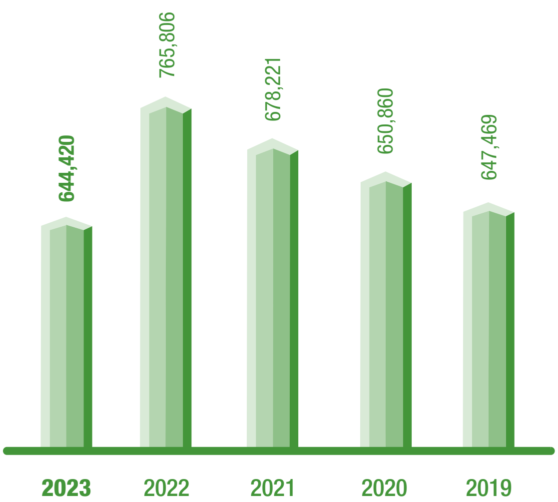
BOX-PAK (MALAYSIA) BHD.

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

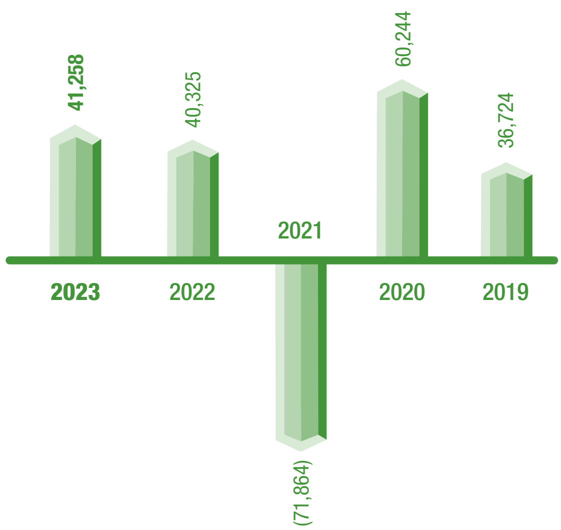
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	2019
Revenue (RM'000)	**644,420**	765,806	678,221	650,860	647,469
Earnings Before Interest, Tax, Depreciation and Amortisation (RM'000)	**41,258**	40,325	(71,864)	60,244	36,724
(Loss)/Profit Before Taxation (RM'000)	**(5,871)**	(2,889)	(126,822)	15,705	(8,284)
(Loss)/Profit After Taxation (RM'000)	**(8,118)**	(6,042)	(128,779)	11,948	(10,508)
Total Assets (RM'000)	**512,682**	539,636	567,879	624,149	629,907
Paid-Up Capital (RM'000)	**167,363**	167,363	167,363	167,363	167,363
Shareholders' Equity (RM'000)	**109,380**	120,152	125,266	244,274	236,213
Return on Equity (%)	**(7.42)**	(5.03)	(102.80)	4.89	(4.45)
Total Borrowings and Lease Liabilities (RM'000)	**231,875**	209,873	250,750	210,428	243,554
(Loss)/Profit Per Share - basic and diluted (Sen)	**(6.76)**	(5.03)	(107.27)	9.95	(8.75)
Net Assets Per Share (RM)	**0.91**	1.00	1.04	2.03	1.97
Debt/Equity Ratio (times)	**2.12**	1.75	2.00	0.86	1.03

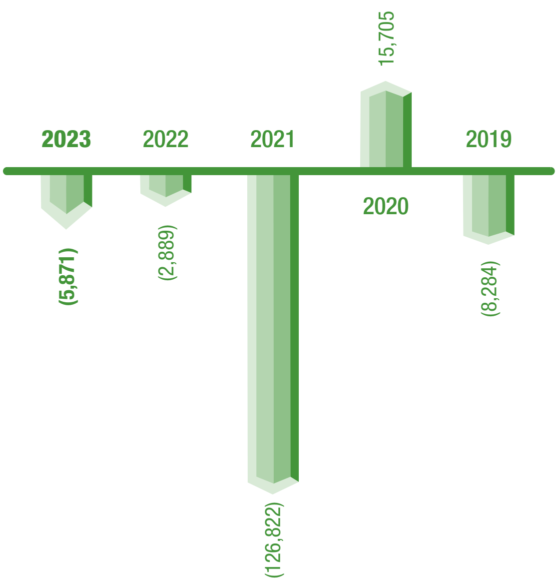
Revenue
(RM'000)



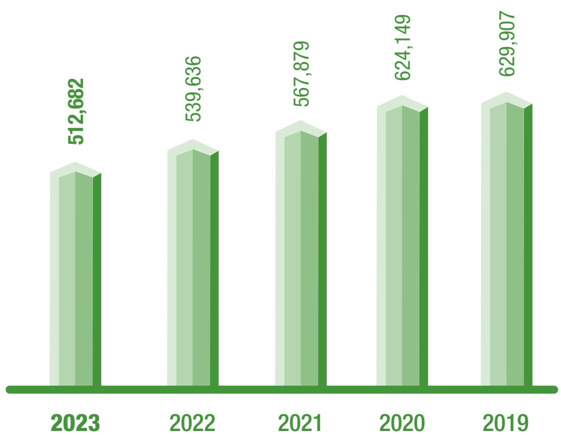
Earnings Before Interest, Tax, Depreciation and Amortisation
(RM'000)



(Loss)/Profit Before Taxation
(RM'000)



Total Assets
(RM'000)



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CORPORATE INFORMATION
AS AT 15 APRIL 2024

BOARD OF **DIRECTORS**

Datuk Dr. Roslan Bin A. Ghaffar
(Chairman/Independent Non-Executive Director)

Yeoh Jin Hoe
(Group Managing Director)

Keith Christopher Yeoh Min Kit
(Executive Director)

Tan Kim Seng
(Senior Independent Non-Executive Director)

Tuan Ngah @ Syed Ahmad Bin Tuan Baru
(Independent Non-Executive Director)

Foo Kee Fatt
(Independent Non-Executive Director)

Sharifah Nadia Aljafri
(Independent Non-Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Foo Kee Fatt *(Chairman)*
Tan Kim Seng
Tuan Ngah @ Syed Ahmad Bin Tuan Baru

REMUNERATION COMMITTEE

Tuan Ngah @ Syed Ahmad Bin Tuan Baru *(Chairman)*
Tan Kim Seng
Yeoh Jin Hoe

NOMINATION COMMITTEE

Tan Kim Seng *(Chairman)*
Sharifah Nadia Aljafri
Foo Kee Fatt

SUSTAINABILITY COMMITTEE

Yeoh Jin Hoe *(Chairman)*
Tan Kim Seng
Keith Christopher Yeoh Min Kit

COMPANY SECRETARIES

Lydia Tong Yiu Shyian-Shyian
SSM PC No. 202208000755
BC/L/1922

Kwong Shuk Fong
SSM PC No. 202008002178
MAICSA 7032330

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Selangor Darul Ehsan, Malaysia
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F : +603-6189 2515

AUDITORS

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201906000013
(LLP0018825-LCA) & AF 0206
Chartered Accountants
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Wilayah Persekutuan, Malaysia
T : +603-2616 2888
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SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
[Registration No. 197101000970 (11324-H)]
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F : +603-2783 9222
E : is.enquiry@my.tricorglobal.com
W : www.tricorglobal.com

Tricor Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium
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No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

PRINCIPAL BANKERS

AmBank Islamic Berhad
Al-Rajhi Banking & Investment Corporation (Malaysia) Bhd.
HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
OCBC Bank (Malaysia) Berhad

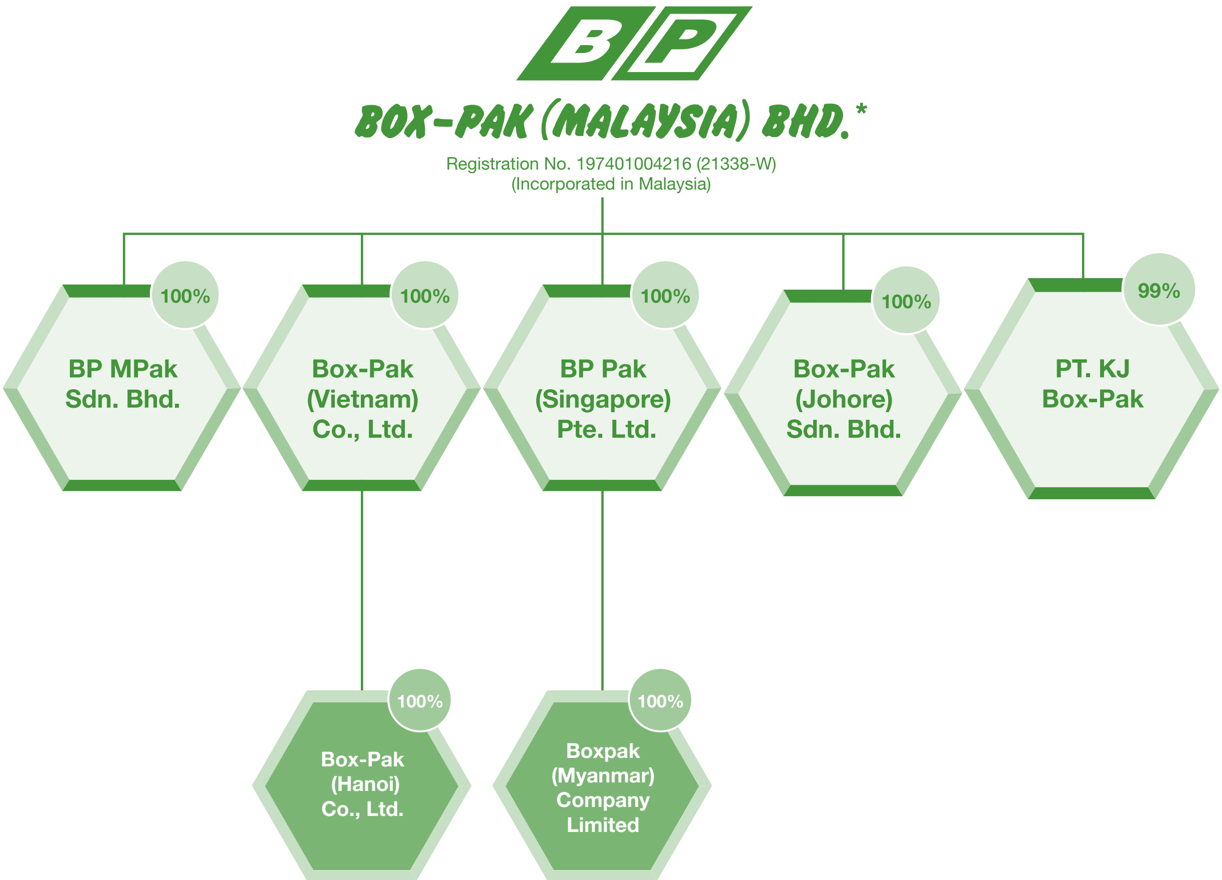
STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Name : BOXPAK
Stock Code : 6297
Sector : Industrial Products
Sub-Sector : Packaging Materials

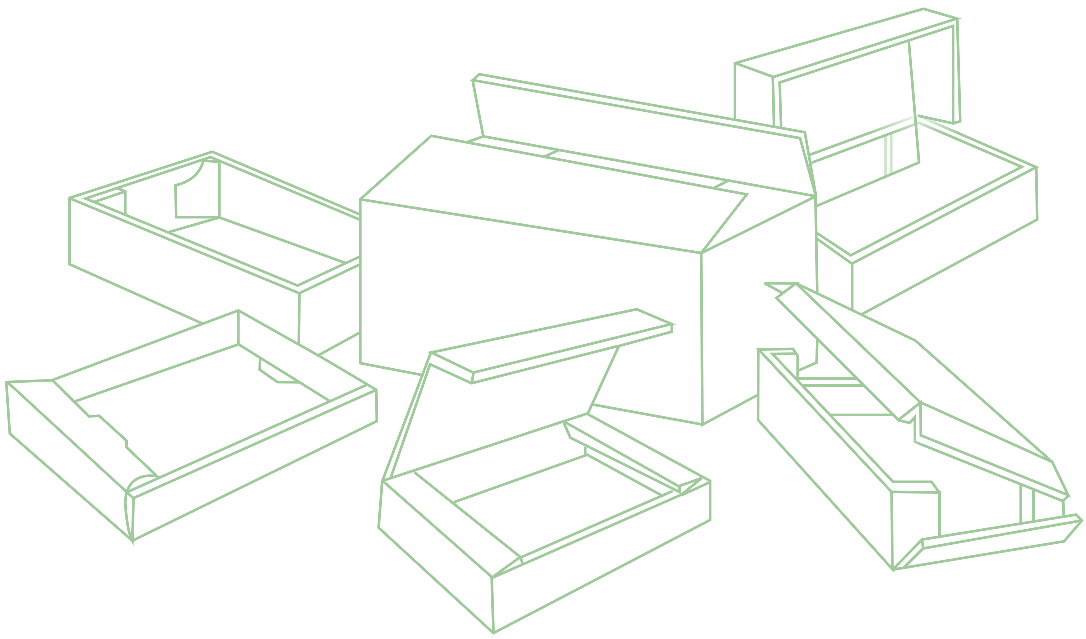
WEBSITE

www.boxpak.com.my

CORPORATE STRUCTURE
AS AT 15 APRIL 2024



* *Listed on the Main Market of Bursa Malaysia Securities Berhad*



MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

This Management Discussion and Analysis ("MD&A") provides an analysis on the financial performance of Box-Pak (Malaysia) Bhd. ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 December 2023 ("FYE 2023"). It contains commentary from the Management on the performance of the Group, key business strategies, risks and future prospects of the Group.

The MD&A should be read in conjunction with the audited financial statements of the Group as set out in pages 91 to 156.

This MD&A is the responsibility of the Management. The Board of Directors of the Company ("Board") has reviewed and approved this MD&A for inclusion in the Annual Report for FYE 2023.

FORWARD LOOKING STATEMENTS

Apart from historical facts presented herein, this MD&A contains statements which are forward-looking. These statements reflect the expectations of the Management regarding the future growth, general industry and economic outlook, financial and operating conditions, business risks and opportunities as well as plans and strategies of the Group. These statements are made based on Management's reasonable expectations and considering the information available to them and is subject to future uncertainties. Expressions (but not limited to) such as "seek", "projects", "anticipates", "expects", "believes", "estimates", "could", "intends", "may", "might", "plans", "will", "would" and other similar expressions or the negative of these expressions, are generally indicative of the forward-looking statements.

Whilst the Management has exercised diligence when expressing these statements, these forward-looking statements are subject to inherent uncertainties and should be treated with caution. Actual future performance may materially differ from the projections herein.

OVERVIEW

The Group is principally involved in the manufacture and distribution of corrugated cartons in Malaysia, Vietnam and Myanmar. The Group also has non-active subsidiaries in Malaysia, Singapore and Indonesia. The Group's business objective is to manufacture quality carton boxes that meet customers' requirements in South East Asia.

The Group reported a lower revenue in FYE 2023 as our operations in Vietnam have been weighed down by the weak global demand for paper cartons and the stabilisation of the prime raw materials cost i.e. paper roll, has led to a lower average selling price in the Group. As a result, a 15.9% reduction in revenue was recorded in FYE 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

Summary of the financial performance of the Group for FYE 2023 as compared to the financial year ended 31 December 2022 ("FYE 2022") are as follows:

	FYE 2023 RM'000	FYE 2022 RM'000	(Decrease)/Increase RM'000	%
Revenue	**644,420**	765,806	(121,386)	(15.9)
Gross Profit ("GP")	**59,395**	64,142	(4,747)	(7.4)
Loss Before Taxation ("LBT")	**(5,871)**	(2,889)	2,982	103.2
Loss After Taxation ("LAT")	**(8,118)**	(6,042)	2,076	34.4
Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	**41,258**	40,325	933	2.3
Total Assets	**512,682**	539,636	(26,954)	(5.0)
Shareholders' Equity	**109,380**	120,152	(10,772)	(9.0)
No. of Shares in issue ('000)	**120,047**	120,047	–	–
Total Borrowings & Lease Liabilities	**231,875**	209,873	22,002	10.5
GP Margin (%)	**9.22**	8.38		
LBT Margin (%)	**(0.91)**	(0.38)		
LAT Margin (%)	**(1.26)**	(0.79)		
EBITDA Margin (%)	**6.40**	5.27		
Loss Per Share (Sen)	**(6.76)**	(5.03)		
Net Assets Per Share (RM)	**0.91**	1.00		
Debt/Equity Ratio (Times)	**2.12**	1.75		

The revenue of the Group decreased by 15.9% to RM644.4 million in FYE 2023 as compared to RM765.8 million reported in FYE 2022. The lower revenue was affected by reduction in sales volume in Vietnam and Malaysia as well as lower average selling price following the stabilisation of global supplies of the prime raw material, paper rolls.

The Group registered a lower GP in FYE 2023 at RM59.4 million as compared to RM64.1 million in FYE 2022. The decrease in GP was primarily driven by lower sales volume and lower average selling price.

With the lower revenue and GP, the Group reported a higher LBT of RM5.9 million in FYE 2023 as compared to a LBT of RM2.9 million in FYE 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE (continued)

Malaysian entities

Contributions from entities in Malaysia are as follows:

	FYE 2023 RM'000	FYE 2022 RM'000	(Decrease)/Increase RM'000	%
Revenue	**174,679**	181,087	(6,408)	(3.5)
LBT	**(451)**	(7,997)	(7,546)	(94.4)

The manufacturing facilities in Malaysia are located in Batu Caves, Selangor and Senai, Johor.

The Malaysian entities recorded lower revenue in FYE 2023 at RM174.7 million as compared to FYE 2022 at RM181.1 million due to lower sales volume and average selling price, which was adjusted to be in line with the declining price of the raw material, paper rolls.

A lower LBT of RM0.5 million was recorded in FYE 2023 as compared to RM8.0 million in FYE 2022. The improvement was due to improvements in GP margin and operating efficiencies and lower general and administration expenses. The loss in FYE 2022 was due to inventories written off and impairment loss on receivables of RM6.0 million and RM1.0 million respectively.

Vietnam entities

Contributions from entities in Vietnam are as follows:

	FYE 2023 RM'000	FYE 2022 RM'000	(Decrease)/Increase RM'000	%
Revenue	**423,766**	540,672	(116,906)	(21.6)
Profit before taxation ("PBT")	**778**	10,337	(9,559)	(92.5)

The manufacturing facilities in Vietnam are located in Ho Chi Minh City and Hanoi City.

The Vietnam entities recorded lower revenue in FYE 2023 at RM423.8 million as compared to FYE 2022 at RM540.7 million due to lower sales volume which was weighed down by the weak global demand that has been affecting Vietnamese businesses and lower average selling price. The Vietnam economy has been struggling broadly with lower demand in its key export markets that in turn weighed on its manufacturing industry.

Consequently, the Vietnam entities recorded a lower PBT of RM0.8 million in FYE 2023 as compared to a PBT of RM10.3 million in FYE 2022.

FINANCIAL PERFORMANCE (continued)

Myanmar entity

Contribution from entity in Myanmar is as follows:

	FYE 2023 RM'000	FYE 2022 RM'000	Increase/(Decrease) RM'000	%
Revenue	**45,975**	44,047	1,928	4.4
LBT	**(5,671)**	(6,747)	(1,076)	(15.9)

In its fifth year of commercial operations, the Myanmar entity continued to expand its market penetration and registered a 4.4% increase in revenue from RM44.0 million in FYE 2022 to RM46.0 million in FYE 2023. The improvement in the results was attributed to the improved average selling price in FYE 2023.

With the increase in sales revenue and GP, the entity recorded a lower LBT of RM5.7 million in FYE 2023 as compared to a LBT of RM6.7 million in FYE 2022.

STRATEGIC ANALYSIS

Overall market analysis and outlook

Corrugated cartons are used in a wide variety of industries worldwide as primary and secondary packaging materials. The market demand for the Group's products is dependent on the economic situation in Malaysia, Vietnam and Myanmar.

The product specifications may differ from country to country, from industry to industry and from customer to customer. The Group's objective is to supply carton boxes which our customers want at a price acceptable to them.

In Malaysia, the corrugated carton industry is a matured industry with numerous players. The Malaysian Corrugated Carton Manufacturer's Association which is the trade association representing the industry, has more than 50 members and associate members.

Apart from a handful of integrated corrugated carton manufacturers who also manufacture paper rolls, there are also a handful of corrugated carton manufacturers with size and capacity comparable to the Group's operations in Malaysia, Vietnam or Myanmar. There are also downstream players who are pure converters where they source paper boards from corrugators and supply carton boxes to their customers.

In Malaysia, the Group focuses its sales effort on fast-moving consumer products where high quality carton boxes are consistent in demand. The Group also sells its products to food and beverages, furniture, edible oil and other industries.

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC ANALYSIS (continued)

Overall market analysis and outlook (continued)

In Vietnam, the carton box industry is a matured industry with a high number of players. Apart from manufacturers of similar size, the Group's operations in Vietnam are also competing with large integrated carton box manufacturers as well as smaller converters. The Group in Vietnam focuses its attention on fast-moving consumer products and those in the electronic & electrical, furniture and footwear industries and the quality standards expected are significantly higher.

In Myanmar, there are more than 10 carton box manufacturers. Demand for corrugated cartons is expected to increase when its economy reaps benefits from foreign direct investment into the country. Currently, the entity in Myanmar focuses its attention on fast-moving consumer products such as food and beverages and footwear industries which have a high demand for our products and the quality standards expected are significantly higher.

Due to the presence of a high number of manufacturers in Malaysia, Vietnam and Myanmar, competitions in these markets are intense and the profit margin is expected to be thin but reasonable.

Customer concentration

The revenue stream of the Group is quite diversified. In FYE 2023, none of the customers contributed more than 10% of the Group's revenue. However, a significant portion of the Group's revenue is concentrated in the food and beverage industry.

The Group also manufactures carton boxes for edible oil industry, electronic & electrical industry, footwear and furniture industry. The Group also sells paper board to converters. The Group will continue to develop new customers and new market segments in order to diversify and expand its customer base.

Credit risks

It is the industry norm to sell carton boxes to customers on credit. The Group typically grants credit terms of between 14 to 120 days, subject to a credit limit set upon evaluation of the creditworthiness of each customer.

Credit terms and limits are evaluated annually and ageing reports are reviewed monthly to identify slow-paying customers so that appropriate action can be taken to recover debts in a timely manner.

Where appropriate, some of the trade receivables in Malaysia are covered by trade insurance policy to reduce the exposure to bad and doubtful debts. Some of these trade receivables are discounted and sold to a financial institution to improve the cash flows of the Group.

A summary of debtors ageing together with a list of long outstanding customers are presented to the Audit and Risk Management Committee ("ARMC") for review on a quarterly basis.

On a regular basis, evaluations will be carried out to write-off bad debts, if any, and to provide for impairment for debts exceeding credit period, as appropriate. Please refer to Note 12 of the financial statements for receivables ageing analysis.

Direct materials

Paper rolls are the main material used in the production of carton boxes.

In Malaysia, there are only a handful of reliable local paper suppliers from whom the Group purchases its paper rolls. The Group also imports certain types of paper rolls subject to 0% to 10% import duty. In addition, the importation of paper rolls may expose the Group to foreign currency exchange risk.

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC ANALYSIS (continued)

Direct materials (continued)

Similarly in Vietnam, the Group works with a handful of reliable local suppliers whom the Group sourced for its paper requirements. Some other paper rolls can be imported, subject to an import duty of between 0% to 20%.

Major suppliers of paper rolls in Malaysia and Vietnam are also producers of corrugated carton and hence, have a competitive advantage over the Group in the market place.

In Myanmar, the Group, besides importing paper rolls at zero import duty, was also able to procure domestic supplies of paper rolls to cater for production.

Cost of direct materials

The main cost component of corrugated carton is paper rolls.

Although majority of paper rolls are sourced locally by the Malaysian and Vietnam entities, the cost of paper rolls mirrors those of international market as it is influenced by the market price of paper pulps and old corrugated cardboard ("OCC") price in the international market. Fluctuations in foreign currency exchange rate also have an impact on the price of paper rolls.

Supply of paper rolls in Malaysia and Vietnam is also dependent on the availability of capacity by local paper mills, some of which are controlled by the integrated paper mills.

Overhead costs

Apart from direct materials, the Group incurred transportation, utilities, upkeep and other consumables costs (such as inks and glue) in the production of corrugated cartons.

Production and inventory management

Due to the limitation on the supply of paper rolls, the Group kept a reasonable quantity of paper rolls in the factory to ensure a smooth production process.

Carton boxes are manufactured to order and specific to the customers, once produced. Excess quantities produced will be scrapped if there are no repeat orders from customers for the same item as cartons produced have a limited shelf life. However, to ensure efficiency in production, certain minimum production quantity needs to be achieved.

Hence, careful production planning is essential to ensure that excess quantities are minimised whilst production efficiencies are maintained.

On a regular basis, evaluations will be carried out to write off obsolete inventories and to provide for impairment for slow-moving inventory in accordance with the Group's policy.

Human capital

The manufacturing of corrugated cartons is considered a labour-intensive industry. The Group employs a diversified workforce with various backgrounds, knowledge, skills and experience. The Group offers a reasonable remuneration package, tasked with attracting talents to join the Group and retaining the existing pool of experienced employees.

In Malaysia, the direct labour cost is affected by the minimum wage rate fixed by the Malaysian Government. The current minimum wage per month which was fixed in 2022 is RM1,500.

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC ANALYSIS (continued)

Human capital (continued)

As the Malaysian entities rely on foreign workers from Nepal, Vietnam and Bangladesh to provide the labour required at the manufacturing facilities, additional expenses were incurred in ensuring compliance with Employee' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulation 2020 as introduced by Jabatan Tenaga Kerja.

In Vietnam, the Government of Vietnam has in force an annual minimum wage increase. In Ho Chi Minh City, the minimum wage per month was Vietnamese Dong ("VND") 4.68 million whereas in Hanoi City, it was VND4.16 million. The last revision was made in June 2022. In the year 2023, the Government of Vietnam withheld the minimum wage increase to cushion the impact on businesses and the economic conditions brought on by the pandemic.

In Myanmar, the minimum wage fixed by the Myanmar Government has increased by 21% from Myanmar Kyat ("MMK") 4,800 per day to MMK5,800 per day effective from 1 October 2023.

Apart from wages, training programs are held from time to time to develop and enhance the workers' skills in all plants. Emphasis is placed on our workers' awareness of occupational safety and health to promote a safe workplace.

Risk associated with the loss of key personnel are reviewed regularly and succession plans are managed for key roles.

Manufacturing facilities

Production facilities, plants, machinery and equipment are essential parts of the business. They are subject to technological obsolescence and wear and tear. Hence, regular upgrades and maintenance are required to ensure that the assets can operate at the optimum level and reduce wastage. Inevitably, as the machinery and equipment age, it will be more costly to upkeep them.

In Malaysia, some of the key machinery used in the operations are more than 25 years old. Apart from capacity limitation, the availability of replacement parts and the cost of repair and maintenance are the key challenges the Management needs to manage.

Plant and machinery are subject to continuous expansion, upgrades and improvements to cater for customers' demands.

All manufacturing facilities, plant and machinery are adequately insured to protect the Group's interest in the event of any mishaps.

Liquidity and capital management

The Group maintains a healthy level of cash and cash equivalents and committed credit facilities from financial institutions to fund the Group's short-term and long-term commitments. The Group also manages the repayment profile of the borrowings to reflect the ability to generate cash from its operations.

The Group's borrowings are principally denominated in the functional currency of the respective companies in the Group to match the currency of the repayment source. The Group's borrowings are subject to periodic review to ensure they are priced at competitive rates.

Excess funds, if any, are placed in interest-earning assets.

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC ANALYSIS (continued)

Liquidity and capital management (continued)

As at 31 December, the net debts and total equity of the Group are as follows:

	2023 RM'000	2022 RM'000
Loans and borrowings	**225,649**	199,514
Lease liabilities	**6,226**	10,359
Less: Cash and bank balances	**(75,855)**	(42,363)
Net debt	**156,020**	167,510
Total equity	**109,380**	120,152
Net debt-to-equity ratio	**1.43**	1.39

Loans and borrowings of the Group increased by 13.1% in FYE 2023 due to increased trade borrowings to finance increased inventory holding to cater for upcoming sales demand in the next financial year.

Borrowings incurred by the Group exposed the Group to interest rate risk as they are priced based on a mixture of fixed and floating market interest rates.

Foreign currency exposures

The Group's operating performance and cash flows are not expected to be severely impacted by fluctuations in foreign currency exchange rate as the majority of sales and purchases are denominated in the functional currencies in the respective countries, although purchases of machinery and equipment and certain paper rolls are denominated in United States Dollar ("USD").

However, due to the difference in functional currencies between the Malaysian entities and its foreign subsidiaries, the net assets value in Vietnam, Singapore and Myanmar are subject to foreign currency translation risk. These translation differences were accounted for in the "foreign currency translation reserve".

As at 31 December 2023, there is a credit balance of RM15.5 million in the foreign currency translation reserve account.

Environmental, Social and Governance ("ESG") rules

Regulators are strengthening ESG-related rules. The transition to a low-carbon economy is emerging as a crucial conversation and a license to operate. The Group has an ESG roadmap, and has engaged customers, vendors and financial institutions in our effort to understand the decarbonisation requirements. This is addressed and reported in our Sustainability Report on pages 20 to 56 of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER MATTERS

Taxation

The statutory tax rate in Malaysia, Vietnam and Myanmar is 24%, 20% and 22% respectively.

No consideration has been given to the prior year's tax losses incurred by the loss-making entities in Malaysia, Vietnam and Myanmar. The use of unutilised tax losses in these entities is subject to agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which these entities operate.

Retirement benefit

The Group operates an unfunded defined contribution retirement benefit program for its eligible employees. Actuarial valuation is carried out once in 3 years by an independent actuary to determine the cost of service to be accounted for. The last actuarial valuation was carried out in the FYE 2023.

Related parties transactions

The Group entered into related party transactions to:

a. rent factory premises owned by a related company;
b. borrow funds from and pay interest thereon to the immediate holding company and related companies; and
c. sell products to its related parties in accordance with the mandate given by the shareholders in the Annual General Meeting held on 27 June 2023.

The related party transactions are subject to review regularly to ensure that they were entered into in the ordinary course of business on terms that the Directors considered comparable to transactions entered with third parties.

Dividend

No dividend was declared or proposed by the Directors for FYE 2023.

Political upheaval in Myanmar

The political upheaval in Myanmar which began in February 2021 has resulted in the state of emergency declared which disrupted the business environment initially. At this juncture, the Group has decided that it will continue to operate in Myanmar and adapt to any new requirements that may be imposed by the military government.

The Group will continue to assess the operational and financial impact of the political instability since ongoing developments remain uncertain and cannot be reasonably predicted. Nonetheless, the Group continues to monitor the development in Myanmar and be responsive to any changes in order to deliver sustainable and satisfactory results for the Group.

PROFILE OF DIRECTORS
AS AT 15 APRIL 2024

DATUK DR. ROSLAN BIN A. GHAFFAR
Chairman/Independent Non-Executive Director, Malaysian, Male, Aged 71

Datuk Dr. Roslan Bin A. Ghaffar was appointed to the Board of the Company on 27 May 2015.

He holds a Bachelor of Science degree from Louisiana State University, Baton Rouge, United States of America ("USA"), and obtained his Ph.D. at the University of Kentucky, Lexington, USA.

He has over 30 years of experience in the areas of economics, finance and investment. From 1985 to 2001, he was the Head of Economics Department of Universiti Putra Malaysia ("UPM"). In the 1992-1993 academic years, he was with the University of Kentucky, Lexington as visiting Professor. On various occasions while at the UPM, he served as consultant to various international and national organisations which included the World Bank, Asian Development Bank, Winrock International and the Economic Planning Unit of the Prime Minister's Department.

In 1994, he was appointed as Director of Investment and Economic Research of the Malaysian Employees Provident Fund ("Fund"). He was promoted to the position of Senior Director in 1996 and later held the position of Deputy Chief Executive Officer of the Fund until his retirement in 2007. During his 13-year tenure with the Fund, he was instrumental in the formulation and implementation of investment strategies to meet the Fund's investment objectives.

He is the Chairman of Mieco Chipboard Berhad and an Independent Non-Executive Director of Leader Steel Holdings Berhad, which are listed on Bursa Malaysia Securities Berhad ("Bursa Securities"). He is also a director of Sentral REIT Management Sdn. Bhd., the Manager of public listed Sentral REIT.

He does not have any family relationship with any Director and/or major shareholder of the Company.

YEOH JIN HOE
Group Managing Director, Malaysian, Male, Aged 77

Yeoh Jin Hoe was appointed to the Board of the Company on 31 July 2012 as Executive Director and assumed the position of Group Managing Director on 8 June 2015. He is responsible for the development of the corporate goals and objectives of the Group and the setting of strategies to achieve them. He is the Chairman of the Sustainability Committee and a member of the Remuneration Committee.

He has extensive experience in the manufacturing and trading industries. He founded several companies which are involved in the manufacturing sector. These companies manufacture and sell branded mattresses and other sleep related products; food products such as instant noodles and food seasonings; and distribution of sanitary wares, ironmongery and builders' hardware.

He is also the Group Managing Director of immediate holding company, Kian Joo Can Factory Berhad ("Kian Joo"). Prior to this, he was the Managing Director of Can-One Berhad ("Can-One"), a company which is listed on Bursa Securities and the penultimate holding company of Kian Joo. Under his previous leadership and guidance, Can-One group of companies expanded its core business to several other businesses. He was instrumental in the acquisition by Can-One of its significant interest in Kian Joo. Currently, he remains as a Non-Independent Non-Executive Director on the Board of Can-One.

He is an Executive Director of Alcom Group Berhad ("AGB"), a company listed on the Bursa Securities and AGB's wholly-owned subsidiary company, Aluminium Company of Malaysia Berhad. He is also a Trustee of Yayasan Canone Kianjoo.

He is a major shareholder of the Company. He is the father of Keith Christopher Yeoh Min Kit, Executive Director of the Company.

PROFILE OF DIRECTORS
AS AT 15 APRIL 2024

KEITH CHRISTOPHER YEOH MIN KIT
Executive Director, Malaysian, Male, Aged 38

Keith Christopher Yeoh Min Kit was appointed to the Board of the Company on 19 April 2016 as Non-Independent Non-Executive Director and was re-designated to Executive Director of the Company on 22 February 2024. He is a member of the Sustainability Committee.

He holds a Bachelor of Laws (Honours) from Oxford Brookes University, Oxford, England. He was called to the Honourable Society of Middle Temple, United Kingdom ("UK") in 2009. He joined Messrs. Shook Lin & Bok in 2010 and upon completion of pupillage in 2011, he was called to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya in 2011. Thereafter, he commenced his legal practice in Messrs. Mah-Kamariyah & Philip Koh in the Litigation and Alternative Dispute Resolution Department where he assisted in areas ranging from corporate and commercial dispute, injunctions to arbitration proceedings, and in a number of corporate exercises.

He is an Executive Director of the immediate holding company, Kian Joo. He also holds directorship in Aluminium Company of Malaysia Berhad, a wholly-owned subsidiary company of AGB.

He is the son of Yeoh Jin Hoe, the Group Managing Director and major shareholder of the Company.

TAN KIM SENG
Senior Independent Non-Executive Director, Malaysian, Male, Aged 71

Tan Kim Seng was appointed to the Board of the Company on 15 June 1991 as Executive Director and was re-designated to Non-Independent Non-Executive Director of the Company on 19 April 2016. He was re-designated as Independent Non-Executive Director of the Company on 28 December 2018 and as Senior Independent Non-Executive Director of the Company on 23 November 2022. He is also the Chairman of the Nomination Committee and a member of the Audit and Risk Management Committee, Remuneration Committee and Sustainability Committee.

He has over 38 years of experience in the carton manufacturing industry. He started his career with the Company in 1977 as a Sales Executive and was promoted to General Manager of the Company in 1983, a position he held until his retirement in April 2016.

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no directorship in other public companies and listed issuers.

PROFILE OF DIRECTORS
AS AT 15 APRIL 2024

TUAN NGAH @ SYED AHMAD BIN TUAN BARU

Independent Non-Executive Director, Malaysian, Male, Aged 72

Tuan Ngah @ Syed Ahmad Bin Tuan Baru was appointed to the Board of the Company on 19 May 2015. He is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee.

He holds a Bachelor of Science degree in Chemistry from University of Malaya, Masters in Science-Analytical Chemistry from Loughborough University, UK and Masters in Business Administration from Manchester Business School, UK.

His experience is extensive and diversed covering broadly, strategy, operations, marketing, finance and risk management. Previously, he was the Chief Executive Officer ("CEO") of Malaysia Steel Association. Prior to this, he was the CEO in charge of the Sugar Division of Tradewinds (M) Bhd. and also the Managing Director of Central Sugars Refinery Sdn. Bhd. and Gula Padang Terap Sdn. Bhd. from 2006 to 2014. He also served as Chief Operating Officer of Perwaja Steel Sdn. Bhd. from 1996 to 2006.

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no directorship in other public companies and listed issuers.

FOO KEE FATT

Independent Non-Executive Director, Malaysian, Male, Aged 58

Foo Kee Fatt was appointed to the Board of the Company on 28 June 2022. He is also the Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee.

He is a Member of the Malaysian Institute of Certified Public Accountants and Malaysia Institute of Accountants. He is also an associate member of Chartered Tax Institute of Malaysia and an approved company auditor under the Companies Act, 2016. He has about 36 years of experience in public accountancy practice.

He began his career in 1987 when he joined and served his articleship with Messrs. Kassim Chan & Co. (now known as Messrs. Deloitte). In 1993, he joined Messrs. Peter Chong & Co., a local accounting firm with international affiliation, as a Senior Associate where he worked his way up to become a Partner at the firm within the span of 13 years. In 2007, he established Messrs. KFF, an audit firm, and currently, he is in public practice.

He is an Independent Non-Executive Director of MMS Ventures Berhad and Can-One (penultimate holding company of Box-Pak (Malaysia) Bhd.), which are listed on Bursa Securities.

He does not have any family relationship with any Director and/or major shareholder of the Company.

PROFILE OF DIRECTORS
AS AT 15 APRIL 2024

SHARIFAH NADIA ALJAFRI
Independent Non-Executive Director, Malaysian, Female, Aged 40

Sharifah Nadia Aljafri was appointed to the Board of the Company as Independent Non-Executive Director on 20 December 2021. She is also a member of the Nomination Committee.

She holds a Law degree from Oxford Brookes University, Oxford, England.

She has extensive experience in dispute resolution where she had been involved in corporate and commercial disputes for more than 15 years. She is presently a partner of Messrs. Low Aljafri & Associates. Her portfolio includes Civil and Commercial Litigation, Cross-Border Claims, Shareholders' and Oppression Claims, Arbitration and Construction Industry Payment and Adjudication Act 2012 Claims, Construction and Engineering disputes, Professional Consultants and Consultancy Disputes, Professional Negligence Claims, Employment related disputes, and Professional Indemnity Insurance Claims and Disputes. She is also a registered Trademark Agent in Malaysia.

She does not have any family relationship with any Director and/or major shareholder of the Company. She has no directorship in other public companies and listed issuers.

Additional information:

1. *None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.*
2. *None of the Directors has been convicted of any offence within the past 5 years or was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.*
3. *Details of the Directors' attendance at Board meetings are set out in page 67 of this Annual Report.*

PROFILE OF KEY SENIOR MANAGEMENT
AS AT 15 APRIL 2024

CHAN KAM CHIEW
Group Finance Director, Malaysian, Male, Aged 59

Chan Kam Chiew is a member of the Malaysian Institute of Accountants ("MIA"), Malaysian Institute of Certified Public Accountants ("MICPA") and Institute of Corporate Directors Malaysia. He joined KPMG in Kuala Lumpur in 1984. He was a Partner in the Assurance Services of KPMG Malaysia from 1998 until his retirement in December 2020. He had also served in KPMG San Francisco office from 1991 to 1993.

He has over 36 years of experience in providing audit and business advisory services to a wide range of public listed companies and multinational corporations in various industries including those in automotive, real estate investments trust, property development and construction, oil and gas, electronics and information technology, freight and shipping, industrial manufacturing, food and beverages, retail and consumer and banking and financial services.

In addition to statutory audits, he had led and been involved in assignments in relation to the International Financial Reporting Standards reviews, initial public offerings and reverse takeovers, mergers and acquisitions (including cross borders), financial due diligence reviews, provision of financial advisory services and review of policies and procedures.

He had served on the Board of Malaysian Accounting Standards Board ("MASB") for 2 terms from 2012 to 2018. He had also served as a member as well as chaired a few working groups of MASB and was an examiner for the Regulatory and Financial Reporting Framework examination for the MICPA. In March 2023, he was appointed as a member of the Malaysian Financial Reporting Standards Application and Implementation Committee of the MASB.

He joined Can-One Berhad ("Can-One") group of companies on 1 June 2021 in the capacity of Group Finance Director. He is an Independent Non-Executive Director of Kerjaya Prospek Group Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He is also an Independent Non-Executive Director of LGMS Berhad and Panda Eco System Berhad, both of which are listed on the ACE Market of Bursa Securities.

He does not have any family relationship with any Director and/or major shareholder of the Company.

BERNADETTE CHIN CHEEN CHOO
Director - Group Executive Management Office, Malaysian, Female, Aged 58

Bernadette Chin Cheen Choo is a qualified accountant and is a Fellow of the Association of Chartered Certified Accountants. She gained her exposure working in international accounting firms for more than 20 years before joining a commercial firm in 2007. She joined Box-Pak (Malaysia) Bhd. and its subsidiaries ("the Group") in 2015 as Head of Internal Audit and was transferred to the Executive Office as Executive Assistant in 2016 and promoted to her current role on 21 September 2017.

She does not have any family relationship with any Director and/or major shareholder of the Company. She has no directorship in public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT

AS AT 15 APRIL 2024

LYDIA TONG YIU SHYIAN-SHYIAN

Joint Company Secretary, Malaysian, Female, Aged 37

Lydia Tong Yiu Shyian-Shyian holds a LLM in Professional Legal Practice from City Law School, London, United Kingdom (“UK”) (2010), and a LLB (Honours) degree from University of Reading, (UK) (2008). She was called to The Honourable Society of Lincoln’s Inn, UK in 2009 and the Malaysian Bar in 2010 and is a member of Bar Council. She was a partner in a law firm from September 2015 to December 2022 in General Litigation and Conveying Practice.

From October 2014 to August 2015, she served as Legal, Risk & Compliance Officer at ZICO Allshores Trust (S) Pte. Ltd. (Singapore). She was appointed as Joint Company Secretary on 1 February 2023.

She does not have any family relationship with any Director and/or major shareholder of the Company. She has no directorship in public companies and listed issuers.

CHAN HUAN CHEONG

Group Senior General Director - Vietnam, Malaysian, Male, Aged 81

Chan Huan Cheong graduated from Han Chiang High School and started his career in 1963, when he started to work in the corrugated carton industry. He gained his technical knowledge in Japan and Europe through his various engagements with the carton manufacturers. He joined the Group’s operations in Vietnam in 2004 and was promoted to his current position on 28 May 2014.

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no directorship in public companies and listed issuers.

TAN BENG WAH

Chief Operating Officer - Malaysia, Malaysian, Male, Aged 55

Tan Beng Wah holds a Bachelor of Accounting Degree and a Master in Business Administration from University Utara Malaysia. He is also a member of the MIA.

He joined KPMG Peat Marwick, Penang as audit assistant in 1994. From 1995 to 1997, he served as the Finance Manager in a subsidiary of a listed company, Sin Kean Boon Group Berhad. In 1998, he joined Aik Joo Can Factory Sdn. Berhad as the General Manager of the Finance and Administration units. He was appointed to the Board of Can-One as Executive Director on 16 July 2012. He was responsible for the financial and administration affairs of the Group. He joined F & B Nutrition Sdn. Bhd. as Chief Executive Officer from 2019 to 2023. His experience covers operation, finance, human resource, administration and marketing.

He joined the Group on 1 April 2023 as Chief Operating Officer for the Group’s operations in Malaysia.

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no directorship in public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT

AS AT 15 APRIL 2024

GAN JOE YEE

General Manager - Vietnam, Malaysian, Male, Aged 51

Gan Joe Yee holds a Bachelor Degree in Commerce (Honours) from Lincoln University, New Zealand. He has 28 years working experience in various industries. He joined the Group on 19 July 2019 in the capacity of a General Manager.

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no directorship in public companies and listed issuers.

MA MY PHUONG

General Director - Vietnam, Vietnamese, Female, Aged 52

Ma My Phuong graduated from high school and has 32 years of working experience in the corrugated carton industry having started her career in 1992. She joined the Group's operations in Vietnam in 2004 as a Marketing Manager and was promoted as Deputy General Director on 1 September 2016 and promoted to current role on 1 January 2023.

She does not have any family relationship with any Director and/or major shareholder of the Company. She has no directorship in public companies and listed issuers.

LE THI PHUONG LAN

Deputy General Director - Vietnam, Vietnamese, Female, Aged 44

Le Thi Phuong Lan has 23 years of working experience in the corrugated carton industry. She holds a Master's Degree in Finance and Banking and Bachelor of Economics degree majoring in Accounting and Auditing. She joined the Group's operations in Vietnam in September 2005 as a Chief Accountant and was promoted as Deputy General Director on 1 September 2016.

She does not have any family relationship with any Director and/or major shareholder of the Company. She has no directorship in public companies and listed issuers.

CHEW HOCK SAN

General Manager - Myanmar, Malaysian, Male, Aged 58

Chew Hock San holds a Bachelor of Science with Education (Honours) degree majoring in Chemistry from Universiti Putra Malaysia. He worked in various capacities since he joined the Group as Operations Manager in 2001. He was promoted to his current role on 1 May 2018.

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no directorship in public companies and listed issuers.

Additional information:

1. *None of the Key Senior Management staff has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.*
2. *None of the Key Senior Management staff has been convicted for offences within the past 5 years or was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.*

SUSTAINABILITY REPORT

ABOUT THIS REPORT

This report provides detailed disclosures on Box-Pak (Malaysia) Bhd. ("the Company") and its subsidiaries ("the Group") sustainability commitments, initiatives, actions taken and performance for the financial year ended 31 December ("FYE") 2023.

It has been prepared with reference to the Global Reporting Initiative ("GRI") Universal Standards 2021 and in accordance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the third edition of the Bursa Securities Sustainability Reporting Guide.

This report should be read together with the Company's Annual Report 2023 ("AR 2023") for a more comprehensive view of the Group's financial and non-financial performance.

REPORTING SCOPE AND BOUNDARY

We report our sustainability initiatives and performance on an annual basis. The last Sustainability Report was published in April 2023.

Our last report covers the Group's principal operations in Malaysia and Vietnam only. This year, our report covers all our active operations in Malaysia, Vietnam and Myanmar namely:

- Box-Pak (Malaysia) Bhd.
- BP MPak Sdn. Bhd.
- Box-Pak (Vietnam) Co., Ltd.
- Box-Pak (Hanoi) Co., Ltd.
- Boxpak (Myanmar) Company Limited

REPORTING PRINCIPLES

In preparing this report, we have applied the Reporting Principles under Section 4 of GRI 1 Foundation 2021:

Accuracy: Reporting information that is correct and sufficiently detailed to allow for an assessment of the organisation's impacts

Balance: Reporting information in an unbiased way and provide a fair representation of the organisation's positive and negative impacts

Clarity: Presenting information that is accessible and understandable

Comparability: Selecting, compiling, and reporting information consistently to enable an analysis of changes in the organisation's impact over time and an analysis of these impacts relative to those of other companies

Completeness: Providing sufficient information to enable an assessment of the organisation's impacts during the reporting period

Sustainability Context: Reporting information about its impacts in the wider context of sustainable development

Timeliness: Reporting information on a regular schedule and making the information available in time for users to make decisions

Verifiability: Gathering, recording, compiling, and analysing information in such a way that the information can be examined to establish its quality

RESTATEMENTS

We have re-stated some comparative data to reflect availability of updated emission factors and inclusion of Myanmar operations for FYE 2022. Intensity data has been re-calculated to enable a more meaningful comparison. Restated data, along with its impact of restatement are indicated in the respective sections of this report.

STATEMENT OF ASSURANCE

The information and data are derived from our internal reporting systems and operations records. This Report has been reviewed by the Sustainability Committee and approved by the Board of Directors ("Board").

As an added measure to ensure the accuracy, objectivity and transparency of the information detailed in this report, a limited independent assurance on Greenhouse Gas ("GHG") Statement and Waste Data was conducted by Intertek Assuris and the report has been approved by the Board. Details on the scope of assurance work and observations are in their independent limited assurance statement at the end of this report.

FEEDBACK

We welcome and encourage our stakeholders to provide feedback pertaining to this report at sustainability@boxpak.com.my.

SUSTAINABILITY REPORT

MESSAGE FROM GROUP MANAGING DIRECTOR

Dear Stakeholders,

I am pleased to share with you our latest Sustainability Report, marking our 7th edition. This year, we have expanded the reporting boundary of our sustainability initiatives to include Myanmar to uphold our accountability across all our operations.

We have also updated our sustainability report to align with the latest Global Reporting Initiative (GRI) 2021 reporting standards and Bursa Enhanced Disclosure Requirements to ensure our disclosures meet the highest industry benchmarks.

To enhance the credibility of our sustainability performance metrics, we have engaged Intertek Assuris to validate our key reporting metrics to ensure accuracy and transparency in our sustainability disclosures.

In our last report, we highlighted 2 sustainability initiatives to address Greenhouse Gas ("GHG") emissions across our Group. We are pleased to report on the progress of these 2 initiatives. Our efforts in subscribing to the Green Electricity Tariff under our national utility company, Tenaga Nasional Berhad and our boiler systems at Vietnam plants transitioning from coal energy to biomass, have resulted in a reduction of GHG Scope 2 emissions intensity by 11% and Scope 1 emissions intensity by 69% (emission source from coal and biomass) at the plants in the respective country. We are committed to achieve 70% Scope 2 emissions intensity reduction by year 2030 with the aspiration to be net zero by year 2050.

In advancing our commitment towards responsible supply chain, we will be leveraging on the Supplier Ethical Data Exchange ("SEDEX") platform in FYE 2024 to improve our risk management processes and uphold our supply chain ethical standards.

We are proud to support the Malaysian government's initiative, National Dual Training Program or Skim Latihan Dual Nasional ("SLDN"), aimed at nurturing a skilled national workforce. Through our partnership with a local technical institute as part of their Academy in Industrial Program, our plants in Malaysia are contributing to the development of skilled professionals who will drive innovation and growth in the industry.

We wish to express our sincere gratitude for your support to our sustainability goals. Together, we are making a tangible impact on the environment, society, and economy, and I look forward to continuing our journey towards a more sustainable and responsible future.

Yeoh Jin Hoe
Group Managing Director

OUR APPROACH TO SUSTAINABILITY

Our approach to sustainability is underpinned by a robust governance structure where our Board together with the Sustainability Committee evaluate and approve the strategies and initiatives to instil a sustainability culture and practices throughout the Group.

GOVERNANCE STRUCTURE

Board of Directors	• Assumes overall responsibility for and oversight of the Group's sustainability agenda
Sustainability Committee **Sustainability Reporting Executive Committee**	• Members of the Board • Supports the Board's oversight of the Group's sustainability related topics • Evaluates and advise the Board on sustainability strategies, policies relating to sustainability practices and initiatives and priorities • Aligns sustainability strategy to long term business growth and goals • Receives updates and advise Board on sustainability matter half yearly
Sustainability Working Groups	• Comprise cross functional representatives from senior and middle management across our entities. • Day-to-day implementation of the strategies, policies, initiatives, and plans • Maintain data records, monitor and report on progress to Sustainability Reporting Executive Committee • Guide and support companies within the Group on sustainability related matters

SUSTAINABILITY REPORT

SUSTAINABILITY IN OUR BUSINESS PROCESSES

Planning and Development	Procurement	Manufacture	Sales and Delivery
• Research and development of sustainable packaging solutions • Co-develop products with customers	• Sourcing of sustainable raw materials • Working with ethically compliant suppliers	• Investment in energy-efficient machineries • Shift towards green energy • Mindful management of waste, water, air, energy and effluent	• Engaging with customers on their sustainability objectives • Efficient delivery and distribution
Expected Sustainabiity Outcomes			
• Fully recyclable packaging solutions • Products with lower carbon footprint • Increased availability of sustainable products solutions	• Accessibility to sustainable raw materials • Elevate suppliers' sustainability practices performance • Larger pool of ethically compliant suppliers	• Reduced material usage, energy usage and waste generation • GHG Scope 1 and 2 emissions reduction • Compliance with relevant laws and regulations on Scheduled Wastes and Industrial Effluent management	• Expansion of market base • GHG Scope 3 emission reduction from product distribution

STAKEHOLDERS ENGAGEMENT

Our stakeholder Groups are those that have an impact on our business or affected by the Group and our activities. We continuously engage with them to understand their evolving expectations and how our business practices impact them. These interactions help us to identify relevant material issues and provide insights into emerging opportunities and risks while responding to their needs more effectively.

The method and frequency in which we engage our stakeholders and their expectations are as follows:

STAKEHOLDER	METHOD OF ENGAGEMENT	FREQUENCY	EXPECTATIONS
Shareholders and Investors	• Annual General Meeting • Annual Report • Announcements on Bursa Securities	• Annually • Periodically • As and when required	• Business strategies and future plan • Group overall performance • Dividend payout • Good corporate governance • Mitigation and adaptation to climate change
Employees	• Town Hall Meetings • Performance appraisals • Training • 'Open door' feedback	• Annually • As and when required	• Workplace safety and health • Career development and upskilling opportunities • Fair remuneration practices with competitive benefits • Inclusive and non-discriminatory workplace • Work-life balance

STAKEHOLDERS ENGAGEMENT (continued)

STAKEHOLDER	METHOD OF ENGAGEMENT	FREQUENCY	EXPECTATIONS
Customers	• Customer Satisfaction Survey • Customers audit and site visits • Customer support channels • Face to face meetings	• Regularly • As and when required	• Product expectations in terms of quality, price, and delivery • Sustainable and innovative product • Ethical labour practices • Customer data privacy
Suppliers	• Supplier meetings • Site visits and audits • Suppliers' evaluations	• Regularly • Periodically • As and when required	• Competitive price and quality of product, services, and delivery • Transparency in procurement processes • Capacity building for suppliers
Government Agencies and Regulators	• Participation in government and regulatory events • Seminars, trainings, and dialogue • On-site inspections	• As and when required	• Compliance with relevant laws, by-laws and regulations • Corporate governance and compliances
Community	• Community events • Dialogue sessions • Corporate Social Responsibility events	• As and when required	• Providing employment opportunities • Contributing to community initiatives • Business has minimal environmental impact in terms of waste and emissions

MATERIALITY ASSESSMENT

Our current materiality assessment is based on a stakeholder survey conducted in Fourth Quarter of FYE 2020. We aim to carry out a comprehensive materiality assessment once every 3 years. A new stakeholder survey questionnaire was distributed at the end February 2024. The result of this survey will be reported in our next Sustainability Report.

MATERIALITY ASSESSMENT PROCESS

Our material assessment involves evaluating the significance of each sustainability issue based on its level of impact and influence on the Group. Incorporating input from our stakeholders, our materiality determination process aims to identify and prioritise key matters which then form the foundation of our sustainability efforts.

MATERIALITY ASSESSMENT PROCESS (continued)

1. IDENTIFICATION
- Determine industry trends and sustainability concerns of internal and external stakeholders
- Identify key stakeholders
- Shortlist potential sustainability topics

2. PRIORITISE
- Engage with internal and external stakeholders
- Rank and prioritise each material matter
- Disclose prioritised material matters in a manner to illustrate importance of the prioritised matter relative to one another

3. REVIEW & VALIDATE
- Subject the prioritised material matters for validation and approval by the Board
- Establish a review on robustness of current materiality assessment processes
- Determine frequency to undertake materiality assessment review to ensure continued relevance of prioritised matter

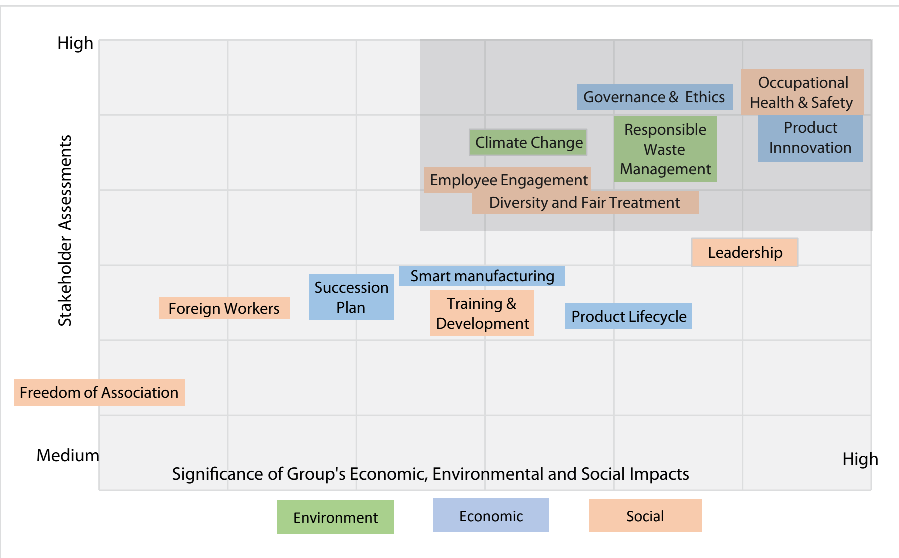
MATERIALITY MATRIX

For FYE 2023, a limited-scale materiality review was performed on our previous material topics for relevance.

We have repositioned Water Consumption materiality matter higher along both axes, illustrating increased stakeholders' interest in our management of water resources. Then, we consolidated Water Consumption along with Electricity Consumption and Energy Consumption & Emission under Climate Change to reflect increased stakeholders' interest in our management of water resources, environmental footprint, and carbon footprint strategy.

Our materiality matrix has been refreshed accordingly. For a detailed comparison with our previous materiality matrix, please refer to our FYE 2022 Sustainability Report.

Our updated materiality matrix has been reviewed by the Sustainability Committee and approved by the Board.



RISK MANAGEMENT

A formalised risk management process is in place to identify, evaluate, and manage significant risks including sustainability risks faced by the Group. The Audit and Risk Management Committee oversees the Group's risk management and sustainability processes. There is also a Risk Management and Sustainability Working Group at each entity to ensure all identified risks stay within our risk appetite.

Material Matters	Risk	Opportunities
Product Innovation	• Reputation and product excellence promise to customers • Poor financial performance threatens business continuity	• Customer retention and increased market share with product offerings • Sustainable financial performance attracts investors and delivers long-term value to stakeholders
Governance & Ethics	• Poor governance practices tarnish reputation, image, and trust	• Effective governance practices enhance reputation as a trustworthy Group
Responsible Waste Management	• Non-compliance with environmental regulations leads to reprimands, fines, penalties, and reputational loss	• Waste reduction and increased resource efficiency can lead to operational cost savings • Community support
Climate Change	• Non-compliance with climate-related regulations leads to fines and penalties • Poor water management leads to higher costs and potential scarcity of water resources	• Operate with low-carbon footprint open opportunities to tap into rising demand for low-carbon products and services • Efficient water management could reduce operational costs and promote water conservation behaviour
Occupational Health and Safety	• Accidents and injuries at the workplace lead to productivity loss, potential legal action, and reputational damage	• A good safety culture offers a conducive working environment and improves employees' well-being and productivity
Diversity and Fair Treatment	• Discriminatory employment practices damage the Group's reputation which may lead to the inability to retain or attract talents	• Inclusive, diverse, and empowering work culture attracts talents and brings diverse viewpoints that enhance the quality of decision-making
Employee Engagement	• Disengaged and underdeveloped employees contribute to lower productivity and performance	• Effective talent development and upskilling programs enable the Group to retain and attract talent which can lead to a high-performance culture

SUSTAINABILITY REPORT

SUSTAINABILITY FRAMEWORK

Our framework outlines our focus areas which are: Delivering Excellence, Responsible Supply Chain, Caring for the Environment and Empowering Our People. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. We have set targets to enable us to monitor our sustainability performance. By linking these targets to a performance scorecard, we can track our progress and ensure that we are making continuous improvements towards these targets.

Delivering Excellence

Create value for our stakeholders while upholding transparency and accountability

Responsible Supply Chain

Ensuring our supply chain meets ethical, social and environmental standards

Caring for the Environment

Reduce carbon footprint and minimise our operations environmental impact

Empowering Our People

Fostering an inclusive and diverse culture and promote employee wellbeing

Governance and Ethics

Product Innovation

Responsible Waste Management

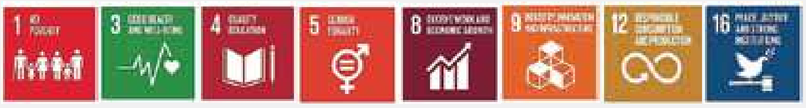
Climate Change

Occupational Health and Safety

Diversity and Fair Treatment

Employee Engagement

In alignment with the following United Nations Sustainable Development Goals adopted by the Group



PERFORMANCE SCORECARD

Our key targets and progress to-date.

Material Matters	Targets	Current progress against targets
Product Innovation	Zero product recall from packaging material defects	• No product recall cases were reported or received for the FYE 2023
Governance and Ethics	Zero bribery and corruption cases reported Procure from ethically compliant suppliers	• No corruption, bribery, or unethical business conduct cases for FYE 2023 • In FYE 2023, 79 suppliers underwent our self-assessment questionnaire on ethical business practices • No complaints received on human rights violations
Responsible Waste Management	Minimise waste generation Scheduled waste management compliant with regulatory framework	• Scheduled waste management at all our plants complied with the respective country's regulatory framework in FYE 2023 • No violations or summons received in FYE 2023 • 96% of waste is recyclable
Climate Change	Air emissions consistently meet Department of Environment guidelines Adoption of solar energy as a renewable source for greenfield sites. For Vietnam plants, the substitution of coal energy for a greener source Energy efficiency will be given high consideration for future machinery and equipment investment Net zero by year 2050	• All our plants' chimneys stack emission monitoring was within the limit set by the respective country's Environmental Quality Act • Vietnam plants completed the transition from coal to biomass energy in FYE 2023. Emissions (coal and biomass) at Ho Chi Minh City plant reduced by 82% and Hanoi 35%. Overall Vietnam plants emission intensity (coal and biomass) reduced by 69% • Malaysia plants' subscription to Green Electricity Tariff avoided 9% tCO_2e in FYE 2023
Occupational Health and Safety	Zero employees and contractor fatality	• No fatalities were recorded for employees and contractors in FYE 2023
Diversity & Fair Treatment	Increase female representation by 10% by 2025	• Female workforce: 26%. At management level: 49%
Employee Engagement	Increase staff retention rate by 3% by 2025 Improve staff satisfaction rate by 5% by 2025	• Staff turnover rate for FYE 2023: 5.24% • The last staff satisfaction survey (September 2021) scored 74%. The next survey will be carried out in the First Quarter of FYE 2024

SUSTAINABILITY REPORT

DELIVERING EXCELLENCE

PRODUCT INNOVATION

Why it matters

Innovation gives a competitive edge to meet customer needs and staying relevant while products meeting quality and safety standards are key to customer attraction and retention which is vital to sustainable financial performance.

Management approach

The ability of the Group to consistently provide products and services that meet customer and regulatory requirements is underpinned by the respective manufacturing plants' ISO 9001:2015 Quality Management System accreditation.

The use of the Material Safety Data Sheet ("MSDS") enables the Group to identify potential hazards of a chemical substance (health, combustion, reactivity, and the environment) before they are approved for use, assuring the products produced meet our safety and quality standards.

Policies and processes compliances are performed by the Internal Audit department while independent certification bodies are engaged periodically for ISO compliance and re-certification.

All our plants are Forest Stewardship Council ("FSC")-Chain of Custody accredited which enables the offering of papers sourced from responsibly managed forests to our customers.

Our Performance

- FSC papers used in production in Metric Ton ("MT")

FYE 2020	FYE 2021	RESTATED FYE 2022	FYE 2023
13,000	18,000	25,200	30,400

Note: Restated to include Myanmar operations. Data collection for Myanmar started from FYE 2022.

DELIVERING EXCELLENCE
RESPONSIBLE SUPPLY CHAIN

GOVERNANCE AND ETHICS

Why it matters

Operating a business with ethical, transparent, and responsible governance provides a foundation for a sustainable business operation and raises market reputation.

Management approach

To establish a culture of integrity and high ethical standards in our Group throughout our value chain, the following policies are in place:

- Anti-Corruption policy ("AC Policy")
- Whistle-blowing policy ("WB Policy")

  The Group's AC Policy is aligned with the Malaysian Anti-Corruption Commission (Amendment) Act 2018. AC Policy reiterates our commitment to conduct business within anti-corruption laws in the countries we operate in and to cause our organisation, directors, officers, and employees to comply accordingly.

  WB Policy and procedure provide a channel to further safeguard the Group against unethical behaviour. The channel enables any person to report any actual or suspected malpractices including unethical behaviour to the Group Managing Director with confidentiality and assurance of anonymity.

- Employees Code of Conduct ("ECoC")

  ECoC covers employees' work ethics, professional conduct, respect for human rights, and promoting a safe and healthy work environment. Refer to the Management approach under the Diversity and Fair Treatment section for more details.

- Suppliers Code of Conduct ("SCC")

  Our SCC developed with guidance from the 10 Principles of the United Nations Global Compact, requires commitment from vendors to be socially responsible and practice lawful and ethical labour practices without violation of international human rights. All new and existing suppliers are required to sign off on the SCC affirming their compliance while engaging in business with the Group.

All managerial and key employees are required to declare and sign off an Annual Statement of Compliance with Independence and Anti-Corruption Behaviour. In addition, General Managers and Heads of Departments are required to confirm that they are not aware of any fraud or bribery in their respective business units.

SUSTAINABILITY REPORT

DELIVERING EXCELLENCE
RESPONSIBLE SUPPLY CHAIN (continued)

GOVERNANCE AND ETHICS (continued)

Management approach (continued)

Our WB Policy allows employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. Our ECoC, AC Policy, and WB Policy are available on our corporate website and company intranet to ensure they are accessible to all stakeholders.

All new joiners undergo an induction program where they are required to familiarise themselves with the Group's ECoC, AC Policy, WB Policy, and other accompanying policies and procedures.

Our procurement team conducts field audits on our suppliers periodically to confirm their compliance with our SCC. Moving forward, to enhance our management of supply chain ethical risk further, we will subscribe to the SEDEX platform, an online system that can capture our suppliers' data on ethical and responsible practices and allow them to share their information with us.

The Internal Audit department performs oversight on policy compliances.

Our Performance

Whistle-blowing	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Number of whistle-blowing reports received	0	0	0	0
Percentage of employees who received training during the year	–	–	–	26%
Percentage of operations assessed for corruption related risks	0%	60%	60%	60%

Note: FYE 2023 is our first year to disclose % of employees who attended whistle-blowing training.

- In FYE 2023, 79 of our suppliers went through our self-assessment questionnaire on ethical business practices.
- Spending on local suppliers in FYE 2023: RM547 million (79% of total spending).

CARING FOR THE ENVIRONMENT

RESPONSIBLE WASTE MANAGEMENT

Why it matters

As a responsible Group, we are mindful of the waste that our business activities and operations generate, and that proper and responsible waste management is required to ensure the preservation and protection of the environment and the communities where we operate.

Management approach

Our Environmental Policy provides clear guidance to all employees on their actions and practices towards the environment. Governance procedures ensure our operations comply with all related environmental laws and regulations in the countries where we operate.

The Safety, Health, and Environment ("SHE") Committee at each plant monitors compliance and holds regular discussions with the plant management on issues relating to safety, health, and environment at the workplace. SHE officer at each plant ensures compliance with health, safety, and environmental regulations.

All our manufacturing plants are accredited with ISO 14001 Environmental Management System 2015.

Internal Auditors conduct compliance reviews periodically while independent certification bodies are engaged periodically to assess and re-certify ISO compliance.

Solid waste is largely paper scraps from production processes such as trimming, splicing, die-cut, and spoilage. The scraps are collected by appointed licensed collectors and are recycled and reused by paper manufacturing plants. These fully recyclable scraps are classified as waste diverted from disposal.

Other wastes are largely water-based waste ink, ink sludge, and waste glue. Ink sludge makes up more than 90%. These are classified as scheduled waste. These are collected and stored according to the respective country governing environmental rules and regulations before they are collected by appointed licensed waste management companies to undergo treatment and recovery process. Where recovery is not possible, they undergo proper disposal. We have been informed by our appointed wastes management companies in the respective country the following:

- Malaysia: Ink sludge is dried to recover pigments for recycling.
- Vietnam: Ink sludge is incinerated into cinder dust to form bricks.
- Myanmar: Ink sludge is sent to secured landfill.

Notwithstanding the above potential recovery, we have classified all other wastes as waste directed to disposal.

CARING FOR THE ENVIRONMENT (continued)

RESPONSIBLE WASTE MANAGEMENT (continued)

Management approach (continued)

Our plants use water for cleaning and cooling machinery. As the wastewater generated may contain certain metals, chemicals, and organic and inorganic compounds, the wastewater is channeled to their Wastewater Treatment Plant ("WWTP") for treatment.

Treated water is tested in our laboratory to ensure it complies with safety parameters defined by the respective environment quality regulations governing industrial effluent before they are allowed to be discharged. All our WWTPs operations comply strictly with the requirements under the respective country's environmental quality regulations.

All scheduled wastes are reported to the respective country's department of environment or its equivalent. In Malaysia, the reporting and monitoring of scheduled waste are done through the Department of Environment Electronic Scheduled Waste Information System or e-SWIS.

Our Performance

Waste diverted from disposal	FYE 2020	FYE 2021	RESTATED FYE 2022	FYE 2023
MT	36,800	34,100	37,300	34,800

These are non-hazardous and are fully recyclable.

Waste directed to disposal	FYE 2020	FYE 2021	RESTATED FYE 2022	FYE 2023
MT	1,500	1,500	1,700	1,500

Note: Restated to include Myanmar operations. Data collection for Myanmar started from FYE 2022.

Treated water discharged	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Megalitres	–	–	–	97

FYE 2023 is our first year to disclose treated wastewater released to local waterways.

Note: 84 Megalitres are from our Vietnam plants where treatment is carried out at a centralised wastewater treatment plant operated by the Industrial Park management where the respective plant is located.

CARING FOR THE ENVIRONMENT (continued)

CLIMATE CHANGE

Why it matters

We recognise it is our responsibility to minimise our environmental carbon footprint in business and operations and contribute to the preservation and protection of the environment while taking advantage of the opportunities that arise as the world transitions to a low-carbon economy.

Management approach

We aim to reduce our environmental carbon footprint and establish operational resilience to deliver long-term value to our business and stakeholders. Our Environmental Policy guides us to effectively manage and minimise the impacts arising from our operations.

As part of our efforts to mitigate climate change, we are committed to achieving 70% Scope 2 carbon emission intensity reduction by 2030 with an aspiration to be net zero by 2050. We have developed a Roadmap that complements our policy and guides us on the journey.

Air Quality

The nature of our industry does not have any significant air emissions.

Combustion from our boiler systems emits trace amounts of nitrogen dioxide (NO_2), carbon monoxide (CO), carbon dioxide (CO_2), sulfur dioxide (SO_2), and particulate matter.

All our plants conduct regular stack emission monitoring on their chimneys to ensure the emissions and particulate matter is well within the limit set by the Environmental Quality Act of the respective country where the Group operates.

Boiler systems are inspected daily to ensure the system is operating optimally. They also undergo periodic independent inspections as part of regulatory requirements to ensure the system meets safety standards.

Energy and Carbon Emissions

Electricity which is sourced from the power grid is used extensively in the manufacturing operations of converting raw paper into corrugated boards which then undergo various converting and printing processes, where required, to form a corrugated carton box.

The Boiler system provides steam and heating for the process of converting raw paper into corrugated boards. Boiler systems in our Malaysia plants are powered by natural gas while at our Myanmar plant, it is powered by Liquified Petroleum Gas (“LPG”).

Our boilers at our Vietnam plants have undergone full conversion to run on biomass (waste wood) instead of coal in 2022 and 2023.

As part of our drive to improve energy usage through efficient energy management, our Ho Chi Minh City plant obtained ISO 50001 Energy Management certification in 2023. We plan to have our remaining plants embark on the ISO 50001 journey in the next 2 years.

We aim to manage our energy needs responsibly. We are continuously looking at new technologies, upgrading our existing machinery, and adopting good management practices to improve our energy efficiency.

SUSTAINABILITY REPORT

CARING FOR THE ENVIRONMENT (continued)

CLIMATE CHANGE (continued)

Water Consumption

We are guided by our Environmental Policy in adopting a practical approach to water management to improve water efficiency and promote water conservation. Our water consumption primarily stems from our manufacturing activities such as steam for the boiler, glue making, machinery cooling and cleaning, and staff facilities.

According to Aqueduct Water Risk Atlas*, our plants in Malaysia are in the Low water stress risk area while Ho Chi Minh City is in Low-Med risk and Hanoi and Myanmar are in the Med-High water stress risk area.

We are committed to implementing water conservation initiatives and raising employees' awareness of proper water management at all our plants. These initiatives include:

- Recycle some of the water used for cleaning and cooling machinery to the glue kitchen to mix with starch to form glue for corrugated board production.
- Reduce water wastage through regular checks on toilets, canteen, and pantries.
- Raise awareness among employees through campaigns and reminders on water-saving habits at our plants.
- Consider rainwater harvesting systems when constructing new plants to reduce water dependency on municipal water.

Our Myanmar plant is relatively new and is equipped with a rainwater harvesting system.

** Source: Aqueduct Water Risk Atlas is a data platform under World Resources Institute, an environmental research organisation https://www.wri.org/applications/aqueduct/water-risk-atlas*

Our Performance

- Our Ho Chi Minh City plant Scope 1 GHG emission reduced by 82%^ following the plant's full conversion of its 2 coal-fired boilers in FYE 2023 to run on biomass (waste wood).
- Our Hanoi plant Scope 1 GHG emission reduced by 35%^ following a similar conversion on its coal-fired boiler system in October 2023. However, in terms of intensity it has increased by 26%^ due to lower efficiency as a result of lower sales volume.
- In FYE 2023, our Malaysia plants managed to subscribe 51 Megawatt ("Mwh") per month of green energy from Tenaga Nasional Berhad ("TNB") under its Green Electricity Tariff (GET) program. This avoided 479 ton of carbon dioxide equivalent ("tCO_2e") representing a 9% CO_2 reduction for Malaysia plants. Scope 2 GHG emission intensity for Malaysia plants reduced by 11%.
- We have initiated discussions at our holding company level with TNB Renewables Sdn. Bhd. on the supply of green energy to our Malaysia-based plants from their solar photo-voltaic farm under the Corporate Green Power Programme and Malaysia National Energy Transition Roadmap. If this initiative proceeds, the impact will likely be in FYE 2026/27.

^ From coal and biomass emission source

CARING FOR THE ENVIRONMENT (continued)

CLIMATE CHANGE (continued)

Electricity	FYE 2020	FYE 2021	RESTATED FYE 2022	FYE 2023
Consumption (Mwh)	22,500	21,500	24,100	21,700
Intensity (Mwh / RM'mil)	34.6	32.0	30.9	33.3

Note: Restated to include Myanmar operations. Data collection for Myanmar started from FYE 2022.

Natural Gas	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Consumption (MMBtu)	57,500	58,700	54,800	57,900
Intensity (MMBtu / RM'mil)	319.0	291.6	291.1	327.2

- Intensity increase in FYE 2023 is attributed to lower sales revenue from our Malaysia plants which impacted efficiency.

Energy	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Consumption gigajoule ("GJ")	259,800	254,300	292,000	304,700
Intensity (GJ / RM'mil)	400.22	378.78	374.01	468.67

Note: Energy consumption comprise electricity, natural gas, coal and biomass. Petrol, diesel and LPG were added for FYE 2023. These data were not collected in FYE 2022 and prior.

- Intensity increase in FYE 2023 is attributed to lower sales revenue at our plants in Malaysia and Vietnam.

Water	RESTATED FYE 2020	RESTATED FYE 2021	RESTATED FYE 2022	FYE 2023
Consumption (Megalitres)	206	201	223	183
Intensity (Megalitres / RM'mil)	0.32	0.30	0.29	0.28

Water bills for our Vietnam plants are from the Industrial Park management where our respective plant is located. The water bill includes volume of wastewater treated by their centralised wastewater treatment plant hence water consumption is restated to refer to only raw water consumed. For FYE 2022, it was also restated to include Myanmar operations where data collection for Myanmar started from FYE 2022.

Impact of the re-computation arising from the abovementioned restatement is as follow:

Water	RESTATED FYE 2020	RESTATED FYE 2021	RESTATED FYE 2022	FYE 2023
Consumption (Megalitres)	-18.2%	-16.3%	-8.7%	–
Intensity (Megalitres / RM'mil)	-17.9%	-16.7%	-12.1%	–

In FYE 2023, harvested rainwater made up 28% (9.2 Megalitres) of total water consumption at our Myanmar plant.

CARING FOR THE ENVIRONMENT (continued)

CLIMATE CHANGE (continued)

Our Performance (continued)

Scope 1 GHG Emissions	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Emissions (tCO_2e)	15,400	15,200	12,300	8,300
Intensity (tCO_2e / RM'mil)	44.5	42.1	33.7	43.7

Notes:
- o Scope 1: Emission sources are natural gas, biomass, and coal. For FYE 2023 we included petrol, diesel, LPG and refrigerant R410A. We did not collect these additional data in FYE 2022 and prior.
- o Emissions are calculated based on emission factors published by the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, GHG Protocol: Emission Factors from Cross-Sector Tools (April 2014) and GHG Protocol: Global Warming Potential Values (IPCC Fifth Assessment Report, 2014 (AR5).
- o Denominator used for intensity calculation: Revenue of respective entity with natural gas, biomass, coal, petrol, diesel, refrigerant R410A and LPG emission sources.

Scope 2 GHG Emissions (Market-based)	RESTATED FYE 2020	RESTATED FYE 2021	RESTATED FYE 2022	FYE 2023
Emissions (tCO_2e)	18,200	16,900	12,400	7,400
Intensity (tCO_2e / RM'mil)	28.1	25.2	15.9	11.3

Notes:
- o Scope 2: The emission source is purchased electricity from the national grid.
- o Emissions are calculated based on emission factors published by the Energy Commission for Peninsular Malaysia electricity grid 2021, the Department of Climate Change on research and develop emission factors for Vietnam's electricity grid 2020, and Myanmar Japan Thilawa Development Ltd for Thilawa Special Economic Zone electricity grid.
- o Restated to reflect the availability of updated emission factors for Malaysia for the FYE 2020 to FYE 2022 and inclusion of Myanmar operations for FYE 2022 where data collection for Myanmar started from FYE 2022.
- o Above emissions include international renewable energy certificate ("I-REC") purchased by Ho Chih Minh City plant amounting to 7,000mwh in FYE 2022 and 10,475mwh in FYE 2023 from Monsoon Carbon Pte Ltd.

Scope 2 GHG Emissions (Location-based)	RESTATED FYE 2020	RESTATED FYE 2021	RESTATED FYE 2022	FYE 2023
Emissions (tCO_2e)	18,200	16,900	18,100	16,300
Intensity (tCO_2e / RM'mil)	28.1	25.2	23.1	25.0

Impact of this re-computation arising from the abovementioned restatement is as follow::

Scope 2 GHG Emissions (Location-based)	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Emissions (tCO_2e)	+5.2%	+2.4%	+7.1%	–
Intensity (tCO_2e / RM'mil)	+5.2%	+2.4%	+0.9%	–

EMPOWERING OUR PEOPLE

OCCUPATIONAL HEALTH AND SAFETY

Why it matters

We pursue our commitment in protecting the health, safety, and welfare of our people. By ensuring a healthy, safe, and conducive workplace, we aim to prevent injuries and illnesses among those working within our premises, which ultimately leads to increased efficiency and output.

Management approach

The Group's Safety and Health Policy helps to guide the employees and contractors in ensuring that the safety and health precautions are observed whilst working at our plant premises.

SHE Committees in the respective plants oversee the safety and health of employees at the workplace. The committees with representation from various departments and seniority levels ensure a balanced and well-informed approach toward all safety and occupational health matters. It also allows employees to flag potential issues and escalate them to the committee's attention.

The committees are further supported by their safety officer who ensure the workplace is following safety and health laws and regulations.

Our plants in Batu Caves, Ho Chi Minh City, and Myanmar are ISO 45001: 2018 Occupational Health and Safety Management System accredited.

Personal Protection Equipment is provided to all employees in the production and warehouse areas and audiometric tests are conducted annually.

Our Performance

Work Related Injury by Case	FYE 2020	FYE 2021	RESTATED FYE 2022	FYE 2023
- Minor injury	65	41	38	42
- Major injury	12	6	3	13
- Fatality	–	–	–	–

Lost time injury (Days)	663	300	351	535

Work Related Ill-health by Case

No. of cases	–	–	–	–

Note: Restated to include Myanmar operations. Data collection for Myanmar started from FYE 2022.

SUSTAINABILITY REPORT

EMPOWERING OUR PEOPLE (continued)

OCCUPATIONAL HEALTH AND SAFETY (continued)

Our Performance (continued)

PERKESO health screening at Batu Caves plant

Fire drill at Ho Chi Minh City plant

Chemical Spillage training at Ho Chi Minh City plant

- Health and Safety courses attended by employees across operating entities.
  - Forklift and Clamp lift safety training
  - Fire and evacuation drill
  - First Aid, Cardiopulmonary resuscitation (CPR), and Automated external defibrillator (AED)
  - Hazardous chemical handling
  - Handling Scheduled Waste

- Total training hours invested on health and safety courses in FYE 2023: 24,791 hours involving 1,160 employees.

EMPOWERING OUR PEOPLE (continued)

DIVERSITY AND FAIR TREATMENT

Why it matters

Diversity and inclusivity at workplace give us a competitive edge through ability to tap into a wide range of knowledge, perspectives, and ideas. We strive to promote equal employment opportunities and non-discrimination, by actively encouraging diversity of gender, race, religion, age and nationality.

Management approach

We provide equal opportunities in recruitment and career progression and have zero tolerance for discrimination whether based on gender, ethnicity, nationality, cultural background, marital status, disabilities, or age. We are also committed to providing our employees with attractive remuneration and benefits packages, a supporting working environment, and rewarding career advancement opportunities.

Our ECoC contains policies and guidelines relating to the standards and ethics that all employees are expected to adhere to in the course of their work. ECoC covers ethical behaviour, a channel for grievances, and ethical labour practices including prohibiting the employment of underaged workers, harassment or bullying, discrimination, forced labour, working hours, fair wages, and freedom of association.

The Group engages agents to assist in the recruitment of migrant workers for the plants in Malaysia. Agents engaged are required to sign an agreement with us to confirm that the agent will not charge or claim any fee from the migrant worker arising from our employment. Our agreement also requires the agent to brief the terms and conditions of our employment to the potential migrant workers in their native language before they sign our employment contract. Retention of their personal documents is not allowed.

Employment of migrant workers in our Malaysia plants adhere to the Minimum Wages Order 2022, the Employment Act 1955, and The Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2020 (Act 446). Compliance audits are carried out periodically by our Internal Audit department to confirm adherence.

Our plants in Batu Caves and Ho Chi Minh City are members of SEDEX, a global membership organisation dedicated to driving improvements in ethical and responsible business practices.

Our Performance

- 2,278 employees in the Group (FYE 2020: 2,315 employees).
- 47% local employees in Malaysia, 98% local employees in Myanmar and 99% local employees in Vietnam plants.
- 26% of the workforce are female (FYE 2020: 25%). Female representation at the management level is 49%. (FYE 2020: 46%).
- 54% are millennial employees (FYE 2020: 62%).

EMPOWERING OUR PEOPLE (continued)

DIVERSITY AND FAIR TREATMENT (continued)

Our Performance (continued)

Employees by Age Group	FYE 2020	FYE 2021	RESTATED FYE 2022	FYE 2023
< 30 years				
Management	31	38	31	30
Non-Management	889	600	897	783
Total	**920**	**638**	**928**	**813**
30 – 50 years				
Management	77	72	89	90
Non-Management	1,229	1,167	1,246	1,219
Total	**1,306**	**1,239**	**1,335**	**1,309**
> 50 years				
Management	17	21	26	23
Non-Management	72	89	102	133
Total	**89**	**110**	**128**	**156**
Grand Total	**2,315**	**1,987**	**2,391**	**2,278**

Note: Restated to include Myanmar operations. Data collection for Myanmar started from FYE 2022.

Employees by Gender	FYE 2020	FYE 2021	RESTATED FYE 2022	FYE 2023
Male				
Management	68	71	75	73
Non-Management	1,660	1,375	1,672	1,619
Total	**1,728**	**1,446**	**1,747**	**1,692**
Female				
Management	57	60	71	70
Non-Management	530	481	573	516
Total	**587**	**541**	**644**	**586**
Grand Total	**2,315**	**1,987**	**2,391**	**2,278**

Note: Restated to include Myanmar operations. Data collection for Myanmar started from FYE 2022.

EMPOWERING OUR PEOPLE (continued)

EMPLOYEE ENGAGEMENT

Why it matters

Our employees are our most valuable assets and are the driving force for our success and growth. Building trust and listening to employees' opinions through ongoing interaction improves the working environment. Through ongoing education, training, and development opportunities, our employees may improve their abilities and provide better results.

Management approach

We continuously aim to establish a comprehensive working environment and culture as part of developing and keeping an engaged, competent, and driven workforce for sustainable business and growth.

Employee satisfaction

An employee satisfaction survey provides us with a better understanding of how employees assess their job satisfaction at the workplace and allow us better insight into how we can improve the systems and processes that are in place to achieve a healthier and more inclusive working environment. Our last survey conducted in September 2021 showed a satisfaction score of 74% with 87% response rate. A new survey will be distributed in the First Quarter of FYE 2024.

Training and development

It is our objective to foster a skilled, resilient, and agile workforce that can thrive in an ever-changing market landscape, amidst technological advances and emerging trends. We invest in a life-long learning and development culture and offer opportunities for our employees to enhance their personal and professional growth.

To address skill gaps and help our employees achieve their career development goals, we regularly assess employees' training needs, through a training needs analysis for each employee and review our existing training initiatives for continued relevance.

The Group supports its employees to pursue additional training and development under its continued education assistance program. The Group also supports local Universities, Technical Institutes, and other Institutes of Higher Learning in Internship programs.

Our Malaysia plants are also supporting the Malaysian government program Skim Latihan Dual Nasional (SLDN) to produce a national skilled workforce through a relevant and comprehensive training mechanism to meet the current needs of the industry through linking with the Institute Latihan Perindustrian Arumugam Pillai Nibong Tebal to offer industrial training for their students undertaking their Flexo-printing course.

Social relation

The Group organises various employee engagement initiatives ranging from festival celebrations to recreational activities to foster teamwork, cohesiveness, and camaraderie.

SUSTAINABILITY REPORT

EMPOWERING OUR PEOPLE (continued)

EMPLOYEE ENGAGEMENT (continued)

Our Performance

- Total training hours invested in FYE 2023: 54,173 hours
    - o Management: 3,695 hours (26.97 average hours per employee)
    - o Non-Management: 50,478 hours (38.89 average hours per employee)

- Community projects

River Clean up. Collaborated with Alliance of River Three, on their Friends of Sungai Klang Taman Melawati River Three project

Employee awards at Senai plant and Ho Chi Minh City plant

Scholarship award at Ho Chi Minh City plant

Football Championship

Deepavali celebration

Career Fair at ILP Nibong Tebal

- Our investment in community is coordinated through Yayasan Canone Kianjoo ("YCK"). In FYE 2023, YCK invested RM464,000 in the community benefitting 30 beneficiaries comprising scholarship, awards and contributions to orphanages, welfare organisations and non-profit organisations.

PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM

Box-Pak (Malaysia) Bhd. as a listed issuer is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements. This aligns with the updated Sustainability Reporting Guide, 3rd Edition. The table below presents performance data that is relevant to our significant concerns. These figures have been verified both internally and externally, as indicated for each indicator:

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Overall	Percentage	26.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	60.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	79.00
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	36,300.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	34,800.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,500.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	84,639.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	183.000000
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	8,300.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	16,300.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.59
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,160
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	21.00
Management Between 30-50	Percentage	63.00
Management Above 50	Percentage	16.00
Non-Management Under 30	Percentage	37.00
Non-Management Between 30-50	Percentage	57.00
Non-Management Above 50	Percentage	6.00

Internal assurance | External assurance | No assurance | (*)Restated

PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM (continued)

Indicator	Measurement Unit	2023
Bursa (Diversity)		
Gender Group by Employee Category		
Management Male	Percentage	51.00
Management Female	Percentage	49.00
Non-Management Male	Percentage	76.00
Non-Management Female	Percentage	24.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	86.00
Female	Percentage	14.00
Under 30	Percentage	0.00
Between 30-50	Percentage	28.60
Above 50	Percentage	71.40
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	3,695
Non-Management	Hours	50,478
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	5.30
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	26
Non-Management	Number	1,435
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	464,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	30
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

Internal assurance   External assurance   No assurance   (*)Restated

GRI CONTENT INDEX

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 2: General Disclosures 2021			
	The organisation and its reporting practices		
2-1	Organisational details	20 4-12	Box-Pak (Malaysia) Bhd is a Bursa Listed company. Refer to About This Report Refer to Corporate Information and Management Discussion and Analysis ("MD&A") in AR 2023
2-2	Entities included in the organisations' sustainability reporting	20	Scope and Boundary
2-3	Reporting period, frequency, and contact point	20	About this report
2-4	Restatement of information	21	Certain data have been restated due to the availability of updated emission factors and inclusion of Myanmar operations. Refer to Restatements
2-5	External assurance	54-56	Refer to Statement of Assurance
	Activities and workers		
2-6	Activities, value chain, and other business relationships	4-12	Refer to the MD&A
2-7	Employees	41-42	Refer to the Diversity and Fair Treatment section
2-8	Workers who are not employees	–	128 workers (5.3%) were engaged periodically
	Governance		
2-9	Governance structure and composition	23, 58-63	Refer to the Governance Structure section and Corporate Governance Overview Statement under Nomination Committee in AR 2023
2-10	Nomination and selection of the highest governance body		
2-11	Chair of the highest governance body		
2-12	Role of the highest governance body in overseeing the management of impacts		
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting		
2-15	Conflicts of interest	71-73	Refer to the Audit and Risk Management Committee Report
2-16	Communication of critical concerns		
2-17	Collective knowledge of the highest governance body	61-63	Refer to the Corporate Governance Overview Statement under Nomination Committee

GRI CONTENT INDEX (continued)

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 2: General Disclosures 2021 (cont'd)			
	Governance (cont'd)		
2-18	Evaluation of the performance of the highest governance body	61-63	Refer to Corporate Governance Overview Statement under Remuneration Committee and Nomination Committee in AR 2023
2-19	Remuneration policies	59	
2-20	The process to determine the remuneration		
	Strategy, policies, and practices		
2-22	Statement of sustainability development strategy	22	Refer to the Group Managing Director's message
2-23	Policy commitments	31-32	Refer to the Governance and Ethics section
2-24	Embedding policies commitments	24 31-32	Refer to Sustainability in Our Business Processes section and Governance and Ethics section
2-25	Processes to remediate negative impacts	71-73 74-77	Refer to Audit and Risk Management Committee Report and Statement of Risk Management and Internal Control
2-26	Mechanisms for seeking advice and raising concerns	31-32	Refer to the Governance and Ethics section
2-27	Compliance with laws and regulations	31-32 33,35	Governance and Ethics section Responsible Waste Management section Climate Change section
2-28	Membership associations	–	Member of the Federation of Malaysian Manufacturers and Malaysian Employers Federation
	Stakeholder engagement		
2-29	Approach to stakeholder engagement	24-25	Refer to the Stakeholders Engagement section
2-30	Collective bargaining agreements	–	99 employees (33%) in Batu Caves plant, Malaysia and 1,446 employees (96%) in Vietnam plants are covered by Collective Agreements
GRI 3: Material Topics 2021			
3-1	The process to determine material topics	25-26	Refer to the Materiality Assessment Process section
3-2	List of material topics	26	Refer to the Materiality Matrix section

GRI CONTENT INDEX (continued)

<table>
<tr><th>GRI Standard</th><th>Disclosure</th><th>Page</th><th>Brief Information on Disclosures</th></tr>
<tr><td colspan="4">GRI 201: Economic Performance 2016</td></tr>
<tr><td>3-3</td><td>Management of material topics</td><td>30</td><td>Refer to Management Approach in the Product Innovation section</td></tr>
<tr><td>201-1</td><td>Direct economic value generated and distributed</td><td>–</td><td>
<table>
<tr><th>RM ' million</th><th>FYE 2021</th><th>FYE 2022</th><th>FYE 2023</th></tr>
<tr><td>Revenue</td><td>678.2</td><td>765.8</td><td>644.4</td></tr>
<tr><td>Operating Cost</td><td>555.6</td><td>646.1</td><td>525.8</td></tr>
<tr><td>Payment to Capital provider</td><td>11.4</td><td>12.5</td><td>15.4</td></tr>
<tr><td>Employee wages and benefits</td><td>81.3</td><td>86.3</td><td>82.7</td></tr>
<tr><td>Payment to Government</td><td>3.4</td><td>2.0</td><td>2.8</td></tr>
<tr><td>Payment to Shareholders</td><td>–</td><td>–</td><td>–</td></tr>
</table>
</td></tr>
<tr><td colspan="4">GRI 205: Anti-Corruption 2016</td></tr>
<tr><td>3-3</td><td>Management of material topics</td><td>31-32</td><td>Refer to Management Approach in the Governance and Ethics section</td></tr>
<tr><td>205-1</td><td>Operations assessed for risks related to corruption</td><td>71-73</td><td>Refer to the Audit and Risk Management Committee Report</td></tr>
<tr><td>205-2</td><td>Communication and training about anti-corruption policies and procedures</td><td>31-32</td><td>Refer to the Governance and Ethics section</td></tr>
<tr><td>205-3</td><td>Confirmed incidents of corruption and actions taken</td><td>32</td><td>Refer to Our Performance under the Governance and Ethics section</td></tr>
<tr><td colspan="4">GRI 302: Energy 2016</td></tr>
<tr><td>3-3</td><td>Management of material topics</td><td>35-36</td><td>Refer to Management Approach in Climate Change section</td></tr>
<tr><td>302-1</td><td>Energy consumption within the organisation</td><td>37-38</td><td>Refer to the Climate Change section</td></tr>
<tr><td>302-3</td><td>Energy intensity</td><td>37-38</td><td>Refer to the Climate Change section</td></tr>
<tr><td colspan="4">GRI 303: Water and Effluent 2018</td></tr>
<tr><td>3-3</td><td>Management of material topics</td><td>35-36</td><td>Refer to Management Approach in the Climate Change section</td></tr>
<tr><td>303-2</td><td>Management of water discharge-related impacts</td><td>33-34</td><td>Refer to Management Approach in the Responsible Waste Management section</td></tr>
<tr><td>303-3</td><td>Water withdrawal</td><td>36-37</td><td>Refer to Water Consumption under Climate Change section</td></tr>
<tr><td>303-4</td><td>Water discharge</td><td>34</td><td>Refer to the Responsible Waste Management section</td></tr>
<tr><td>303-5</td><td>Water Consumption</td><td>37</td><td>Refer to the Climate Change section</td></tr>
</table>

SUSTAINABILITY REPORT

GRI CONTENT INDEX (continued)

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 305: Emissions 2016			
3-3	Management of material topics	35	Refer to Management Approach in Climate Change section
305-1	Direct (Scope 1) GHG emissions	38	Refer to the Climate Change section
305-2	Energy indirect (Scope 2) GHG emissions	38	
305-4	GHG emissions intensity	38	
305-5	Reduction of GHG Emissions	38	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	35	
GRI 306: Waste 2020			
3-3	Management of material topics	33	Refer to Management Approach in the Responsible Waste Management section
306-1	Waste generation and significant waste-related impacts	33-34	Refer to the Responsible Waste Management section
306-2	Management of significant waste-related impacts.	33-34	Refer to the Responsible Waste Management section
306-3	Waste generated	34	Refer to the Responsible Waste Management section
306-4	Waste diverted from disposal	34	
306-5	Waste directed from disposal	34	

GRI CONTENT INDEX (continued)

<table>
<tr><th>GRI Standard</th><th>Disclosure</th><th>Page</th><th>Brief Information on Disclosures</th></tr>
<tr><td colspan="4">GRI 401: Employment 2016</td></tr>
<tr><td>3-3</td><td>Management of material topics</td><td>43</td><td>Refer to Management Approach in the Employee Engagement section</td></tr>
<tr><td>401-1</td><td>New employee hires and employee turnover</td><td>–</td><td>Malaysia plants new hires as at year end:
<table>
<tr><th>Age Group</th><th>Male</th><th>Female</th><th>total</th></tr>
<tr><td>< 30</td><td>79</td><td>13</td><td>92</td></tr>
<tr><td>30 – 50</td><td>42</td><td>6</td><td>48</td></tr>
<tr><td>>50</td><td>4</td><td>1</td><td>5</td></tr>
<tr><td>Total</td><td>125</td><td>20</td><td>145</td></tr>
</table>
Vietnam plants new hires as at year end:
<table>
<tr><th>Age Group</th><th>Male</th><th>Female</th><th>total</th></tr>
<tr><td>< 30</td><td>142</td><td>42</td><td>184</td></tr>
<tr><td>30 – 50</td><td>138</td><td>63</td><td>201</td></tr>
<tr><td>>50</td><td>9</td><td>1</td><td>10</td></tr>
<tr><td>Total</td><td>289</td><td>106</td><td>395</td></tr>
</table>
Myanmar plant new hires as at year end:
<table>
<tr><th>Age Group</th><th>Male</th><th>Female</th><th>total</th></tr>
<tr><td>< 30</td><td>13</td><td>7</td><td>20</td></tr>
<tr><td>30 – 50</td><td>2</td><td>3</td><td>5</td></tr>
<tr><td>>50</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Total</td><td>15</td><td>10</td><td>25</td></tr>
</table>
Employee turnover for the Group was 5.24%.</td></tr>
<tr><td>401-2</td><td>Benefits provided to full-time employees that are not provided to temp/part-time employees</td><td>–</td><td>All categories are entitled to medical coverage, life insurance, social security contribution, parental leave, and paid annual leave</td></tr>
<tr><td>401-3</td><td>Parental leave</td><td>–</td><td>
<table>
<tr><th>Country</th><th>Entitled</th><th>Took</th><th>% returned to work *</th></tr>
<tr><td>Malaysia</td><td>185</td><td>8</td><td>100%</td></tr>
<tr><td>Vietnam</td><td>441</td><td>28</td><td>57%</td></tr>
<tr><td>Myanmar</td><td>258</td><td>21</td><td>86%</td></tr>
<tr><td>Total</td><td>884</td><td>57</td><td>74%</td></tr>
</table>
* as at end of reporting period</td></tr>
</table>

SUSTAINABILITY REPORT

GRI CONTENT INDEX (continued)

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	39	Refer to Management Approach in the Occupational Health and Safety section
403-1	Occupational health and safety management system	39	Refer to the Occupational Health and Safety section
403-2	Hazard identification, risk assessment, and incident investigation	39	Refer to the Occupational Health and Safety section
403-3	Occupational health services	–	Audiometric tests are conducted on-site annually
403-4	Worker participation, consultation, and communication on occupational health and safety	39-40	Refer to the Occupational Health and Safety section
403-5	Worker training on occupational health and safety	39-40	Refer to the Occupational Health and Safety section
403-6	Promotion of worker health	–	Access to company panel of clinics. Annual audiometric test for workers. Periodic factory noise monitoring as required by law
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	–	Supplier Code of Conduct in place and audits are carried out to ensure compliance
403-9	Work-related injuries	39	Refer to the Occupational Health and Safety section
403-10	Work-related ill health	39	Refer to the Occupational Health and Safety section
GRI 404: Training and Education 2016			
3-3	Management of material topics	43	Refer to Management Approach in the Employee Engagement section
404-1	Average hours of training per year per employee	44	Refer to the Employee Engagement section
404-2	Programs for upgrading employees' skills and transition assistance programs	44	Refer to the Employee Engagement section
404-3	Percentage of employees receiving regular performance and career development reviews	–	All staff undergo annual staff appraisals. Ad-hoc reviews are also carried out
GRI 405: Diversity & Equal Opportunity 2016			
3-3	Management of material topics	41	Refer to Management Approach in the Diversity and Fair Treatment section
405-1	Diversity of governance bodies and employees	41,66	Refer to the Diversity and Fair Treatment section and Corporate Governance Overview Statement
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	41	Refer to Management Approach in the Diversity and Fair Treatment section

GRI CONTENT INDEX (continued)

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 406: Non-discrimination 2016			
408-1	Incidents of discrimination and corrective actions taken	–	No incidence of discrimination was received or reported
GRI 408: Child Labour 2016			
3-3	Management of material topics	41	Refer to Management Approach in the Diversity and Fair Treatment section
408-1	Operations and suppliers at significant risk for incidents of child labour	–	Code of Conduct for Employees and Suppliers Code of Conduct
GRI 409: Forced or Compulsory Labour 2016			
3-3	Management of material topics	41	Refer to Management Approach in the Diversity and Fair Treatment section
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	–	Code of Conduct for Employees and Suppliers Code of Conduct
GRI 410: Security Practices 2016			
3-3	Management of material topics	–	All service providers are required to sign off and comply with our Suppliers Code of Conduct. The Internal Audit dept conducts a periodic audit
410-1	Security personnel trained in human rights policies or procedures	–	Our Group head of Security will brief and train our security service provider personnel by first half of FYE 2024
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	31-32	Refer to Management Approach in the Governance and Ethics section
414-2	Negative social impacts in the supply chain and action taken	31-32	Refer to the Governance and Ethics section
GRI 416: Customer Health and Safety 2016			
3-3	Management of material topics	30	Refer to Management Approach in the Product Innovation section
416-1	Assessment of the health and safety impacts of products and services	30	Refer to the Product Innovation section. All plants are ISO 9001 accredited and have an In-house Quality Control laboratory at the site
416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	30	Refer to the Product Innovation section. There were no incidents of non-compliance for the year
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	31-32	Refer to Management Approach in the Governance and Ethics section
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–	There were no substantiated complaints received in FYE 2023

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Science Based Assurance in Quality, Safety & Sustainability.

Independent Limited Assurance Opinion to Box-Pak (Malaysia) Bhd on Scope 1 and 2 Greenhouse Gas Emissions and Waste Data for Calendar Year 2023

To the Management of Box-Pak (Malaysia) Bhd,

Introduction

Intertek Deutschland GmbH (hereinafter referred to as "Intertek"), represented in this project by the sustainability team, was commissioned by Box-Pak (Malaysia) Bhd (hereafter referred to as "Box-Pak") for independent third-party verification of their Scope 1 and 2 Greenhouse Gas (GHG) Emissions (the "GHG Statement"), as well as Waste Data (inclusive of scheduled waste and solid waste), for calendar year 2023 (i.e. from 1st January 2023 to 31st December 2023). The verification was performed in accordance with ISO 14064-3 *'Specification with guidance for the verification and validation of greenhouse gas statements'* and ISAE 3000 (revised) for *'Assurance Engagements other than Audits or Reviews of Historical Financial Information'*.

Objective

The objective of this limited assurance review was to confirm whether any objective evidence existed to suggest that Box-Pak's GHG Statement, as well as Waste Data, for 2023 was not accurate, complete, consistent, transparent, or suggested material errors or omissions.

Intended Users

The intended users of this assurance statement are Box-Pak's management and stakeholders. Intertek's responsibility in performing this task was limited to the verification of the GHG Statement and Waste Data, in accordance with the agreed scope of work. This assurance engagement was based on the assumption that the data and information provided to us is authentic and complete.

Responsibilities

Box-Pak's Management was solely responsible for defining the goal and scope, the organization's GHG emissions and waste information system, data maintenance and reporting procedures in accordance with that system, including the data collection, inventory, calculation and determination of GHG emissions for the organization.

As agreed with Box-Pak's Management, Intertek's responsibility was to provide assurance and express an independent limited assurance opinion on Box-Pak's GHG Statement and Waste Data based on verification following the assurance scope and criteria stated below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The organizational boundary followed the operational control approach. The verification covered GHG emissions activities from all locations under Box-Pak's operational control for the period of 1st January 2023 to 31st December 2023.

The verification covered 100% of total Scope 1 and 2 GHG emissions in 2023, which included the following activities:

- Scope 1: Direct GHG Emissions
- Scope 2: Purchased Electricity (including renewable energy) – Market-based

In order to verify the Waste Data in 2023, the scheduled waste and solid waste data were verified.

The GHG Statement follows the criteria of the World Resources Institute's (WRI) *Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard* (hereafter referred to as the '*GHG Protocol Standard*').

Assurance Criteria
Intertek conducted the verification work in accordance with requirements of 'Limited Assurance' procedures as per the following standard:

- ISO 14064-3 *'Specification with guidance for the verification and validation of greenhouse gas statements'; and*
- ISAE 3000 (revised) for '*Assurance Engagements other than Audits or Reviews of Historical Financial Information*'

The criteria in which the GHG Statement was compared against was:

- WRI *GHG Protocol – A Corporate Accounting and Reporting Standard*

A limited assurance engagement involved performing procedures to obtain evidence about the quantification of emissions and related information in the GHG Statement. Source data verification was undertaken during the assurance process, where available.

A materiality level of 5% was applied.

Methodology
Intertek performed verification work using risk-based approach to obtain the information, explanations and evidence that were considered necessary to provide a limited level of assurance. The verification was conducted by desktop review regarding Box-Pak's GHG Statement and Waste Data and supporting records for 2023. Data and information supporting Box-Pak's GHG Statement and Waste Data were historical in nature and proven by evidence. Our assurance task was planned and carried out from February 2024 to March 2024. The verification included the following:

- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available digitally.
- Conducted a virtual interview with data managers.
- Assessment of the appropriateness of various emission factors and conversion factors used by Box-Pak.
- Review of input data on sample basis for the duration of 1st January 2023 to 31st December 2023 through Box-Pak's GHG calculation spreadsheet and raw data files.
- Recalculation of GHG emissions based on the data provided.
- Appropriate documentary evidence was obtained to support our conclusions on the GHG Statement and Waste Data.

Findings
Intertek found that sufficient and appropriate evidence was provided to support material emissions and waste data. The criteria were applied appropriately for material emissions. Therefore, Intertek found that no modification was required to the GHG Statement and Waste Data.

Conclusion and Assurance Opinion
Intertek reviewed selected GHG activities and waste data of Box-Pak (Malaysia) Bhd ("Box-Pak") for the reporting period of 1st January 2023 to 31st December 2023 (2023) to a limited level of assurance. The verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

Based on the data and information provided by Box-Pak, Intertek concludes with limited assurance that there is no evidence that the GHG Statement and Waste Data are not materially correct, are not a fair representation of the GHG and waste data and information, as well as are not prepared in accordance with the WRI *GHG Protocol – A Corporate Accounting and Reporting Standard.*

The reported GHG emissions for 2023 are equal to:

Scope	GHG Emissions (tonne CO_2e)
Scope 1	8,261.5
Scope 2 (Market-based)	7,353.5
Total	**15,615.0**

The reported Waste Data for FY 2023 are equal to:

Waste Data	Total (metric tonnes)
Scheduled waste	1,544.9
Solid waste	34,823.8
Total	**36,368.7**

This opinion shall be interpreted with the GHG Statement of Box-Pak as a whole.

Intertek's Competence and Independence

Intertek ensures the selection of appropriately qualified and impartial individuals as the verifiers. The selected verifiers have over 10 years of experience working on GHG accounting and verification projects. They were not involved in the preparation of Box-Pak's GHG Statement and Waste Data.

Intertek adheres to the requirements of ISO 14064-3 and ISAE 3000 in its verification works. The verification was internally reviewed to ensure that the approach applied was rigorous and transparent. The verification team was not involved in any other Intertek projects with Box-Pak.

No member of the verification team has a business relationship with Box-Pak, its Directors or Managers beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

On behalf of Intertek

Myvizhi Somasundaram
Technical Manager
Intertek Assuris

Yi Hang Yu
Senior Manager – Climate Change & Sustainability
Intertek Assuris

28 March 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of the Company ("Board") of Box-Pak (Malaysia) Bhd. ("Box-Pak" or "the Company") is fully committed to the principles and recommendations of the Malaysian Code on Corporate Governance ("MCCG") which was updated and took effect on 28 April 2021. This ensures that the best practices of corporate governance including accountability and transparency are adhered to within Box-Pak and its subsidiary companies ("the Group") to achieve long-term financial performance and growth as the Board is mindful of its accountability to the shareholders and various stakeholders of the Company.

The Board is pleased to report to the shareholders, the Company's application of the 3 key principles of the MCCG during the financial year ended 31 December 2023 ("FYE 2023"):

(a) Board leadership and effectiveness;
(b) Effective audit and risk management; and
(c) Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities of the Board

The Board's main roles are to create value for shareholders and provide leadership to the Group. The Board is primarily responsible for the Group's overall strategic plans and directions, overseeing the conduct of the businesses, risk management, succession planning of Senior Management, implementing investor relations programmes and ensuring the system of internal controls and management information system are adequate and effective.

The Board provides overall strategic guidance, effective oversight on the governance and management of the business affairs of the Group. Responsibilities of the Board include:

(i) Ensuring that the Group's goals are clearly established, the necessary resources are in place for the Group to meet its objectives and that a strategic plan, which promotes long-term value creation and includes strategies on economic, environmental, safety and health, social and governance consideration underpinning sustainability, are in place to achieve them;

(ii) Establishing policies for strengthening the performance of the Group including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;

(iii) Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;

(iv) Appointing the Managing Director ("MD")/Executive Director ("ED"), including setting the relevant terms and objectives and where necessary, terminating his/her employment with the Group;

(v) Ensuring that the Group has appropriate business risk management framework and corporate governance framework, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;

(vi) Appointing Board Committees to address specific issues, considering recommendations of the various Board Committees and discussing problems and reservations arising from these Committees' deliberations and reports;

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Roles and Responsibilities of the Board (continued)

(vii) Ensuring that the statutory financial statements of the Company and Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;

(viii) Ensuring that there is in place an appropriate succession plan for members of the Board and Senior Management;

(ix) Ensuring that the Group adheres to high standards of ethics and corporate behaviour in accordance with the Group's Code of Corporate Conduct including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Ethics;

(x) Reviewing the Board Charter periodically and making it available publicly on the Company's website including the Terms of Reference ("TOR") which deals with the respective Committees for example, Audit and Risk Management Committee, Remuneration Committee, Nomination Committee and Sustainability Committee's TOR in respect of its authority and duties that are disclosed in the Company's website;

(xi) Ensuring that there is in place an appropriate corporate disclosure policy and procedures which leverage on information technology for effective dissemination of information, to ensure comprehensive, accurate and timely disclosures; and

(xii) Ensuring that there is in place an appropriate Investor Relations and Communications Policy which encourages shareholders' participation at general meetings and promotes effective communication and proactive engagements with shareholders.

Board Committees

In discharging its duties, the Board is assisted by the Board Committees namely, the Executive Committee, Audit and Risk Management Committee, Remuneration Committee, Nomination Committee and Sustainability Committee. Each Committee operates within its respective defined TOR which have been approved by the Board. The TOR of the respective Board Committees are periodically reviewed and assessed to ensure that the TOR remain relevant and adequate in governing the functions and responsibilities of the Committee concerned and reflect the latest developments in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the MCCG.

A. Executive Committee ("EXCO")

The EXCO which comprises the Group MD, President cum Chief Executive Officer ("CEO") (up to his retirement on 6 November 2023), Group Finance Director and Director - Group Executive Management Officer, assumes some of the responsibilities and functions of the Board, oversees the running of the Group and the implementation of the Board's decisions and policies relating to operational, sales and marketing strategies, financial, risk management, internal controls, environmental, sustainability, human resources, compliance, credit control and legal issues.

B. Audit and Risk Management Committee ("ARMC")

The Audit Committee was established on 17 May 1996 and was re-designated on 23 August 2017 to the ARMC. For details of its composition and activities during the FYE 2023, please refer to the ARMC Report on pages 71 to 73 of this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Committees (continued)

C. Remuneration Committee ("RC")

The RC was established on 16 November 2001 and currently comprises the following members, a majority of whom are Non-Executive Director ("NED"):

Tuan Ngah @ Syed Ahmad Bin Tuan Baru *(Chairman/Independent NED)*
Tan Kim Seng *(Member/Senior Independent NED)*
Yeoh Jin Hoe *(Member/Group MD)*

The RC's primary responsibility is to structure and review the remuneration policies for key executives of the Group, with a view to ensure that compensation and other benefits encourage performance that enhances the Group's long-term profitability and value. The remuneration packages for Key Senior Management staff are subject to the approval of the Board, and in the case of Directors' fees and benefits, the approval of the shareholders at the Annual General Meeting ("AGM") of the Company.

The TOR of the RC are available for reference at *www.boxpak.com.my*.

In carrying out its duties and responsibilities, the RC has full, free and unrestricted access to the Company's records, properties and personnel.

During the FYE 2023, the RC convened 2 meetings and full attendance of the members were recorded at both meetings.

The Company pays its Directors annual fees which are approved each year by the shareholders. The Directors are paid meeting allowances for the meetings they attended per day and are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Company. Where applicable, the Board also takes into consideration any relevant information provided by independent consultants or from survey data. The Directors' Remuneration Policy is available on the Company's website at *www.boxpak.com.my*.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Committees (continued)

C. Remuneration Committee ("RC") (continued)

The details of the aggregate remuneration of the Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries) during the FYE 2023 were categorised as follows:

		Company (RM'000)							Group (RM'000)						
No.	Name	Fee	Allowance [2]	Salary [1]	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance [2]	Salary [1]	Bonus	Benefits-in-kind	Other emoluments	Total
Executive Directors															
1.	Yeoh Jin Hoe	66.0	9.0	615.6	90.0	–	–	**780.6**	66.0	9.0	615.6	90.0	–	–	**780.6**
2.	Chee Khay Leong *	51.0	7.5	598.0	114.5	–	–	**771.0**	51.0	7.5	598.0	114.5	–	–	**771.0**
Non-Executive Directors															
3.	Datuk Dr. Roslan Bin A. Ghaffar	72.0	9.0	–	–	–	–	**81.0**	72.0	9.0	–	–	–	–	**81.0**
4.	Tan Kim Seng	96.0	9.0	–	–	–	–	**105.0**	96.0	9.0	–	–	–	–	**105.0**
5.	Tuan Ngah @ Syed Ahmad Bin Tuan Baru	90.0	9.0	–	–	–	–	**99.0**	90.0	9.0	–	–	–	–	**99.0**
6.	Keith Christopher Yeoh Min Kit	66.0	9.0	–	–	–	–	**75.0**	66.0	9.0	–	–	–	–	**75.0**
7.	Foo Kee Fatt	84.0	9.0	–	–	–	–	**93.0**	84.0	9.0	–	–	–	–	**93.0**
8.	Sharifah Nadia Aljafri	66.0	9.0	–	–	–	–	**75.0**	66.0	9.0	–	–	–	–	**75.0**

Notes:
* *Retired as President cum CEO and ED on 6 November 2023.*
(1) *Salary includes EIS, EPF and SOCSO.*
(2) *Allowances comprised meeting allowance and travelling allowance.*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Committees (continued)

C. Remuneration Committee ("RC") (continued)

The details of the aggregate remuneration of the top 5 Senior Management personnel of the Company (comprising remuneration received from the Company and its subsidiaries) during the FYE 2023 were categorised as follows:

Category	Company RM'000	Subsidiaries RM'000	Total RM'000
Salaries and bonuses (1)	929	1,886	2,815
Benefits (2)	–	23	23
Benefits-in-kind (3)	9	–	9
Total	**938**	**1,909**	**2,847**

Notes:
(1) *Salaries and bonuses comprised basic salary, bonus, EIS, EPF and SOCSO.*
(2) *Benefits comprised meeting allowance and other allowances.*
(3) *Benefits-in-kind comprised provision of company motor vehicle, petrol allowance, insurance and phone bill.*

The number of top 5 Senior Management personnel whose total remuneration falls within the following bands were:

Remuneration Range	Number of Senior Management personnel
Between RM250,001 - RM300,000	1
Between RM450,001 - RM500,000	1
Between RM500,001 - RM550,000	1
Between RM600,001 – RM650,000	1
Between RM900,001 - RM950,000	1

The Board has chosen to disclose the remuneration of the top 5 Senior Management personnel in bands instead of named basis as the Board considered the information of the remuneration of these personnel to be sensitive and proprietary. The transparency and accountability aspects of corporate governance applicable to the remuneration of these personnel are deemed appropriately served by the above disclosures.

D. Nomination Committee ("NC")

The NC was set up on 26 February 2003 to formalise procedures for appointments to the Board and the Board Committees. All decisions on appointments are made by the Board after considering the recommendations of the NC.

The NC currently comprises the following members:

Tan Kim Seng *(Chairman/Senior Independent NED)*
Keith Christopher Yeoh Min Kit *(Member/Non-Independent NED)*
Sharifah Nadia Aljafri *(Member/Independent NED)*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Committees (continued)

D. Nomination Committee ("NC") (continued)

The NC's role is primarily to:

- identify, select and recommend to the Board, candidates for directorships in the Company;
- recommend to the Board, Directors to fill the seats on Board Committees;
- evaluate the effectiveness of the Board and the Board Committees (including its size and composition), contributions and performance of each individual Director and the independence of the Independent Directors; and
- ensure an appropriate framework and plan for Board and management succession for the Group.

The TOR of the NC are available for reference at *www.boxpak.com.my*.

During the FYE 2023, the NC convened 2 meetings and full attendance of the members were recorded at both meetings.

Summary of the key activities undertaken by the NC in the discharge of its duties during the FYE 2023 were as follows:

(i) Recommended the appointment of Tan Kim Seng as a member of the Sustainability Committee of the Company;

(ii) Evaluated the independence of the Independent Directors and their tenure as Independent Directors on the Board;

(iii) Evaluated each Individual Director to assess the Director's calibre and ability to understand the requirements, risk and management of the Group's business; contribution and performance; character, integrity and professional conduct in dealing with conflict of interest or potential conflict of interest situations; ability to critically challenge and ask the right questions; commitment and due diligence, confidence to stand up for a point of view; interaction at meetings and training records for the FYE 2023;

(iv) Evaluated the Board and the Board Committees to assess their mix, composition, size, roles, responsibilities as well as their activities, communications and effectiveness for the FYE 2023;

(v) Conducted the Conflict of Interest assessment for each individual Director;

(vi) Endorsed the re-election of Director, Yeoh Jin Hoe who is due to retire by rotation at the close of the Fiftieth AGM of the Company to be held in 26 June 2024 pursuant to Clause 82 of the Constitution of the Company;

(vii) Reviewed and recommended the revised Board Charter of the Company to the Board for approval;

(viii) Accept the retirement of President cum CEO, Chee Khay Leong, upon the end of his contract of services.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Committees (continued)

D. Nomination Committee ("NC") (continued)

The NC, after having conducted the abovementioned evaluation and assessment on 30 November 2023, concluded that:

(i) all the 5 Independent Directors of the Company continued to demonstrate conduct and behaviour that were essential indicators of their independence, and that each of them continued to fulfill the definition and criteria of independence as set out in the MMLR of Bursa Securities.

(ii) each Director has the requisite competence and calibre to serve on the Board and Board Committees and had continued to demonstrate his/her commitment to the Company in terms of time, participation and dialogue during the FYE 2023.

(iii) none of the Director of the Company have conflict of interest with the Company and/or the Group.

(iv) the Board and the Board Committees' respective responsibilities were well-defined and set out in the Board Charter of the Company. The criteria in the MMLR of Bursa Securities that at least 1 of the members of the ARMC must be a member of the Malaysian Institute of Accountants or a person approved under the MMLR of Bursa Securities is also met.

The Board members unanimously concurred with the above conclusions of the NC.

E. Sustainability Committee

The Sustainability Committee was established on 23 August 2017 and currently comprises the following members:

Yeoh Jin Hoe *(Chairman/Group MD)*
Keith Christopher Yeoh Min Kit *(Member/Non-Independent NED)*
Tan Kim Seng *(Member/Senior Independent NED)* (1)
Chee Khay Leong *(Member/President cum CEO)* (2)

Notes:
(1) *Appointed on 30 November 2023.*
(2) *Retired on 6 November 2023.*

The objective of the Sustainability Committee is to:

- establish, monitor, manage and coordinate the sustainable development strategy of the Company;
- develop and increase stakeholder awareness to the need for and benefits of sustainable behaviour and initiate change and continuous improvements;
- identify and assess together with the line of management, the significant economic, environmental and social matters to ensure the Company remains as a leading responsible company in the industry; and
- provide suitable steps and appropriate information and controls to identify economic, environmental and social risks to ensure the Company's business is conducted in a responsible manner.

The TOR of the Sustainability Committee are available for reference at www.boxpak.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Board Committees (continued)

E. Sustainability Committee (continued)

The Sustainability Committee convened 2 meetings during the FYE 2023 the attendance of the meetings by the Sustainability Committee members were as follows:

Members	Number of meetings attended in FYE 2023	Percentage of Attendance
Yeoh Jin Hoe	2 out of 2 meetings	100
Keith Christopher Yeoh Min Kit	2 out of 2 meetings	100
Tan Kim Seng [(1)]	–	–
Chee Khay Leong [(2)]	2 out of 2 meetings	100

Notes:
(1) *Appointed on 30 November 2023.*
(2) *Retired on 6 November 2023.*

Roles of the Chairman and the Group MD

The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and overall conduct of the Board. The Group MD is responsible for the development of the corporate goals and objectives and the setting of strategies to achieve them.

Role of the Company Secretaries

The Company Secretaries are responsible for ensuring that the Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation. The Company Secretaries will also advise the Board on any new statutory requirements, guidelines and listing rulings relating to corporate governance as and when it arises.

All Board members have direct access to the advice and services of the Company Secretaries for the purpose of the Board's affairs and the business.

Access to Information and Advice

Prior to the Board meetings, every Director is given an agenda and a comprehensive set of Board papers consisting of reports on the Group's financial performance, status of major projects, future development, the quarterly or annual financial results, the minutes of preceding meetings of the Board and the Board Committees, and relevant proposal papers (if any) to allow them sufficient time to review, consider and deliberate knowledgeably on the matters to be tabled.

Senior Management staff as well as advisers and professionals appointed to act for the Company on corporate proposals to be undertaken by the Company are invited to attend the meetings to furnish the Board with their views and explanations on relevant agenda items tabled to the Board and to provide clarification on issues that may be raised by any Director.

In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all the relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Access to Information and Advice (continued)

The Board also perused the decisions deliberated by the Board Committees through minutes of these Committees. The Chairman of each of the Board Committees is responsible for informing the Board at the Board meetings of any salient matters noted by the Committees and which may require the Board's direction. The EXCO also holds monthly management meetings with the operating heads to deliberate on the performance of the Group, sales, marketing development and strategies, operational, environmental, risk management, internal controls, regulatory and statutory matters pertaining to the Group.

The Board has access to the advice and services of the Company Secretaries and may undertake independent professional advice, where necessary and in appropriate circumstances, in furtherance of its duties.

Board Charter

The Board had on 19 August 2013 adopted a Board Charter which clearly sets out the Board's strategic intent and outline the Board's role, powers, duties, and functions as well as a schedule of matters reserved for collective decision of the Board. The Board Charter serves as a source of reference and primary induction literature, providing insight to prospective Board members and the Senior Management.

The Board Charter is subject to periodic review and updates by the Board whenever deemed necessary. The Board Charter was reviewed and updated on 30 November 2023 in line with the MMLR of Bursa Securities. This is to ensure its relevance for good corporate governance practices within the Group.

Code of Ethics

The Board continues to adhere to the Code of Ethics for Directors which sets out the standard of conduct expected of Directors with the aim to cultivate a good ethical conduct that in turn promotes the values of transparency, integrity, accountability and social responsibility.

Board Composition and Independence

As at 31 December 2023, the Board consists of 7 members, comprising 6 NEDs and a Group MD. Out of the 6 NEDs, 5 of them are Independent Directors. The number of Independent Directors on the Board is more than the number of at least 50% promulgated in Practice 5.2 of the MCCG.

The Independent NEDs do not participate in the day-to-day management as well as the daily business of the Company. In staying clear of any potential conflicts of interest, the Independent NEDs remain in a position to fulfill their responsibility to provide a check and balance to the Board. They provide independent and objective views, advice and judgment which take into account the interests of the Group as well as shareholders and investors.

Tan Kim Seng, the Chairman of the NC, is the Senior Independent Director to whom concerns of shareholders, management, employees, and others may be conveyed.

Tenure of Independent Directors

The Company has implemented a cumulative 9-year term limit for Independent Directors where upon completion of a cumulative 9-year term, an Independent Director may continue to serve on the Board subject to his/her re-designation as a Non-Independent Director.

On 1 January 2022, the Company adopted Practice 5.4 - Step Up of the MCCG, by limiting the tenure of its Independent Directors to 9 years without further extension, and the Board Charter was amended accordingly to reflect the adoption.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Appointment to the Board

Candidates for appointment to the Board as Independent Directors are selected after taking into consideration the mix of skills, experience and strength and diversity that would be relevant for the effective discharge of the Board's responsibilities. Potential candidates are first evaluated by the NC, and if recommended by the NC, subsequently by the Board based on their respective profiles as well as their character, integrity, professionalism, independence and their ability to commit sufficient time and energy to the Company's matters. Prior to consideration by the Board, the candidate is also required to declare his/her state of health, financial condition and to furnish details of any subsisting legal proceedings in which he/she is a party.

The Board has in place a Policy on the Nomination and Assessment Process of Board members which was approved and adopted on 26 February 2020.

Re-election to the Board

Clause 82 of the Company's Constitution provides that an election of Directors shall take place each year and at the AGM, one-third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election.

Independent NEDs, Datuk Dr. Roslan Bin A. Ghaffar; Tuan Ngah @ Syed Ahmad Bin Tuan Baru and Group MD, Yeoh Jin Hoe are due to retire by rotation at the conclusion of the forthcoming Fiftieth AGM of the Company on 25 June 2024 pursuant to Clause 82 of the Company's Constitution.

Both Datuk Dr. Roslan Bin A. Ghaffar and Tuan Ngah @ Syed Ahmad Bin Tuan Baru have served the Board since May 2015 and had formally indicated that they will retire at the conclusion of the Fiftieth AGM in compliance with MCCG and the Board Charter of the Company, that the tenure of an independent director shall not exceed a cumulative term limit of 9 years, whilst Yeoh Jin Hoe has formally indicated his willingness to seek re-election.

The Board, with Yeoh Jin Hoe abstaining from voting, had endorsed his re-election at the said AGM, based on the recommendation of the NC.

Gender Diversity Policy

The Board had on 24 November 2021 adopted the revised Board Diversity Policy to set the target and timeframe for the Company to achieve at least 30% woman participation on the Board by 2023. The Company will put greater effort into looking for suitable candidates for appointment to the Board to achieve its target and will work towards having the appropriate age and ethnic diversity on the Board.

The said Policy stipulates, among other things, that the NC will consider the benefit of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

Annual Assessment

The NC annually reviews the size and composition of the Board and Board Committees in order to ensure the Board has the requisite competencies and capacity to effectively oversee the overall business and carry out its responsibilities. The NC uses the Board and Board Committee Evaluation Form, Audit & Risk Management Committee Evaluation Form and Performance Evaluation Sheet - Board Committees comprising questionnaires for the assessment. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, administration and conduct of meetings, communication and interaction with management and stakeholders and board engagement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Annual Assessment (continued)

The annual evaluations of the individual Directors/Board Committee members are performed by the NC via the Directors'/Key Officers' Evaluation Form comprising questionnaires pertaining to the Director's knowledge and skills, participation, contribution and performance, calibre and personality.

To assess the independence of the Independent Directors, each of the Independent Directors annually provides the NC with their Self-Assessment Checklist.

Meetings and Time Commitment

5 Board meetings were held during the FYE 2023 and the attendance of the meetings by the Board members were as follows:

Members	Number of meetings attended in FYE 2023	Percentage of Attendance
Datuk Dr. Roslan Bin A. Ghaffar	5 out of 5 meetings	100
Yeoh Jin Hoe	5 out of 5 meetings	100
Chee Khay Leong (1)	4 out of 4 meetings	100
Tan Kim Seng	5 out of 5 meetings	100
Tuan Ngah @ Syed Ahmad Bin Tuan Baru	5 out of 5 meetings	100
Keith Christopher Yeoh Min Kit	5 out of 5 meetings	100
Foo Kee Fatt	5 out of 5 meetings	100
Sharifah Nadia Aljafri	5 out of 5 meetings	100

Note:
(1) *Retired as President cum CEO on 6 November 2023.*

The Board was satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company during the FYE 2023. All the Directors do not hold directorships more than that prescribed under the MMLR of Bursa Securities.

The Directors also made time to attend the following webinars/conferences/dialogues during FYE 2023 to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with Paragraph 15.08 of the MMLR of Bursa Securities:

Director	Webinars/Conferences/Dialogues	Date
Datuk Dr. Roslan Bin A. Ghaffar	Bursa Malaysia Immersive Experience: The Board "Agender"	13 March 2023
	Mandatory Accreditation Programme Part II: Leading for Impact	4 and 5 December 2023
	Kian Joo & Box-Pak - BDO Tax Budget 2024 Seminar	7 December 2023
Yeoh Jin Hoe	Advancing Environmental, Social, and Governance ("ESG") Integration for Alcom Group Berhad: A Comprehensive Guide to Sustainability	6 November 2023
	Kian Joo & Box-Pak - BDO Tax Budget 2024 Seminar	7 December 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

Meetings and Time Commitment (continued)

Director	Webinars/Conferences/Dialogues	Date
Tan Kim Seng	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	12 September 2023
	Navigating Artificial intelligence Governance and ESG Reporting for the future	17 October 2023
	Kian Joo & Box-Pak - BDO Tax Budget 2024 Seminar	7 December 2023
Tuan Ngah @ Syed Ahmad Bin Tuan Baru	New Transfer Pricing (“TP”) Horizon” Transition or Transformation?	28 July 2023
	Conflict of Interest and Governance of Conflict of Interest	11 October 2023
	Kian Joo & Box-Pak - BDO Tax Budget 2024 Seminar	7 December 2023
Keith Christopher Yeoh Min Kit	Kian Joo & Box-Pak - BDO Tax Budget 2024 Seminar	7 December 2023
Foo Kee Fatt	Audit of Income Statement Items, Liabilities and Related Parties	2 March 2023
	ESG series - Introduction to carbon footprint and net zero emissions	16 March 2023
	Audit completion procedures, going concern, subsequent event and audit opinion	23 March 2023
	Hasil - Chartered Tax Institute of Malaysia Tax Forum 2023	30 May 2023
	Minimum TP Documentation for Small Medium-sized Enterprises	29 September 2023
	Malaysia Financial Reporting Standard (“MFRS”) Updates 2023 and understanding MFRS 136: impairment of assets - Principles, concepts and common application issues	18 October 2023
	International Financial Reporting Standards S1 and S2: Are we ready?	20 October 2023
	2024 Budget Seminar (Chartered Tax Institute of Malaysia)	30 October 2023
	2024 Budget Seminar (Malaysian Institute of Accountants and Malaysian Associations of Tax Accountants	8 November 2023
	Audit Oversight Board’s Conversation with Audit Committees	27 November 2023
	Kian Joo & Box-Pak - BDO Tax Budget 2024 Seminar	7 December 2023
Sharifah Nadia Aljafri	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	19 September 2023
	Kian Joo & Box-Pak - BDO Tax Budget 2024 Seminar	7 December 2023

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Suitability and Independence of External Auditors

BDO PLT, the External Auditors' report to the ARMC in respect of their audit on each year's statutory financial statements and on matters that require the ARMC's attention.

At least twice a year, the ARMC will have a separate session with the External Auditors without the presence of the Management.

The External Auditors are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors provided the declaration in their annual audit plan presented to the ARMC of the Company.

Sound Risk Management Framework

The Board recognises the importance of a sound risk management framework and internal control system in order to safeguard the Group's assets and therefore, shareholders' investments in the Group.

The Board affirms its overall responsibility for the Group's system of internal controls. This includes reviewing the adequacy and integrity of financial, operational and compliance controls and risk management procedures in order that any identifiable risk remains within an acceptable risk profile. Since certain risks and threats are externally driven, unforeseen and beyond the Group's control, the system can only provide reasonable assurance against misstatement or loss.

The Board has put in place an ongoing process for identifying, evaluating and managing significant risks faced by the Group.

Internal Audit Function

The internal audit function are set out in the ARMC Report on pages 71 and 72 of this Annual Report.

The key features of the Risk Management Framework are set out in the Directors' Statement on Risk Management and Internal Controls on pages 74 to 77 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Compliance with Applicable Financial Reporting Standards

The Board takes responsibility for presenting a balanced and understandable assessment of the Group's operations and prospects each time it releases its quarterly and annual financial statements to shareholders. The ARMC reviews the information to be disclosed to ensure its accuracy and adequacy.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 79 of this Annual Report.

Investors Relations and Shareholders Communication

The Company recognises the importance of effective and timely communication with shareholders and investors to keep them informed of the Group's latest financial performance and material business/corporate matters affecting the Company. Such information is available to shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company's website at *www.boxpak.com.my*.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (continued)

Investors Relations and Shareholders Communication (continued)

The AGM provides the principal platform for dialogue and interactions with the shareholders. Notice of the AGM and related papers thereto are sent to the shareholders at least 28 days before the meeting to facilitate easy review by the shareholders. In respect of items on special business, the notice of meeting will be accompanied by a full explanation of the effects of the proposed resolution.

A Question and Answer session will be allowed during the proceedings of the AGM wherein the Directors, Company Secretaries and the External Auditors will be available to answer to the queries raised by the shareholders. A full explanation for each resolution proposed at the AGM will usually be provided by the Chairman before the resolution is put to the vote.

Separate issues are tabled in separate resolutions at the AGM, voting is carried systematically and motions carried through are properly recorded. In accordance with Paragraph 8.29A(1) of the MMLR of Bursa Securities, poll voting will continue to be carried out at the Fiftieth AGM of the Company to be held in June 2024.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website at www.boxpak.com.my facilitates effective dissemination of latest and up-to-date information pertaining to the Company to the investors and general public.

This Annual Report, Circular to Shareholders, Notice of AGM and other AGM related documents will be made available on the Company's website at www.boxpak.com.my or shareholders may request for the printed copy of the same from the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd.. A notification in respect of the availability of the aforesaid documents will be sent via email to shareholders with email address and via ordinary mail to the other shareholders.

Shareholders also have the option to submit their hard copy of Proxy Forms to the Company's Administration and Polling Agent, KPMG Management & Risk Consulting Sdn. Bhd. at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia or their electronic Proxy Forms via ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024 or email to support_conveneagm@kpmg.com.my pursuant to Clause 76 of the Constitution of the Company.

COMPLIANCE WITH THE MCCG

The Board considers that the Company has complied with the provisions and applied the key principles of the MCCG throughout the FYE 2023 except for the Practices below where the explanation for departure is disclosed in the Corporate Governance Report:

Practice 5.9 : The Board comprises of at least 30% women directors.

Practice 8.2 : The Board discloses on a named basis the top 5 senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The Board has reviewed, deliberated and approved this Corporate Governance Overview Statement at the Board meeting held on 2 April 2024. The Board is satisfied that this Corporate Governance Overview Statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied and obligations are fulfilled under the MCCG and MMLR of Bursa Securities throughout the FYE 2023 by the Company, save for the exceptions as disclosed above.

The Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report for the FYE 2023 which is made available at the Company's website at www.boxpak.com.my.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEMBERSHIP AND MEETINGS

The Audit and Risk Management Committee ("ARMC") comprises 3 members, all of whom are Independent Non-Executive Directors:

Foo Kee Fatt *(Chairman)*
Tan Kim Seng *(Member)*
Tuan Ngah @ Syed Ahmad Bin Tuan Baru *(Member)*

During the financial year ended 31 December ("FYE") 2023, the ARMC convened 5 meetings and the attendance of the meetings were follows:

Members	Number of meetings attended in FYE 2023	Percentage of Attendance
Foo Kee Fatt	5 out of 5 meetings	100
Tan Kim Seng	5 out of 5 meetings	100
Tuan Ngah @ Syed Ahmad Bin Tuan Baru	5 out of 5 meetings	100

The details of the term of reference of the ARMC are available on the website www.boxpak.com.my.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE ARMC DURING THE FYE 2023

Internal Audit Function

The Group has an Internal Audit Department with the principal responsibility to undertake regular and systematic reviews of the systems of internal controls to provide reasonable assurance that such systems continue to operate effectively and efficiently.

The following activities were carried out by Internal Audit Department in the FYE 2023:

- Conducted periodic checks to determine the extent of compliance with established policies, procedures and statutory requirements.
- Recommended improvements to the existing systems of controls by ways of issuing audit reports to the appropriate level of Management for corrective and improvement actions to be taken.
- Reviewed the related party transactions and conflict of interest or potential conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of Management's integrity.
- Prepared the Internal Audit Budget and Headcount for the year 2024.
- Prepared the Group Internal Audit Plan for approval of the ARMC. The Group Internal Audit Plan sets out the scope of work for Internal Audit Department for the year 2024.
- Prepared the ARMC Report and Statement of Risk Management and Internal Control for year 2023.

The total costs incurred by the Internal Audit Department for the FYE 2023 were RM219,320.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE ARMC DURING THE FYE 2023 (continued)

Internal Audit Function (continued)

During FYE 2023, an external audit firm, Messrs. RSM Vietnam Auditing and Consulting Co. Ltd. was engaged to assess and confirm the adequacy and effectiveness of the internal control system in the Payroll, Corporate Governance and Other General Control, and Financial Reporting Control of the subsidiary in Vietnam. Total fees paid were RM29,544 (inclusive of RM2,686 value added tax of 10%).

Except for the above outsourced work, all internal audit activities were conducted by the in-house audit team.

Summary of Activities of the ARMC

During the FYE 2023, the main activities undertaken by the ARMC were as follows:

- Reviewed and recommended the ARMC Report and Statement on Risk Management and Internal Control for the Annual Report 2022 to the Board of Directors ("Board") for its consideration and approval.
- Reviewed and recommended the audited Financial Statements of the Group and of the Company ("FS") for the FYE 2022 to the Board for its consideration and approval. The review was to ensure that the audited FS for FYE 2022 were drawn up accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016.
- Reviewed the renewal and new mandate for recurrent related party transactions of a revenue or trading nature entered into by the Company and the Group, and the draft circular to seek shareholders' mandate in respect thereof.
- Reviewed with the External Auditors, their scope of work and audit planning in respect of the audit of the financial statements for FYE 2023.
- Reviewed and recommended the Non-Assurance Services Pre-approval Policy.
- Reviewed the results of the external audit, the audit report and the Management letter, including Management's response.
- Held private sessions with the External Auditors without the presence of Management in February 2023, April 2023 and November 2023.
- Reviewed the announcements of the unaudited quarterly financial results of the Group and of the Company prior to the Board's approval with particular focus on:
    - compliance with accounting standards and regulatory requirements; and
    - the Group's accounting policies and procedures.
- Reviewed the Group's compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, financial reporting standards and other relevant legal and regulatory requirements.
- Reviewed with the Internal Auditors, their scope of work and the Group Internal Audit Plan for year 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE ARMC DURING THE FYE 2023 (continued)

Summary of Activities of the ARMC (continued)

During the FYE 2023, the main activities undertaken by the ARMC were as follows: (continued)

- Reviewed the risk management reports and quarterly internal audit reports presented by the Internal Auditors on their findings, recommendations and discussion with Senior Management to ensure that appropriate and timely measures have been taken to improve the internal control systems.

- Reviewed and approved the internal audit report presented by Messrs. RSM Vietnam Auditing and Consulting Co. Ltd. on Box-Pak (Vietnam) Co., Ltd. on its findings, recommendations and discussion with Senior management to ensure that appropriate and timely measures have been taken to improve the internal control systems.

- Reviewed and approved the Internal Audit Budget and Headcount for year 2024.

- Reviewed and recommended the Group Budget for year 2024 to the Board for its consideration and approval.

- Reviewed and recommended the Related Party Transactions Policy and Conflict of Interest Policy.

This Report was approved by the Board at the Board meeting held on 2 April 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of Box-Pak (Malaysia) Bhd. ("the Company") is responsible for maintaining a sound system of internal control in the Company and its subsidiaries ("Group") and is pleased to provide the following Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of risk management and internal control systems of the Group during the financial year ended 31 December 2023 ("FYE 2023"). This Statement is issued pursuant to Paragraph 15.26(b) of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and in accordance with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board recognises the importance of good corporate governance. The Board is responsible for the Group's internal control and risk management systems to safeguard shareholders' investment and the Group's assets as well as reviewing the adequacy and effectiveness of the said systems. This responsibility is delegated to the Audit and Risk Management Committee ("ARMC") which is empowered by its terms of reference to seek assurance on the adequacy and integrity of the internal control system through independent reviews carried out by the internal audit function and through engagement with Management. Management is responsible for assisting the Board in implementing and monitoring the procedures and processes that identity, assess, and monitor business risks and internal controls, and to take responsive corrective actions as and when needed.

The Board has received assurance from the Group Managing Director and Group Finance Director that the Group's risk management and internal control systems have operated adequately and effectively for FYE 2023 in all material aspects. The assurance has been given based on the internal controls established and maintained by the Group, work performed and reports provided by the internal audit function, management letters provided by external auditors, reviews performed by Management and various Board Committees as well as reliance on confirmations by Management.

The system of internal control is designed to manage rather than to eliminate all risks that may impede the achievement of the Group's business objectives. Therefore, the internal control system can only provide reasonable assurance and not absolute assurance against material misstatements or loss.

The Board has reviewed the effectiveness, adequacy, and integrity of the system of risk management and internal controls in operation during the financial year through the monitoring process set out below. The Board is of the opinion that the internal controls and risk management systems were adequate for FYE 2023 to address the risks that the Group considers relevant and material to its operations.

RISK MANAGEMENT

The Board established an ARMC following a disclosure requirement under the Malaysian Code of Corporate Governance ("MCCG"). The ARMC wholly comprises Independent Directors.

Key aspects of the risk management framework are:

(a) The Group has set-up a Risk Management Working Group ("RMWG") to assist the ARMC in establishing an enterprise risk management ("ERM") framework;
(b) The RMWG comprises the Group Finance Director (as Chairperson), Non-Independent Non-Executive Director, Director - Group Executive Management Office, General Manager - Risk, Audit and Sustainability and the General Manager of the respective Business Divisions;
(c) The RMWG conducts annual review of the ERM framework and its processes;
(d) Any significant risk(s) that requires the Board's attention will be highlighted via the RMWG Report; and
(e) Key risks highlighted in RMWG Report will be used by internal audit in developing internal audit plan.

The Group being ISO 9001:2015 certified has adopted a risk-based approach to identifying and managing operational risks at the plant level. This further complemented the Group's ERM assessment that was carried out.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed by the in-house Group Internal Audit Department ("IAD"). The Internal Audit Charter was reviewed and updated on 24th November 2021 to take into consideration the applicable practices and guidance from the MCCG.

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management, whistleblowing and anti-corruption, and internal controls.

The internal audit activity would govern itself by adhering to the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"). In addition, the Group IAD will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity (including ongoing internal assessments and external assessments once every 5 years) to meet the IPPF standard requirements.

A Quality Assurance Review was carried out on the Group's Internal Audit function by a qualified independent consulting company in 2019. All recommendations made by the independent consultant have been taken into consideration by the Group's Internal Audit Department to upgrade themselves to conform to IPPF and to meet the expectations of Management as well as the ARMC.

For FYE 2023, internal audit reviews were carried out in accordance with the Group Internal Audit plan approved by the ARMC. Significant audit findings and Management's responses and proposed action plans were presented to ARMC. The internal audit function also follows up and reports to the ARMC on whether the corrective action plans to address the control weaknesses have been satisfactorily implemented by Management. During FYE 2023, an external audit firm, Messrs. RSM Vietnam Auditing and Consulting Co. Ltd. was engaged to assess and confirm the adequacy and effectiveness of the internal control system in the Payroll, Corporate Governance and Other General Control, and Financial Reporting Control of the subsidiary in Vietnam.

There were no material losses incurred during FYE 2023 as a result of weaknesses in internal control. The Group has complied with the relevant legislation and regulations. Management continues to be vigilant and take the necessary measures to strengthen the internal control environment from time to time.

Based on internal audit reviews carried out, none of the weaknesses noted have resulted in any materials losses, contingencies, or uncertainties that would require separate disclosure in this Annual Report.

There were a total of 7 auditors in the Group IAD as at FYE 2023. Recruitment will be done on a needs basis, depending on the quantum and scope of work required and planned.

None of the internal auditors has a family relationship with any Director and/or major shareholder of the Company.

The total cost incurred in maintaining the internal audit function for FYE 2023 amounted to RM219,320 (including outsourced internal audit services amounting to RM29,544).

INTERNAL CONTROL

The key elements of the Group's internal control system are described below:

(a) Organisation Structure and Authorisation Procedures

The Group maintains a formal organisation structure. Delegation of authority including authorisation limits at various levels of management and those requiring the Board's approval are documented and designed to ensure accountability and responsibility.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (continued)

The key elements of the Group's internal control system are described below: (continued)

(b) Documented Policies and Procedures

Clearly defined policies and procedures are in place, where applicable, and are regularly updated to reflect changing risks or to address operational deficiencies. There is an Anti-Corruption Policy in the Group. Annual declaration by managerial and key employees to uphold the principles of integrity, zero tolerance for bribery and corruption, and avoidance of personal conflict of interest for the Group's business dealings was also carried out and documented.

(c) Planning, Monitoring & Reporting

The Group has an annual planning and budgeting process where financial budget and capital expenditure proposal are approved by the Board.

Actual performances against budget are monitored closely by the management; and updates on the Group's performances are provided to the Board periodically.

(d) Human Resource and Code of Conduct Policies

There are documented policies and guidelines within the Group covering hiring and termination of employees, training programs, and performance appraisal to enhance the level of employees' competency in carrying out their duties and responsibilities. The Group has in place a Code of Conduct which is applied to the Group's management employees. The Code of Conduct defines rules of conduct and is structured as follows:

- compliance with laws and regulations,
- prevention of conflicts of interest,
- zero tolerance on bribery and corruption,
- safeguarding of the Group's intellectual property and assets,
- financial disclosure and importance of internal control implementation.

(e) Insurance

Sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken by management to review the coverage based on the current fixed assets register and the respective net book values and "replacement values", i.e. the prevailing market price for the same or similar item, where applicable.

(f) ISO Audit

As per the requirement of the various ISO certifications, the scheduled audits are conducted internally as well as by various external certification bodies. Issues arising from these audits are forwarded to the Group Managing Director for discussion and further action, if any.

(g) Internal Audit

The annual risk-based internal audit plan is reviewed and approved by the ARMC before the beginning of each year. The objectives of the said audit plan are to ensure, through regular internal audit reviews, that the Group's policies and procedures are being complied with to provide assurance on the adequacy and effectiveness of the Group's system of internal controls. Follow-up reviews on previous audit reports are carried out to ensure that appropriate actions are taken to address highlighted internal control weaknesses.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (continued)

The key elements of the Group's internal control system are described below: (continued)

(h) ARMC

The ARMC wholly comprises Independent Non-Executive members of the Board and provides direction and oversight over the internal audit function to enhance its independence from Management. The ARMC meets quarterly to review external audit findings, internal audit findings, discuss internal control issues, and ensure that weaknesses in controls highlighted are appropriately addressed by Management.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of MMLR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the Annual Report for FYE 2023 has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management and Internal Control factually inaccurate.

Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and AAPG 3 Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants which does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies, or uncertainties that would require disclosures in this Annual Report.

This Statement is made in accordance with a resolution of the Board on 2 April 2024.

OTHER COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES PAID/PAYABLE

During the financial year ended 31 December 2023, the amount of audit and non-audit fees paid/payable by Box-Pak (Malaysia) Bhd. ("the Company") and its subsidiaries (collectively, "the Group") to the External Auditors, BDO PLT and its affiliates for services rendered to the Group and the Company were as follows:

Type of fees	Group RM	Company RM
Audit fees	290,738	107,000
Non-audit fees	40,629	24,800

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving Directors' or major shareholders' interests that were still subsisting at the end of the financial year or since then.

For information on recurrent related party transactions of a revenue or trading nature, please refer to Note 30 to the financial statements.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

Directors are legally responsible to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing those financial statements, the Directors ensured that:

- they complied with the Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and Companies Act, 2016 ("the Act");
- appropriate accounting policies are used and applied consistently;
- the going concern basis used in the preparation of the financial statements are appropriate; and
- where judgements and estimates are made, they are reasonable and prudent.

The Directors are responsible to ensure that proper accounting records are kept and disclosed with reasonable accuracy the financial positions of the Group and of the Company and to ensure that the financial statements comply with MFRS, IFRS Accounting Standards, the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors have a general responsibility in taking such steps as are reasonably opened to them to manage risks associated to the business of the Group, safeguard the Group's assets to prevent and detect fraud and other irregularities. In this aspect, the Directors have received reasonable assurance from the Group Managing Director and the Group Finance Director that proper internal controls are in place throughout the financial year ended 31 December 2023 for these purposes.

This Statement was approved by the Board at the Board meeting held on 2 April 2024.

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and distribution of paper boxes, cartons, general paper and board printing and investment holding. The principal activities of the subsidiaries are mainly the manufacture of corrugated fibre board carton and investment holding. The principal activities and details of the subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

ULTIMATE HOLDING COMPANY

The Directors regard Eller Axis Sdn. Bhd., which is incorporated in Malaysia as the ultimate holding company during the financial year and until the date of this report.

RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year, attributable to owners of the Company	(8,117,864)	49,333,107

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS OF THE COMPANY

The Directors who served during the financial year until the date of this report are as follows:

Datuk Dr. Roslan Bin A. Ghaffar
Yeoh Jin Hoe
Tan Kim Seng
Keith Christopher Yeoh Min Kit
Tuan Ngah @ Syed Ahmad Bin Tuan Baru
Sharifah Nadia Aljafri
Foo Kee Fatt
Chee Khay Leong (Retired on 6 November 2023)

DIRECTORS' REPORT

DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253(2) of the Companies Act 2016, the directors who served in the subsidiaries during the financial year and up to the date of this report are as follows:

Yeoh Jin Hoe
Marc Francis Yeoh Min Chang
Nur Aisyah Wong @ Wong Wai Yin (Huang Huiyan)
Chee Khay Leong
Chew Hock San
Keith Christopher Yeoh Min Kit
Shaun Patrick Yeoh Min Jin
Chan Huan Cheong
Gan Joe Yee

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	[-------------------Number of ordinary shares-------------------]			
	At 1.1.2023	**Additions**	**Disposals**	**At 31.12.2023**
Shares in the Company				
Direct interest:				
Tan Kim Seng	24,000	–	–	24,000
Indirect interests:				
Yeoh Jin Hoe	66,016,121 #	–	–	66,016,121 #
Tan Kim Seng	405,000 £	–	–	405,000 £
Interests in the penultimate holding company, Can-One Berhad				
Direct interests:				
Yeoh Jin Hoe	7,505,700	–	–	7,505,700
Tan Kim Seng	2,800,000	–	–	2,800,000
Indirect interest:				
Yeoh Jin Hoe	108,858,800 *	–	–	108,858,800 *
Interests in the ultimate holding company, Eller Axis Sdn. Bhd.				
Direct interest:				
Yeoh Jin Hoe	950,000	–	–	950,000

Deemed interest through Kian Joo Can Factory Berhad, the wholly-owned subsidiary company of Can-One International Sdn. Bhd., which in turn is wholly-owned by Can-One Berhad.

£ Deemed interest through his spouse.

* Deemed interest through his holding of more than 20% voting shares in Eller Axis Sdn. Bhd., which in turn holds more than 20% voting shares in Can-One Berhad, the holding company of Can-One International Sdn. Bhd..

DIRECTORS' REPORT

DIRECTORS' INTERESTS (continued)

Yeoh Jin Hoe, by virtue of his interests in the ultimate holding company, is also deemed to be interested in the ordinary shares of all the subsidiaries of the ultimate holding company and the Company to the extent the ultimate holding company or the Company has an interest.

Save for the aforesaid Directors above, none of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as disclosed in Note 30(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have been derived by virtue of the remuneration received and receivable by certain Directors from related corporations in their capacity as Directors or full-time employees of those related corporations and those transactions entered into in the ordinary course of business with companies in which certain Directors of the Company and its subsidiaries have substantial interests as disclosed in Note 30 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and the Company for the financial year ended 31 December 2023 were as follows:

	Group RM	Company RM
Fees	631,731	590,959
Salaries and bonuses	1,413,210	1,265,328
Statutory contributions	152,794	152,794
Allowances	70,500	70,500
	2,268,235	2,079,581

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid up capital of the Company and no debentures were issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a corporate liability insurance which provides appropriate insurance cover for the Directors and officers of the Group throughout the financial year. The amount of insurance premium paid by the Company for the financial year 2023 was RM20,000.

There was no indemnity or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

(i) all known bad debts had been written off and adequate provision had been made for doubtful debts; and

(ii) any current assets which were unlikely to be realised in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts, or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

(iv) not otherwise dealt with in this report or in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

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

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transactions or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

CONSOLIDATION OF A SUBSIDIARY WITH DIFFERENT FINANCIAL YEAR END

Pursuant to Section 247(7) of the Companies Act 2016, the Company has been granted approval by the Companies Commission of Malaysia for Boxpak (Myanmar) Company Limited, a wholly owned subsidiary to continue to have a financial year, which does not coincide with the Company in relation to the financial year ended 31 December 2023.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 27 March 2024, Box-Pak (Vietnam) Co., Ltd., a wholly-owned subsidiary of the Company, entered into a conditional in-principle land sublease agreement with a third party to sublease a parcel of vacant leasehold industrial land for a period of approximately forty five (45) years up to 6 August 2069, for a sublease consideration of VND179,524,000,000 (exclusive of value added tax), which is equivalent to approximately RM34,286,478.

As of the date of this report, the completion of the transaction is subject to the fulfilment of conditions precedent pursuant to the conditional in-principle land sublease agreement.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM	Company RM
Statutory audit	325,888	107,000
Other services	40,629	10,000
	366,517	117,000

Signed on behalf of the Board of Directors ("Board") in accordance with a resolution of the Board.

Yeoh Jin Hoe
Director

Tan Kim Seng
Director

Kuala Lumpur
2 April 2024

STATEMENT BY DIRECTORS

We, Yeoh Jin Hoe and Tan Kim Seng, being two of the Directors of Box-Pak (Malaysia) Bhd., state that, in the opinion of the Directors, the accompanying financial statements set out on pages 91 to 156 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board

Yeoh Jin Hoe
Director

Tan Kim Seng
Director

Kuala Lumpur
2 April 2024

STATUTORY DECLARATION

I, Chan Kam Chiew (CA 7639), being the officer primarily responsible for the financial management of Box-Pak (Malaysia) Bhd., do solemnly and sincerely declare that the financial statements set out on pages 91 to 156 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
2 April 2024)

Chan Kam Chiew

Before me:

MARDHIYYAH ABDUL WAHAB
(W 729)
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOX-PAK (MALAYSIA) BHD. (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Box-Pak (Malaysia) Bhd., which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 91 to 156.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter of the Group

1. Impairment assessment on the carrying amounts of property, plant and equipment and right-of-use assets

As stated in Note 5(c) and Note 6.1(f) to the financial statements, certain subsidiaries have impairment indicators and they collectively held RM84,161,228 as the carrying amount of property, plant and equipment and RM15,608,927 as the carrying amount of right-of-use assets as at 31 December 2023.

Management used forecasted future cash flows in value-in-use model to determine the recoverable amounts of these property, plant and equipment and right-of-use assets (hereinafter referred to as Cash Generating Units ("CGUs")) to assess if there is any impairment loss required on the property, plant and equipment and right-of-use assets of these subsidiaries.

We determined this to be a key audit matter because it requires management to exercise significant judgement and estimates about the future results and key assumptions applied to the cash flow projections of the CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOX-PAK (MALAYSIA) BHD.
(INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

Key Audit Matter of the Group (continued)

1. Impairment assessment on the carrying amounts of property, plant and equipment and right-of-use assets (continued)

Audit response

Our audit procedures included the following:

(a) compared cash flow projections against recent performance and assessed and evaluated the key assumptions used in the cash flow projections by comparing to actual historical operating profit margins and growth rates;

(b) compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;

(c) assessed appropriateness of pre-tax discount rates used for each CGU by comparing to the weighted average cost of capital of the Group and relevant risk factors; and

(d) performed sensitivity analysis to stress test the key assumptions in the impairment model.

Key Audit Matters of the Company

1. Impairment assessment of the carrying amounts of costs of investments in subsidiaries

As stated in Note 8(c) to the financial statements, certain subsidiaries have impairment indicators and the net carrying amount of costs of investments amounted to RM52,933,000 as at 31 December 2023.

Management had performed impairment assessments on these subsidiaries/Cash Generating Units ("CGUs") and used forecasted future cash flows in value-in-use model to compute the present value of forecasted future cash flows for these subsidiaries/CGUs to determine if there is any impairment loss required on the costs of investments in these subsidiaries.

We determined this to be a key audit matter because it requires management to exercise significant judgement and estimates about the future results and key assumptions applied to the cash flow projections of these subsidiaries/CGUs in determining their recoverable amounts. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions.

Audit response

Our audit procedures included the following:

(a) compared cash flow projections against recent performance and assessed and evaluated the key assumptions used in the cash flow projections by comparing to actual historical operating profit margins and growth rates;

(b) compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;

(c) assessed appropriateness of pre-tax discount rates used for each CGU by comparing to the weighted average cost of capital of the Group and relevant risk factors; and

(d) performed sensitivity analysis to stress test the key assumptions in the impairment model.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOX-PAK (MALAYSIA) BHD.
(INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

Key Audit Matters of the Company (continued)

2. Impairment assessment of amounts due from subsidiaries

As stated in Note 10(f) to the financial statements, certain subsidiaries have impairment indicators and the net carrying amount of the amounts due from these subsidiaries amounted to RM92,971,069 as at 31 December 2023.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by subsidiaries, appropriate forward-looking information and significant increase in credit risk.

Audit response

Our audit procedures included the following:

(a) assessed the probability of default applied by the Company against external market sources of data;

(b) assessed the appropriateness of the indicators of significant increase in credit risk applied by management and the resultant basis for classification of exposure into respective stages for the amounts owing by the subsidiaries; and

(c) assessed actual loss events subsequent to the end of reporting period for its relationship with the indicators of significant increase in credit risk applied by management.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BOX-PAK (MALAYSIA) BHD. (INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOX-PAK (MALAYSIA) BHD.
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Chan Wai Leng
02893/08/2025 J
Chartered Accountant

Kuala Lumpur
2 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	**179,345,035**	189,668,272	**23,142,412**	23,791,940
Right-of-use assets	6	**44,350,659**	48,941,838	**17,726,538**	17,424,052
Intangible assets	7	**68,458**	397,814	**65,419**	380,361
Investments in subsidiaries	8	**–**	–	**80,679,365**	80,679,365
Prepayments	9	**–**	877,846	**–**	–
Amounts due from subsidiaries	10	**–**	–	**79,473,194**	63,537,062
		223,764,152	239,885,770	**201,086,928**	185,812,780
Current assets					
Inventories	11	**75,831,060**	74,777,527	**11,030,575**	8,626,856
Trade and other receivables	12	**133,957,858**	172,418,231	**33,825,716**	12,527,554
Prepayments	9	**1,270,635**	3,528,953	**878,886**	132,604
Amounts due from subsidiaries	10	**–**	–	**13,651,099**	16,820,556
Current tax assets		**374,001**	5,910	**374,001**	–
Short-term fund	13	**1,629,239**	6,656,458	**1,629,239**	6,656,458
Cash and bank balances	14	**75,855,267**	42,362,861	**10,031,227**	3,380,898
		288,918,060	299,749,940	**71,420,743**	48,144,926
TOTAL ASSETS		**512,682,212**	539,635,710	**272,507,671**	233,957,706

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	15	**167,362,903**	167,362,903	**167,362,903**	167,362,903
Foreign currency translation reserve	16	**15,489,268**	16,721,226	**–**	–
(Accumulated losses)/ Retained earnings		**(73,472,185)**	(63,932,462)	**8,630,834**	(39,280,414)
TOTAL EQUITY		**109,379,986**	120,151,667	**175,993,737**	128,082,489
LIABILITIES					
Non-current liabilities					
Other payables	17	**–**	43,953,791	**–**	–
Loans and borrowings	18	**44,018,631**	47,566,837	**44,018,631**	47,566,837
Retirement benefit obligations	19	**2,424,034**	1,196,771	**2,424,034**	1,196,771
Lease liabilities	6	**2,655,353**	5,636,716	**881,056**	421,225
Deferred tax liabilities	20	**750,385**	782,677	**–**	–
		49,848,403	99,136,792	**47,323,721**	49,184,833
Current liabilities					
Trade and other payables	17	**166,430,998**	161,657,584	**12,575,695**	9,278,522
Loans and borrowings	18	**181,630,038**	151,946,706	**35,079,478**	45,845,097
Retirement benefit obligations	19	**965,148**	918,846	**965,148**	918,846
Lease liabilities	6	**3,571,075**	4,722,690	**569,892**	398,329
Contract liabilities	21	**5,266**	130,590	**–**	130,590
Current tax liabilities		**851,298**	970,835	**–**	119,000
		353,453,823	320,347,251	**49,190,213**	56,690,384
TOTAL LIABILITIES		**403,302,226**	419,484,043	**96,513,934**	105,875,217
TOTAL EQUITY AND LIABILITIES		**512,682,212**	539,635,710	**272,507,671**	233,957,706

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Revenue	22	**644,419,992**	765,806,143	**138,141,557**	94,833,398
Cost of sales		**(585,024,667)**	(701,664,130)	**(78,274,262)**	(88,297,860)
Gross profit		**59,395,325**	64,142,013	**59,867,295**	6,535,538
Other operating income	23	**852,811**	466,286	**869,682**	410,636
Selling and marketing expenses		**(15,329,126)**	(15,242,844)	**(280,604)**	(196,588)
Administrative expenses		**(34,973,811)**	(37,285,638)	**(9,834,099)**	(10,934,358)
Other expenses		**(952,819)**	(2,225,101)	**(951,740)**	(168,825)
Operating profit/(loss) before impairment losses		**8,992,380**	9,854,716	**49,670,534**	(4,353,597)
Net reversal of impairment losses/ (impairment losses) on financial assets	26(b)	**365,291**	(350,090)	**237,968**	(866,017)
Results from operating activities		**9,357,671**	9,504,626	**49,908,502**	(5,219,614)
Interest income	24	**219,008**	113,965	**4,919,240**	2,082,231
Finance costs	25	**(15,447,799)**	(12,507,753)	**(5,775,708)**	(2,929,999)
(Loss)/Profit before tax	26	**(5,871,120)**	(2,889,162)	**49,052,034**	(6,067,382)
Tax expense	27	**(2,246,744)**	(3,153,019)	**281,073**	(686,879)
(Loss)/Profit for the financial year		**(8,117,864)**	(6,042,181)	**49,333,107**	(6,754,261)
(Loss)/Profit for the financial year attributable to owners of the parent		**(8,117,864)**	(6,042,181)	**49,333,107**	(6,754,261)

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit for the financial year		**(8,117,864)**	(6,042,181)	**49,333,107**	(6,754,261)
Other comprehensive (loss)/ income					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translations	27(d)	**(1,231,958)**	(428,513)	**–**	–
Fair value gain on cash flow hedge	27(d)	**–**	1,355,949	**–**	–
Item that will not be reclassified subsequently to profit or loss:					
Remeasurement of net retirement benefit obligations	19	**(1,421,859)**	–	**(1,421,859)**	–
Total other comprehensive (loss)/ income for the financial year, net of tax		**(2,653,817)**	927,436	**(1,421,859)**	–
Total comprehensive (loss)/income for the financial year		**(10,771,681)**	(5,114,745)	**47,911,248**	(6,754,261)
Total comprehensive (loss)/income attributable to owners of the parent:		**(10,771,681)**	(5,114,745)	**47,911,248**	(6,754,261)
Loss per ordinary share attributable to owners of the parent (sen):					
Basic	28	**(6.76)**	(5.03)		
Diluted	28	**(6.76)**	(5.03)		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Share capital RM	[---- Non-distributable ---- Foreign currency translation reserve RM	Cash flow hedge reserve RM	Warrants reserve RM	Total other reserves RM	Accumulated losses RM ----]	Total equity RM
Balance as at 1 January 2023	**167,362,903**	**16,721,226**	**–**	**–**	**16,721,226**	**(63,932,462)**	**120,151,667**
Loss for the financial year	**–**	**–**	**–**	**–**	**–**	**(8,117,864)**	**(8,117,864)**
Other comprehensive loss, net of tax	**–**	**(1,231,958)**	**–**	**–**	**(1,231,958)**	**(1,421,859)**	**(2,653,817)**
Total comprehensive loss for the financial year	**–**	**(1,231,958)**	**–**	**–**	**(1,231,958)**	**(9,539,723)**	**(10,771,681)**
Balance as at 31 December 2023	**167,362,903**	**15,489,268**	**–**	**–**	**15,489,268**	**(73,472,185)**	**109,379,986**
Balance as at 1 January 2022	167,362,903	17,149,739	(1,355,949)	6,056,366	21,850,156	(63,946,647)	125,266,412
Loss for the financial year	–	–	–	–	–	(6,042,181)	(6,042,181)
Other comprehensive (loss)/ income, net of tax	–	(428,513)	1,355,949	–	927,436	–	927,436
Total comprehensive (loss)/ income for the financial year	–	(428,513)	1,355,949	–	927,436	(6,042,181)	(5,114,745)
Transaction with owners: Expiry of unexercised warrants	–	–	–	(6,056,366)	(6,056,366)	6,056,366	–
Balance as at 31 December 2022	167,362,903	16,721,226	–	–	16,721,226	(63,932,462)	120,151,667

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	[-------------- Non-distributable	--------------	----------------]	
Company	**Share capital RM**	**Warrants reserve RM**	**(Accumulated losses)/ Retained earnings RM**	**Total equity RM**
Balance as at 1 January 2023	**167,362,903**	**–**	**(39,280,414)**	**128,082,489**
Profit for the financial year	**–**	**–**	**49,333,107**	**49,333,107**
Other comprehensive loss, net of tax	**–**	**–**	**(1,421,859)**	**(1,421,859)**
Total comprehensive income for the financial year	**–**	**–**	**47,911,248**	**47,911,248**
Balance as at 31 December 2023	**167,362,903**	**–**	**8,630,834**	**175,993,737**
Balance as at 1 January 2022	167,362,903	6,056,366	(38,582,519)	134,836,750
Loss for the financial year	–	–	(6,754,261)	(6,754,261)
Other comprehensive loss, net of tax	–	–	–	–
Total comprehensive loss for the financial year	–	–	(6,754,261)	(6,754,261)
Transaction with owners:				
Expiry of unexercised warrants	–	(6,056,366)	6,056,366	–
Balance as at 31 December 2022	167,362,903	–	(39,280,414)	128,082,489

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
(Loss)/Profit before tax		**(5,871,120)**	(2,889,162)	**49,052,034**	(6,067,382)
Adjustments for:					
Amortisation of intangible assets	7	**329,600**	867,969	**314,942**	737,581
Depreciation of:					
- property, plant and equipment	5	**27,281,840**	24,334,387	**2,468,643**	2,279,283
- right-of-use assets	6.1	**4,313,381**	5,623,010	**843,262**	793,793
Dividend income	22	**–**	–	**(46,703,268)**	–
Gain on modifications/ reassessments of lease contracts	26	**(76,393)**	–	**–**	–
Gain on termination of lease contracts	26	**(17,729)**	(3,365)	**(569)**	(984)
Impairment losses on:					
- trade receivables	12(c)	**51,043**	360,883	**3,266**	119,539
- amounts due from subsidiaries	10(f)	**–**	–	**151,156**	748,578
Income distribution from short-term fund	23	**(24,944)**	(5,230)	**(24,944)**	(5,230)
Interest expenses on:					
- loans and borrowings		**15,090,091**	12,255,684	**5,738,602**	2,907,218
- lease liabilities	6.2(b)	**357,708**	252,069	**37,106**	22,781
Interest income	24	**(219,008)**	(113,965)	**(4,919,240)**	(2,082,231)
Net (gain)/loss on disposal of property, plant and equipment	26	**(114,114)**	(57,506)	**20,339**	(19,959)
Net unrealised (gain)/loss on foreign exchange	26	**(97,667)**	267,056	**612,301**	(52,629)
Retirement benefit obligations	19	**111,914**	1,024,840	**111,914**	1,024,840
Reversal of impairment losses on:					
- trade receivables	12(c)	**(416,334)**	(10,793)	**(85,305)**	(2,100)
- amounts due from subsidiaries	10(f)	**–**	–	**(307,085)**	–
Reversal of inventories written down	11	**(4,165,191)**	(7,056,295)	**(641,725)**	(2,367,176)
Write off in respect of:					
- property, plant and equipment	26	**246,571**	47,729	**216,346**	12,603
- inventories	11	**653,556**	6,018,307	**–**	6,018,307
Operating profit before changes in working capital		**37,433,204**	40,915,618	**6,887,775**	4,066,832

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash flows from operating activities (continued)					
Changes in working capital:					
Inventories		**2,458,102**	39,159,905	**(1,761,994)**	8,860,324
Trade and other receivables		**43,700,597**	10,339,181	**2,048,781**	8,266,512
Trade and other payables		**(18,580,311)**	1,002,883	**2,893,145**	(138,752)
Contract liabilities		**(125,324)**	130,590	**(130,590)**	130,590
Cash generated from operations		**64,886,268**	91,548,177	**9,937,117**	21,185,506
Retirement benefits paid	19	**(260,208)**	(141,790)	**(260,208)**	(141,790)
Dividend received		**–**	–	**23,753,268**	–
Tax paid		**(2,766,664)**	(2,003,190)	**(211,928)**	(356,701)
Net cash from operating activities		**61,859,396**	89,403,197	**33,218,249**	20,687,015
Cash flows from investing activities					
Acquisitions of:					
- property, plant and equipment	(a)	**(14,462,763)**	(12,266,583)	**(2,107,324)**	(2,372,524)
- intangible assets	7	**–**	(273,264)	**–**	(268,022)
Advances to subsidiaries		**–**	–	**(8,717,044)**	(52,758,683)
Net change in short-term fund		**5,027,219**	(6,656,458)	**5,027,219**	(6,656,458)
Income distribution short-term fund	23	**24,944**	5,230	**24,944**	5,230
Proceeds from disposal of property, plant and equipment		**327,377**	465,056	**51,524**	84,337
Repayments from immediate holding company		**–**	40,118	**–**	–
Interest received		**219,008**	113,965	**921,423**	2,082,231
Net cash used in investing activities		**(8,864,215)**	(18,571,936)	**(4,799,258)**	(59,883,889)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash flows from financing activities					
Drawdown of term loans		**–**	54,887,105	**–**	54,887,105
Repayments of term loans	(b)	**(9,801,912)**	(63,887,139)	**(5,613,712)**	(1,427,196)
Trade financing, net	(b)	**40,906,103**	(32,755,629)	**4,566,302**	(7,502,970)
Revolving credits, net	(b)	**(8,530,000)**	(7,524,000)	**(15,500,000)**	(4,524,000)
Payments of finance lease liabilities	(b)	**(39,135)**	(37,466)	**(39,135)**	(37,466)
Payments of lease liabilities	6.2(b)	**(3,602,526)**	(5,010,919)	**(550,891)**	(492,522)
Repayments to immediate holding company	(b)	**(123,523)**	(23,511)	**(224)**	–
(Repayments to)/Advances from related companies	(b)	**(19,904,161)**	13,812,470	**1,107,600**	–
Interest paid		**(15,090,091)**	(12,255,684)	**(5,738,602)**	(2,907,218)
Net cash (used in)/from financing activities		**(16,185,245)**	(52,794,773)	**(21,768,662)**	37,995,733
Net increase/(decrease) in cash and cash equivalents		**36,809,936**	18,036,488	**6,650,329**	(1,201,141)
Effect of exchange rate changes		**(3,317,530)**	2,629,494	**–**	–
Cash and cash equivalents at 1 January		**42,362,861**	21,696,879	**3,380,898**	4,582,039
Cash and cash equivalents at 31 December	14(a)	**75,855,267**	42,362,861	**10,031,227**	3,380,898

Notes to statements of cash flows

(a) Reconciliation of acquisition of property, plant and equipment

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Additions of property, plant and equipment	5	**14,462,763**	12,115,077	**2,107,324**	2,372,524
Net movement in prepayments for acquisition of property, plant and equipment		**–**	151,506	**–**	–
		14,462,763	12,266,583	**2,107,324**	2,372,524

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Notes to statements of cash flows (continued)

(b) Reconciliation of liabilities arising from financing activities

	At 1 January RM	Addition of new lease RM	Modifications/ reassessments of lease contracts RM	Termination of lease contracts RM	Net changes from financing cash flows RM	Unrealised foreign exchange loss/(gain) RM	Unwinding of interest expenses RM	Effect of exchange rate changes RM	At 31 December RM
Group									
2023									
Term loans	56,982,809	–	–	–	(9,801,912)	2,202,024	–	217,767	49,600,688
Trade facilities	102,864,200	–	–	–	40,906,103	11,460	–	1,168,819	144,950,582
Revolving credits	39,500,000	–	–	–	(8,530,000)	–	–	–	30,970,000
Finance lease liabilities	166,534	–	–	–	(39,135)	–	–	–	127,399
Lease liabilities	10,359,406	5,562,650	(6,003,141)	(449,247)	(3,602,526)	–	357,708	1,578	6,226,428
Amount due to immediate holding company	123,523	–	–	–	(123,523)	–	–	–	–
Amounts due to related companies	57,029,775	–	–	–	(19,904,161)	–	–	–	37,125,614
	267,026,247	5,562,650	(6,003,141)	(449,247)	(1,095,154)	2,213,484	357,708	1,388,164	269,000,711
2022									
Term loans	63,536,996	–	–	–	(9,000,034)	(598,821)	–	3,044,668	56,982,809
Trade facilities	133,303,417	–	–	–	(32,755,629)	160,455	–	2,155,957	102,864,200
Revolving credits	47,000,000	–	–	–	(7,524,000)	24,000	–	–	39,500,000
Finance lease liabilities	204,000	–	–	–	(37,466)	–	–	–	166,534
Lease liabilities	6,211,074	2,125,341	6,884,845	(137,575)	(5,010,919)	–	252,069	34,571	10,359,406
Amount due to immediate holding company	147,034	–	–	–	(23,511)	–	–	–	123,523
Amounts due to related companies	40,805,508	–	–	–	13,812,470	–	–	2,411,797	57,029,775
	291,208,029	2,125,341	6,884,845	(137,575)	(40,539,089)	(414,366)	252,069	7,646,993	267,026,247

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Notes to statements of cash flows (continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

	At 1 January RM	Addition of new lease RM	Modifications/ reassessments of lease contracts RM	Termination of lease contracts RM	Net changes from financing cash flows RM	Unrealised foreign exchange loss/(gain) RM	Unwinding of interest expenses RM	At 31 December RM
Company								
2023								
Term loans	52,861,088	–	–	–	(5,613,712)	2,353,312	–	49,600,688
Trade facilities	9,884,312	–	–	–	4,566,302	(80,592)	–	14,370,022
Revolving credits	30,500,000	–	–	–	(15,500,000)	–	–	15,000,000
Finance lease liabilities	166,534	–	–	–	(39,135)	–	–	127,399
Lease liabilities	819,554	1,103,003	83,143	(40,967)	(550,891)	–	37,106	1,450,948
Amount due to immediate holding company	224	–	–	–	(224)	–	–	–
Amount due to related companies	–	–	–	–	1,107,600	–	–	1,107,600
	94,231,712	1,103,003	83,143	(40,967)	(16,030,060)	2,272,720	37,106	81,656,657
2022								
Term loans	–	–	–	–	53,459,909	(598,821)	–	52,861,088
Trade facilities	17,226,827	–	–	–	(7,502,970)	160,455	–	9,884,312
Revolving credits	35,000,000	–	–	–	(4,524,000)	24,000	–	30,500,000
Finance lease liabilities	204,000	–	–	–	(37,466)	–	–	166,534
Lease liabilities	468,582	550,044	297,590	(26,921)	(492,522)	–	22,781	819,554
Amount due to immediate holding company	224	–	–	–	–	–	–	224
	52,899,633	550,044	297,590	(26,921)	40,902,951	(414,366)	22,781	94,231,712

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

1. CORPORATE INFORMATION

Box-Pak (Malaysia) Bhd. ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia.

The Directors regard Eller Axis Sdn. Bhd., which is incorporated in Malaysia as the ultimate holding company during the financial year and until the date of this report.

The Directors regard Can-One Berhad and Kian Joo Can Factory Berhad, both of which are incorporated in Malaysia, as the penultimate and immediate holding companies respectively, during the financial year and until the date of this report. Can-One Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

The consolidated financial statements for the financial year ended 31 December 2023 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution of the Board on 2 April 2024.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and distribution of paper boxes, cartons, general paper and board printing and investment holding. The principal activities of the subsidiaries are mainly the manufacture of corrugated fibre board carton and investment holding. The principal activities and details of the subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The material accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are set out in Note 34(a) to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements and on a going concern basis.

The Group incurred a net loss of RM8,117,864 during the financial year ended 31 December 2023 and, as of that date, the current liabilities of the Group exceeded its current assets by RM64,535,763. The Group has carried out cash flows review for the next twelve (12) months to ensure that the business operations have sufficient funds available to meet its obligations as and when they fall due. In addition, the Group has sufficient credit facilities in place to meet its operational requirements.

3. BASIS OF PREPARATION (continued)

The Directors are confident that the Group will continue to operate profitably and generate sufficient cash flows from operations in the foreseeable future and there was no material uncertainty as at the end of the reporting period on the going concern assumption applied in the preparation of financial statements.

The immediate holding company, Kian Joo Can Factory Berhad has indicated that it would provide continuous financial support to the Group so as to enable the Group to meet its obligations as and when they fall due and to operate as a going concern in the foreseeable future.

4. OPERATING SEGMENTS

(a) Business segments

The primary activities of the Group are in a single industry segment of manufacturing and distribution of paper boxes, cartons, general paper and board printing. Other reporting segment includes investment holding, which is not of a sufficient size to be reported separately.

Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group has only one (1) reportable segment.

(b) Major customer

The Group does not have significant reliance on a single major customer, with whom the Group transacted 10% or more of its revenue during the financial year.

(c) The Group evaluates performance on the basis of profit or loss from operations before tax.

(d) Geographical information

The geographical information of the Group is based on the location of the assets of the Group. In presenting on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

4. OPERATING SEGMENTS (continued)

(d) Geographical information (continued)

	Malaysia		Vietnam		Myanmar		Others		Adjustments and eliminations		Per consolidated financial statements	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue	**221,382,462**	181,086,915	**423,765,911**	540,672,108	**45,974,887**	44,047,120	**–**	–	**(46,703,268)**	–	**644,419,992**	765,806,143
Results												
Depreciation and amortisation	**(8,226,201)**	(10,958,639)	**(21,785,654)**	(19,181,399)	**(1,870,361)**	(646,889)	**(42,605)**	(38,439)	**–**	–	**(31,924,821)**	(30,825,366)
Net reversal of impairment losses/ (impairment losses) on:												
- trade receivables	**266,143**	(265,748)	**97,498**	(67,176)	**1,650**	(17,166)	**–**	–	**–**	–	**365,291**	(350,090)
- amounts due from subsidiaries	**(155,702)**	(748,578)	**–**	–	**–**	–	**–**	–	**155,702**	748,578	**–**	–
Reversal of inventories written down/(Inventories written down)	**1,689,927**	2,986,548	**2,642,179**	3,416,063	**(166,915)**	653,684	**–**	–	**–**	–	**4,165,191**	7,056,295
Interest income	**4,983,079**	2,115,190	**662,321**	535,744	**98,142**	46,919	**6,261,932**	4,917,041	**(11,786,466)**	(7,500,929)	**219,008**	113,965
Interest expense	**(7,954,562)**	(4,946,997)	**(5,906,753)**	(5,985,346)	**(6,567,277)**	(5,221,717)	**(6,805,673)**	(3,854,622)	**11,786,466**	7,500,929	**(15,447,799)**	(12,507,753)
Segment profit/(loss)	**46,252,030**	(7,997,047)	**778,341**	10,336,919	**(5,670,956)**	(6,747,354)	**(897,185)**	769,742	**(46,333,350)**	748,578	**(5,871,120)**	(2,889,162)
Tax expense	**257,841**	(689,089)	**(1,992,304)**	(1,973,971)	**–**	–	**(512,281)**	(489,959)	**–**	–	**(2,246,744)**	(3,153,019)

4. OPERATING SEGMENTS (continued)

(d) Geographical information (continued)

	Malaysia		Vietnam		Myanmar		Others		Adjustments and eliminations		Per consolidated financial statements	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Assets:												
Additions to non-current assets												
- Property, plant and equipment	**3,343,238**	3,900,842	**10,406,152**	7,678,712	**707,567**	535,523	**5,806**	–	**–**	–	**14,462,763**	12,115,077
- Right-of-use assets	**2,241,434**	2,125,341	**3,321,216**	–	**–**	–	**–**	–	**–**	–	**5,562,650**	2,125,341
- Intangible assets	**–**	268,022	**–**	–	**–**	5,242	**–**	–	**–**	–	**–**	273,264
	5,584,672	6,294,205	**13,727,368**	7,678,712	**707,567**	540,765	**5,806**	–	**–**	–	**20,025,413**	14,513,682
Segment assets	**397,282,834**	368,472,931	**422,975,782**	438,445,600	**49,402,897**	48,573,791	**203,835,457**	196,376,738	**(560,814,758)**	(512,233,350)	**512,682,212**	539,635,710
Segment liabilities	**157,436,230**	173,496,716	**261,352,641**	231,370,217	**165,728,873**	154,385,906	**113,251,062**	106,084,087	**(295,216,965)**	(246,635,560)	**402,551,841**	418,701,366
Deferred tax liabilities											**750,385**	782,677
Total liabilities											**403,302,226**	419,484,043

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings RM	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Spare parts RM	Assets under construction RM	Total RM
At 31 December 2023							
At cost							
At 1 January 2023	181,270,563	290,938,970	60,984,014	1,561,188	7,114,428	–	541,869,163
Additions	542,323	1,600,812	3,398,033	–	8,904,395	17,200	14,462,763
Disposal	–	(548,282)	–	–	–	–	(548,282)
Written off	–	(548,798)	(63,239)	–	–	–	(612,037)
Exchange differences	4,644,258	4,513,432	965,444	15,445	105,935	–	10,244,514
At 31 December 2023	186,457,144	295,956,134	65,284,252	1,576,633	16,124,758	17,200	565,416,121

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Leasehold buildings RM	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Spare parts RM	Assets under construction RM	Total RM
At 31 December 2023							
Accumulated depreciation and impairment losses							
At 1 January 2023							
- Accumulated depreciation	47,469,301	163,278,315	54,251,508	1,101,827	2,133,697	–	268,234,648
- Accumulated impairment losses	54,793,842	28,356,086	–	–	816,315	–	83,966,243
	102,263,143	191,634,401	54,251,508	1,101,827	2,950,012	–	352,200,891
Depreciation charge for the financial year	2,689,638	13,728,941	6,041,036	96,709	4,725,516	–	27,281,840
Disposal	–	(335,019)	–	–	–	–	(335,019)
Written off	–	(307,104)	(58,362)	–	–	–	(365,466)
Exchange differences on accumulated depreciation	541,231	2,039,855	863,967	10,995	35,323	–	3,491,371
Exchange differences on accumulated impairment losses	2,496,303	1,291,849	–	–	9,317	–	3,797,469
At 31 December 2023							
- Accumulated depreciation	50,700,170	178,404,988	61,098,149	1,209,531	6,894,536	–	298,307,374
- Accumulated impairment losses	57,290,145	29,647,935	–	–	825,632	–	87,763,712
	107,990,315	208,052,923	61,098,149	1,209,531	7,720,168	–	386,071,086
Net carrying amount							
At 31 December 2023	78,466,829	87,903,211	4,186,103	367,102	8,404,590	17,200	179,345,035

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Leasehold buildings RM	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Spare parts RM	Total RM
At 31 December 2022						
At cost						
At 1 January 2022	175,742,804	284,794,327	52,302,265	1,681,211	4,411,681	518,932,288
Additions	84,190	1,702,591	7,721,809	–	2,606,487	12,115,077
Disposals	–	(1,059,815)	(152,189)	(140,617)	–	(1,352,621)
Written off	–	(99,693)	(690)	–	–	(100,383)
Exchange differences	5,443,569	5,601,560	1,112,819	20,594	96,260	12,274,802
At 31 December 2022	181,270,563	290,938,970	60,984,014	1,561,188	7,114,428	541,869,163
Accumulated depreciation and impairment losses						
At 1 January 2022						
- Accumulated depreciation	44,306,379	148,272,985	46,255,675	1,117,025	853,367	240,805,431
- Accumulated impairment losses	51,985,502	26,902,755	–	–	805,833	79,694,090
	96,291,881	175,175,740	46,255,675	1,117,025	1,659,200	320,499,521
Depreciation charge for the financial year	2,539,849	13,265,622	7,154,824	112,110	1,261,982	24,334,387
Disposals	–	(652,267)	(152,187)	(140,617)	–	(945,071)
Written off	–	(52,459)	(195)	–	–	(52,654)
Exchange differences on accumulated depreciation	623,073	2,444,434	993,391	13,309	18,348	4,092,555
Exchange differences on accumulated impairment losses	2,808,340	1,453,331	–	–	10,482	4,272,153
At 31 December 2022						
- Accumulated depreciation	47,469,301	163,278,315	54,251,508	1,101,827	2,133,697	268,234,648
- Accumulated impairment losses	54,793,842	28,356,086	–	–	816,315	83,966,243
	102,263,143	191,634,401	54,251,508	1,101,827	2,950,012	352,200,891
Net carrying amount						
At 31 December 2022	79,007,420	99,304,569	6,732,506	459,361	4,164,416	189,668,272

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Leasehold buildings RM	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Spare parts RM	Total RM
At 31 December 2023						
At cost						
At 1 January 2023	21,806,134	48,845,981	2,211,181	514,898	2,187,047	75,565,241
Additions	542,323	676,473	171,668	–	716,860	2,107,324
Disposals	–	(302,015)	–	–	–	(302,015)
Written off	–	(490,879)	(17,995)	–	–	(508,874)
At 31 December 2023	22,348,457	48,729,560	2,364,854	514,898	2,903,907	76,861,676
Accumulated depreciation and impairment loss						
At 1 January 2023						
- Accumulated depreciation	12,066,835	37,140,015	1,673,883	331,411	461,841	51,673,985
- Accumulated impairment loss	–	–	–	–	99,316	99,316
	12,066,835	37,140,015	1,673,883	331,411	561,157	51,773,301
Depreciation charge for the financial year	438,028	1,325,325	148,041	46,252	510,997	2,468,643
Disposals	–	(230,152)	–	–	–	(230,152)
Written off	–	(277,949)	(14,579)	–	–	(292,528)
At 31 December 2023						
- Accumulated depreciation	12,504,863	37,957,239	1,807,345	377,663	972,838	53,619,948
- Accumulated impairment loss	–	–	–	–	99,316	99,316
	12,504,863	37,957,239	1,807,345	377,663	1,072,154	53,719,264
Net carrying amount						
At 31 December 2023	9,843,594	10,772,321	557,509	137,235	1,831,753	23,142,412

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Leasehold buildings RM	Plant, machinery and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Spare parts RM	Total RM
At 31 December 2022						
At cost						
At 1 January 2022	21,721,944	47,900,602	2,178,668	655,515	1,228,943	73,685,672
Additions	84,190	1,145,528	184,702	–	958,104	2,372,524
Disposals	–	(181,000)	(152,189)	(140,617)	–	(473,806)
Written off	–	(19,149)	–	–	–	(19,149)
At 31 December 2022	21,806,134	48,845,981	2,211,181	514,898	2,187,047	75,565,241
Accumulated depreciation and impairment loss						
At 1 January 2022						
- Accumulated depreciation	11,635,752	36,013,281	1,592,631	425,776	143,236	49,810,676
- Accumulated impairment loss	–	–	–	–	99,316	99,316
	11,635,752	36,013,281	1,592,631	425,776	242,552	49,909,992
Depreciation charge for the financial year	431,083	1,249,904	233,439	46,252	318,605	2,279,283
Disposals	–	(116,624)	(152,187)	(140,617)	–	(409,428)
Written off	–	(6,546)	–	–	–	(6,546)
At 31 December 2022						
- Accumulated depreciation	12,066,835	37,140,015	1,673,883	331,411	461,841	51,673,985
- Accumulated impairment loss	–	–	–	–	99,316	99,316
	12,066,835	37,140,015	1,673,883	331,411	561,157	51,773,301
Net carrying amount						
At 31 December 2022	9,739,299	11,705,966	537,298	183,487	1,625,890	23,791,940

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) All items of property, plant and equipment are initially recorded at cost. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Assets under construction are not depreciated until such time when the assets are ready for use.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates.

Leasehold buildings	2% - 3%
Plant, machinery and equipment	6⅔% - 10%
Furniture, fittings and office equipment	10% - 50%
Motor vehicles	10% - 20%
Spare parts	10% - 50%

(b) Spare parts, which are held for use in the production and supply of goods are expected to be used in more than one period, and thus are classified as property, plant and equipment. The spare parts are depreciated over their useful lives from the date of acquisition.

(c) Impairment testing of property, plant and equipment

The Group and the Company assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units ("CGUs"). Management considered the continued losses generated in certain operating subsidiaries in the current financial year as impairment indicators. These subsidiaries collectively held RM84,161,228 (2022: RM113,235,986) as the carrying amount of property, plant and equipment as at the end of the reporting period.

A CGU's recoverable amount is determined as being the higher of the CGU's fair value less costs of disposal and its value-in-use. Where the value-in-use model is used, management has exercised significant judgement and made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions.

Pre-tax discount rates ranging from 8.7% to 12.0% (2022: 8.6% to 12.0%) were applied over the projection periods in determining the recoverable amounts of the CGUs.

In the current financial year, the management has determined that the recoverable amounts of the CGUs are in excess of the carrying amounts of the property, plant and equipment and no further impairment has been recorded.

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the CGUs to further materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

6.1 Right-of-use assets

Group	Land use rights RM	Buildings RM	Equipment RM	Motor vehicles RM	Total RM
At 31 December 2023					
At cost					
At 1 January 2023	71,273,545	7,990,088	5,052,907	428,638	84,745,178
Additions	–	3,895,849	1,518,034	148,767	5,562,650
Modifications/Reassessments	–	(6,713,745)	(950,164)	(367,029)	(8,030,938)
Expiration of lease contracts	–	(73,561)	(142,457)	(129,355)	(345,373)
Termination of lease contracts	–	(581,613)	(148,010)	–	(729,623)
Exchange differences	1,548,655	(26,054)	19,179	(1,559)	1,540,221
At 31 December 2023	72,822,200	4,490,964	5,349,489	79,462	82,742,115
Accumulated depreciation and impairment					
At 1 January 2023					
- Accumulated depreciation	14,867,842	634,784	2,400,565	270,953	18,174,144
- Accumulated impairment loss	17,629,196	–	–	–	17,629,196
	32,497,038	634,784	2,400,565	270,953	35,803,340
Depreciation charge for the financial year	988,621	1,838,041	1,412,335	74,384	4,313,381
Modification/Reassessments	–	(488,251)	(1,406,595)	(209,344)	(2,104,190)
Expiration of lease contracts	–	(73,561)	(142,457)	(129,355)	(345,373)
Termination of lease contracts	–	(230,267)	(67,838)	–	(298,105)
Exchange differences on accumulated depreciation	229,200	(11,579)	2,410	(780)	219,251
Exchange differences on accumulated impairment loss	803,152	–	–	–	803,152
At 31 December 2023					
- Accumulated depreciation	16,085,663	1,669,167	2,198,420	5,858	19,959,108
- Accumulated impairment loss	18,432,348	–	–	–	18,432,348
	34,518,011	1,669,167	2,198,420	5,858	38,391,456
Net carrying amount					
At 31 December 2023	38,304,189	2,821,797	3,151,069	73,604	44,350,659

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

6.1 Right-of-use assets (continued)

Group	Land use rights RM	Buildings RM	Equipment RM	Motor vehicles RM	Total RM
At 31 December 2022					
At cost					
At 1 January 2022	69,458,441	6,959,531	3,930,560	591,463	80,939,995
Additions	–	473,388	1,651,953	–	2,125,341
Modifications/Reassessments	–	6,522,983	135,546	–	6,658,529
Expiration of lease contracts	–	(5,967,091)	(368,484)	–	(6,335,575)
Termination of lease contracts	–	–	(337,768)	(168,860)	(506,628)
Exchange differences	1,815,104	1,277	41,100	6,035	1,863,516
At 31 December 2022	71,273,545	7,990,088	5,052,907	428,638	84,745,178
Accumulated depreciation and impairment					
At 1 January 2022					
- Accumulated depreciation	13,735,265	3,350,764	1,748,467	368,364	19,202,860
- Accumulated impairment loss	16,725,649	–	–	–	16,725,649
	30,460,914	3,350,764	1,748,467	368,364	35,928,509
Depreciation charge for the financial year	870,896	3,358,987	1,325,024	68,103	5,623,010
Modification/Reassessments	–	(108,737)	(117,579)	–	(226,316)
Expiration of lease contracts	–	(5,967,091)	(368,484)	–	(6,335,575)
Termination of lease contracts	–	–	(203,558)	(168,860)	(372,418)
Exchange differences on accumulated depreciation	261,681	861	16,695	3,346	282,583
Exchange differences on accumulated impairment loss	903,547	–	–	–	903,547
At 31 December 2022					
- Accumulated depreciation	14,867,842	634,784	2,400,565	270,953	18,174,144
- Accumulated impairment loss	17,629,196	–	–	–	17,629,196
	32,497,038	634,784	2,400,565	270,953	35,803,340
Net carrying amount					
At 31 December 2022	38,776,507	7,355,304	2,652,342	157,685	48,941,838

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

6.1 Right-of-use assets (continued)

Company	Land use rights RM	Buildings RM	Equipment RM	Total RM
At 31 December 2023				
At cost				
At 1 January 2023	**23,272,550**	**505,777**	**808,286**	**24,586,613**
Additions	**–**	**269,298**	**833,705**	**1,103,003**
Expiration of lease contracts	**–**	**(62,440)**	**(142,457)**	**(204,897)**
Modifications/Reassessments	**–**	**(80,262)**	**(120,640)**	**(200,902)**
Termination of lease contracts	**–**	**–**	**(74,581)**	**(74,581)**
At 31 December 2023	**23,272,550**	**632,373**	**1,304,313**	**25,209,236**
Accumulated depreciation				
At 1 January 2023	**6,657,127**	**242,940**	**262,494**	**7,162,561**
Depreciation charge for the financial year	**317,264**	**280,196**	**245,802**	**843,262**
Expiration of lease contracts	**–**	**(62,440)**	**(142,457)**	**(204,897)**
Modifications/Reassessments	**–**	**(227,098)**	**(56,947)**	**(284,045)**
Termination of lease contracts	**–**	**–**	**(34,183)**	**(34,183)**
At 31 December 2023	**6,974,391**	**233,598**	**274,709**	**7,482,698**
Net carrying amount				
At 31 December 2023	**16,298,159**	**398,775**	**1,029,604**	**17,726,538**
At 31 December 2022				
At cost				
At 1 January 2022	23,272,550	623,145	493,935	24,389,630
Additions	–	18,135	531,909	550,044
Expiration of lease contracts	–	(177,170)	(137,455)	(314,625)
Modifications/Reassessments	–	41,667	29,607	71,274
Termination of lease contracts	–	–	(109,710)	(109,710)
At 31 December 2022	23,272,550	505,777	808,286	24,586,613
Accumulated depreciation				
At 1 January 2022	6,339,861	322,504	331,117	6,993,482
Depreciation charge for the financial year	317,266	206,343	270,184	793,793
Expiration of lease contracts	–	(177,170)	(137,455)	(314,625)
Modifications/Reassessments	–	(108,737)	(117,579)	(226,316)
Termination of lease contracts	–	–	(83,773)	(83,773)
At 31 December 2022	6,657,127	242,940	262,494	7,162,561
Net carrying amount				
At 31 December 2022	16,615,423	262,837	545,792	17,424,052

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

6.1 Right-of-use assets (continued)

(a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the land use rights term. The terms of right-of-use assets are as follows:

Land use rights	Up to 55 years
Buildings	2 to 5 years
Equipment	2 to 6 years
Motor vehicles	2 to 5 years

(b) The land use rights of the Group and of the Company have remaining tenures of 23 to 51 (2022: 24 to 52) years and 51 (2022: 52) years respectively.

(c) The Group and the Company have certain leases of forklifts and hostels with lease term of twelve (12) months or less. The Group and the Company apply the "short-term lease" exemption for these leases.

(d) During the financial year, the Group and the Company recognised the following right-of-use assets and related obligations and made the following cash payments:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Addition of right-of-use assets	**5,562,650**	2,125,341	**1,103,003**	550,044
Financed by lease liabilities	**(5,562,650)**	(2,125,341)	**(1,103,003)**	(550,044)
Cash paid for right-of-use assets	**–**	–	**–**	–

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

6.1 Right-of-use assets (continued)

(e) The following are the amounts recognised in profit or loss:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Included in cost of sales:				
- Expense relating to short-term leases	**3,329,136**	114,497	**60,300**	52,421
- Depreciation charge of right-of-use assets	**3,567,640**	4,994,308	**843,262**	793,793
Included in administrative expense:				
- Expense relating to short-term leases	**822,402**	911,473	**–**	–
- Depreciation charge of right-of-use assets	**745,741**	628,702	**–**	–
- Gain on modifications/ reassessments of lease contracts	**(76,393)**	–	**–**	–
- Gain on termination of lease contracts	**(17,729)**	(3,365)	**(569)**	(984)
Included in finance costs:				
- Interest expense on lease liabilities	**357,708**	252,069	**37,106**	22,781
	8,728,505	6,897,684	**940,099**	868,011

As at the end of the reporting period, the Group and the Company had total cash outflow for leases of RM7,754,064 (2022: RM6,036,889) and RM611,191 (2022: RM544,943) respectively.

(f) Impairment testing on right-of-use assets

The Group and the Company assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the CGUs. Management considered the continued losses generated in certain operating subsidiaries in the current financial year as impairment indicators. These subsidiaries collectively held RM15,608,927 (2022: RM39,589,108) as the carrying amount of right-of-use assets as at the end of reporting period.

A CGU's recoverable amount is determined as being the higher of the CGU's fair value less costs of disposal and its value-in-use. Where the value-in-use model is used, management has exercised significant judgement and made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate, which are, among others, dependent on forecasted economic conditions.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

6.1 Right-of-use assets (continued)

(f) Impairment testing on right-of-use assets (continued)

Pre-tax discount rates ranging from 8.7% to 12.0% (2022: 8.6% to 12.0%) were applied over the projection periods in determining the recoverable amounts of the CGUs.

In the current financial year, the management has determined that the recoverable amounts of the CGUs are in excess of the carrying amounts of the right-of-use assets and no further impairment has been recorded.

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the CGUs to further materially exceed their recoverable amounts.

6.2 Lease liabilities

	Group		Company	
	2023 **RM**	**2022** **RM**	**2023** **RM**	**2022** **RM**
Represented by:				
Lease liabilities owing to non-financial institutions				
Current liabilities	**3,571,075**	4,722,690	**569,892**	398,329
Non-current liabilities	**2,655,353**	5,636,716	**881,056**	421,225
	6,226,428	10,359,406	**1,450,948**	819,554

(a) The Group and the Company lease a number of buildings, equipment and motor vehicles that run between 2 years to 5 years (2022: 2 years to 6 years), with an option to renew the lease after that date.

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6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

6.2 Lease liabilities (continued)

(b) The movements of lease liabilities during the financial year are as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At 1 January	**10,359,406**	6,211,074	**819,554**	468,582
Additions	**5,562,650**	2,125,341	**1,103,003**	550,044
Modifications/ Reassessments	**(6,003,141)**	6,884,845	**83,143**	297,590
Termination of lease contracts	**(449,247)**	(137,575)	**(40,967)**	(26,921)
Lease payments	**(3,602,526)**	(5,010,919)	**(550,891)**	(492,522)
Interest expense	**357,708**	252,069	**37,106**	22,781
Exchange differences	**1,578**	34,571	**–**	–
At 31 December	**6,226,428**	10,359,406	**1,450,948**	819,554

(c) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company:

	Weighted average incremental borrowing rate per annum %	**Within 1 year RM**	**1 - 2 years RM**	**2 - 5 years RM**	**More than 5 years RM**	**Total RM**
Group						
31 December 2023						
Lease liabilities						
- Fixed rates	**2.82 - 4.38**	**3,571,075**	**1,618,980**	**1,036,373**	**–**	**6,226,428**
31 December 2022						
Lease liabilities						
- Fixed rates	2.77 - 6.70	4,722,690	4,450,664	1,159,114	26,938	10,359,406

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

6.2 Lease liabilities (continued)

(c) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company: (continued)

	Weighted average incremental borrowing rate per annum %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
Company						
31 December 2023						
Lease liabilities						
- Fixed rates	**2.82 - 4.38**	**569,892**	**370,219**	**510,837**	**–**	**1,450,948**
31 December 2022						
Lease liabilities						
- Fixed rates	2.77 - 4.41	398,329	385,467	35,758	–	819,554

Sensitivity analysis for fixed rate instruments as at the end of the reporting period was not presented as fixed rate instruments are not affected by changes in interest rates.

(d) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
31 December 2023				
Lease liabilities	**3,795,503**	**2,758,227**	**–**	**6,553,730**
31 December 2022				
Lease liabilities	4,979,976	5,759,083	27,000	10,766,059

	On demand or within 1 year RM	1 to 5 years RM	Total RM
Company			
31 December 2023			
Lease liabilities	**616,280**	**937,295**	**1,553,575**
31 December 2022			
Lease liabilities	408,970	439,909	848,879

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7. INTANGIBLE ASSETS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Computer software				
At cost				
At 1 January	**5,322,410**	4,979,514	**2,087,153**	1,819,131
Additions	**–**	273,264	**–**	268,022
Exchange differences	**58,154**	69,632	**–**	–
At 31 December	**5,380,564**	5,322,410	**2,087,153**	2,087,153
Accumulated amortisation and impairment loss				
At 1 January	**4,924,596**	3,988,501	**1,706,792**	969,211
Amortisation charge for the financial year	**329,600**	867,969	**314,942**	737,581
Exchange differences	**57,910**	68,126	**–**	–
At 31 December	**5,312,106**	4,924,596	**2,021,734**	1,706,792
Net carrying amount				
At 31 December	**68,458**	397,814	**65,419**	380,361

Computer software is deemed as intangible assets with finite useful lives that are initially measured at cost. After initial recognition, computer software is stated at cost less any accumulated amortisation and any impairment losses.

Amortisation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives of 2 years.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
At cost:		
- unquoted shares outside Malaysia	**109,985,586**	109,985,586
- unquoted shares in Malaysia	**25,000,000**	25,000,000
	134,985,586	134,985,586
Less: Accumulated impairment losses	**(54,306,221)**	(54,306,221)
	80,679,365	80,679,365

8. INVESTMENTS IN SUBSIDIARIES (continued)

(a) Investments in subsidiaries are stated at cost less accumulated impairment losses in the financial statements of the Company.

(b) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity [1] 2023 %	Effective interest in equity [1] 2022 %	Principal activities
BP MPak Sdn. Bhd.	Malaysia	**100**	100	Corrugated fibre board carton manufacturer
Box-Pak (Johore) Sdn. Bhd.	Malaysia	**100**	100	Dormant
Box-Pak (Vietnam) Co., Ltd. ("BPV") [2]	Vietnam	**100**	100	Corrugated fibre board carton manufacturer
BP Pak (Singapore) Pte. Ltd. ("BPS") [3]	Singapore	**100**	100	Investment holding
PT. KJ Box-Pak [3]	Indonesia	**99**	99	Dormant
Subsidiary of BPV				
Box-Pak (Hanoi) Co., Ltd. [2]	Vietnam	**100**	100	Corrugated fibre board carton manufacturer
Subsidiary of BPS				
Boxpak (Myanmar) Company Limited [2][4]	Myanmar	**100**	100	Corrugated fibre board carton manufacturer

[1] *Equals to the proportion of voting rights held*
[2] *Subsidiaries audited by BDO Member Firms*
[3] *Audited by a firm other than BDO*
[4] *The accounting year end of this subsidiary is 31 March. The Company has been granted approval by the Companies Commission of Malaysia for the subsidiary to continue to have a financial year, which does not coincide with the Company in relation to the financial year ended 31 December 2023.*

(c) Impairment assessment

The Company assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the subsidiaries/ CGUs. Management considered the continued losses or shortfall in shareholders' funds in certain operating subsidiaries in the current financial year as impairment indicators. The carrying amounts of costs of investments in these direct and indirect subsidiaries amounted to RM52,933,000 (2022: RM52,933,000) as at the end of the reporting period.

Management has exercised significant judgement and made estimates about the future results and key assumptions applied to cash flow forecasts of the CGUs in determining their recoverable amounts using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate, which are, among others, dependent on forecasted economic conditions.

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8. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Impairment assessment (continued)

Pre-tax discount rates ranging from 8.7% to 12.0% (2022: 8.6% to 12.0%) were applied over the projection periods in determining the recoverable amounts of the CGUs.

In the current financial year, the management has determined that the recoverable amounts of these subsidiaries are in excess of the net carrying amounts of costs of investments and no further impairment has been recorded.

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the CGUs to further materially exceed their recoverable amounts.

9. PREPAYMENTS

These are prepayments for insurance, levies and user licenses.

10. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Non-current		
Other receivables		
Amounts due from subsidiaries	**84,259,930**	70,348,185
Less: Impairment losses	**(4,786,736)**	(6,811,123)
Total amounts due from subsidiaries (non-current)	**79,473,194**	63,537,062
Current		
Trade receivables		
Amounts due from a subsidiary	**61,391**	165,506
Less: Impairment losses	**(119)**	–
	61,272	165,506
Other receivables		
Amounts due from subsidiaries	**15,637,610**	16,834,494
Less: Impairment losses	**(2,047,783)**	(179,444)
	13,589,827	16,655,050
Total amounts due from subsidiaries (current)	**13,651,099**	16,820,556
Total amounts due from subsidiaries (non-current and current)	**93,124,293**	80,357,618

10. AMOUNTS DUE FROM SUBSIDIARIES (continued)

(a) Amounts due from subsidiaries are classified as financial assets measured at amortised cost.

(b) Non-trade current amounts due from subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and repayable within the next twelve (12) months, except for non-trade amounts due from subsidiaries of RM15,484,161 (2022: RM15,934,494) that bear interest at 5.12% to 7.26% (2022: 3.42% to 6.13%).

(c) In the current financial year, non-trade non-current amount due from a subsidiary of RM84,259,930 represents advances, which are unsecured, bears interest at 6.60% to 7.26% and repayable within the next ten (10) years.

In the previous financial year, non-trade non-current amounts due from subsidiaries of RM70,348,185 represented the present values of advances and payments made on behalf, which were unsecured, interest-free and repayable within next twelve (12) years except for non-trade non-current amounts due from subsidiaries of RM67,432,079 that bore interest at 3.42% to 6.13%.

(d) Foreign currency exposure profile of amounts due from subsidiaries of the Company are as follows:

	Company	
	2023	**2022**
	RM	**RM**
United States Dollar ("USD")	**83,945,138**	58,537,745

(e) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Company	
	2023	**2022**
	RM	**RM**
Effects of 3% changes to RM against foreign currency		
Profit/(Loss) after tax		
- USD	**1,913,949**	1,334,661

10. AMOUNTS DUE FROM SUBSIDIARIES (continued)

(f) The Company assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the subsidiaries/ CGUs. Management had assessed the amounts due from certain subsidiaries amounting to RM92,971,069 (2022: RM80,130,807) at the end of the reporting date with impairment indicators.

Impairment for receivables from subsidiaries are recognised based on the general approach as disclosed in Note 12(g) to the financial statements.

It requires management to exercise significant judgement in determining the probability of default by subsidiaries, appropriate forward-looking information and significant increase in credit risk.

The probability of non-payment by the subsidiaries is adjusted by forward-looking information as stated in Note 12(c) and multiplied by the amount of the expected loss arising from default to determine the twelve (12) month or lifetime expected credit loss for the subsidiaries.

Amounts due from subsidiaries are considered as in default when the subsidiaries do not perform their obligations to make payment within the period granted or allowed.

The credit risk on amounts due from subsidiaries is considered to have increased significantly since initial recognition by the Company when contractual payments are more than 30 days past due.

Movements in the impairment allowance for amounts due from subsidiaries are as follows:

Company	**Lifetime expected credit loss - not credit impaired RM**	**Lifetime expected credit loss - credit impaired RM**	**Total RM**
Trade receivable			
At 1 January 2023	–	–	–
Charge for the financial year	119	–	119
At 31 December 2023	**119**	**–**	**119**
Other receivables			
At 1 January 2023	2,796,878	4,193,689	6,990,567
Charge for the financial year	151,037	–	151,037
Reversal of impairment losses	(307,085)	–	(307,085)
At 31 December 2023	**2,640,830**	**4,193,689**	**6,834,519**

10. AMOUNTS DUE FROM SUBSIDIARIES (continued)

(f) (continued)

Movements in the impairment allowance for amounts due from subsidiaries are as follows: (continued)

Company	Lifetime expected credit loss - not credit impaired RM	Lifetime expected credit loss - credit impaired RM	Total RM
Other receivables			
At 1 January 2022	2,048,300	4,193,689	6,241,989
Charge for the financial year	748,578	–	748,578
At 31 December 2022	2,796,878	4,193,689	6,990,567

(g) Sensitivity analysis for fixed rate instruments as at the end of the reporting period was not presented as fixed rate instruments are not affected by changes in interest rates.

11. INVENTORIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Raw materials	**58,732,164**	56,747,632	**9,177,017**	6,740,097
Work-in-progress	**5,412,298**	6,736,877	**586,923**	773,974
Finished goods	**11,686,598**	11,293,018	**1,266,635**	1,112,785
	75,831,060	74,777,527	**11,030,575**	8,626,856
Recognised in profit or loss:				
Inventories recognised as cost of sales	**585,024,667**	701,664,130	**78,274,262**	88,297,860
Reversal of inventories written down	**(4,165,191)**	(7,056,295)	**(641,725)**	(2,367,176)
Write off of inventories	**653,556**	6,018,307	**–**	6,018,307

(a) Cost of raw materials, work-in-progress and finished goods are determined on first in, first out basis.

(b) During the financial year, a reversal of write-down of inventories of the Group and the Company amounting to RM4,165,191 and RM641,725 respectively (2022: RM7,056,295 and RM2,367,176) was made as the Group and the Company were able to sell those inventories above their carrying amounts.

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12. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables					
Third parties		**107,152,850**	150,101,063	**7,897,067**	13,713,719
Amount due from immediate holding company		**47,117**	24,430	**47,117**	24,430
Amounts due from related companies		**3,572,004**	563,058	**2,538,782**	426,416
		110,771,971	150,688,551	**10,482,966**	14,164,565
Less: Impairment losses	(c)	**(462,087)**	(3,195,876)	**(49,826)**	(2,365,263)
Trade receivables, net	(f)	**110,309,884**	147,492,675	**10,433,140**	11,799,302
Other receivables					
Other receivables		**22,260,879**	23,610,904	**233,021**	554,197
Dividend receivable		**–**	–	**22,950,000**	–
Refundable deposits		**1,387,095**	1,314,652	**209,555**	174,055
		23,647,974	24,925,556	**23,392,576**	728,252
Total trade and other receivables		**133,957,858**	172,418,231	**33,825,716**	12,527,554
Financial instruments classification:					
Total trade and other receivables		**133,957,858**	172,418,231	**33,825,716**	12,527,554
Cash and bank balances	14	**75,855,267**	42,362,861	**10,031,227**	3,380,898
Amounts due from subsidiaries	10	**–**	–	**93,124,293**	80,357,618
Total financial assets at amortised cost		**209,813,125**	214,781,092	**136,981,236**	96,266,070

(a) Total trade and other receivables are classified as financial assets measured at amortised cost.

(b) During the financial year, the Group and the Company have entered into a non-recourse receivables financing arrangement with a financial institution where rights of collection and significantly all risk and rewards over the receivables under the financing arrangement have been transferred to the financial institution. Consequently, RM16,637,745 (2022: RM12,809,775) and RM12,457,285 (2022: RM8,663,233) respectively have been derecognised from the trade receivables balances of the Group and of the Company as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS
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12. TRADE AND OTHER RECEIVABLES (continued)

(c) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company consider credit loss experience, coverage under credit insurance policy and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the statements of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

A receivable is considered as in default when such a customer does not perform their obligation to make payment within the period granted or allowed.

The Group has identified gross domestic product ("GDP"), unemployment rate, inflation rate, consumer price index and producer price index as the key macroeconomic factors.

The reconciliation of movements in allowance for impairment accounts is as follows:

Group	Lifetime expected credit loss allowance RM	Credit impaired RM	Total Allowance RM
At 1 January 2023	**476,256**	**2,719,620**	**3,195,876**
Charge for the financial year	**5,311**	**45,732**	**51,043**
Reversal of impairment losses	**(144,880)**	**(271,454)**	**(416,334)**
Written off	**–**	**(2,369,076)**	**(2,369,076)**
Foreign exchange differences	**–**	**578**	**578**
At 31 December 2023	**336,687**	**125,400**	**462,087**
At 1 January 2022	350,190	2,495,596	2,845,786
Charge for the financial year	134,759	226,124	360,883
Reversal of impairment losses	(8,693)	(2,100)	(10,793)
At 31 December 2022	476,256	2,719,620	3,195,876

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12. TRADE AND OTHER RECEIVABLES (continued)

(c) (continued)

The reconciliation of movements in allowance for impairment accounts is as follows: (continued)

Company	Lifetime expected credit loss allowance RM	Credit impaired RM	Total Allowance RM
At 1 January 2023	**40,643**	**2,324,620**	**2,365,263**
Charge for the financial year	**3,266**	**–**	**3,266**
Reversal of impairment losses	**–**	**(85,305)**	**(85,305)**
Written off	**–**	**(2,233,398)**	**(2,233,398)**
At 31 December 2023	**43,909**	**5,917**	**49,826**
At 1 January 2022	5,809	2,242,015	2,247,824
Charge for the financial year	34,834	84,705	119,539
Reversal of impairment losses	–	(2,100)	(2,100)
At 31 December 2022	40,643	2,324,620	2,365,263

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

(d) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranges from 14 to 120 (2022: 14 to 93) days while for the Company, it ranges from 30 to 90 (2022: 30 to 90) days from the date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(e) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group and of the Company are summarised in the table below:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Maximum exposure	**110,771,971**	150,688,551	**10,482,966**	14,164,565
Impairment losses	**(462,087)**	(3,195,876)	**(49,826)**	(2,365,263)
Collateral obtained	**(17,528,037)**	(15,624,765)	**(6,708,150)**	(9,787,552)
Net exposure to credit risk	**92,781,847**	131,867,910	**3,724,990**	2,011,750

The above collaterals are credit insurance obtained by the Group and the Company.

12. TRADE AND OTHER RECEIVABLES (continued)

(f) The ageing analysis of trade receivables of the Group and of the Company are as follows:

Group	Gross carrying amount RM	Total allowance RM	Balance RM
2023			
Current	**86,400,050**	**(261,586)**	**86,138,464**
Past due			
1 to 30 days	**16,193,602**	**(44,466)**	**16,149,136**
31 to 60 days	**6,379,371**	**(18,753)**	**6,360,618**
61 to 90 days	**1,182,355**	**(3,520)**	**1,178,835**
91 to 120 days	**451,763**	**(1,150)**	**450,613**
More than 121 days	**164,830**	**(132,612)**	**32,218**
	24,371,921	**(200,501)**	**24,171,420**
	110,771,971	**(462,087)**	**110,309,884**
2022			
Current	123,772,987	(29,103)	123,743,884
Past due			
1 to 30 days	11,323,637	(9,772)	11,313,865
31 to 60 days	4,021,426	(67,097)	3,954,329
61 to 90 days	4,518,859	(16,065)	4,502,794
91 to 120 days	3,192,759	(6,179)	3,186,580
More than 121 days	3,858,883	(3,067,660)	791,223
	26,915,564	(3,166,773)	23,748,791
	150,688,551	(3,195,876)	147,492,675

Company	Gross carrying amount RM	Total allowance RM	Balance RM
2023			
Current	**6,946,891**	**(36,822)**	**6,910,069**
Past due			
1 to 30 days	**2,852,429**	**(5,715)**	**2,846,714**
31 to 60 days	**609,584**	**(1,350)**	**608,234**
61 to 90 days	**65,395**	**(22)**	**65,373**
91 to 120 days	**2,750**	**–**	**2,750**
More than 121 days	**5,917**	**(5,917)**	**–**
	3,536,075	**(13,004)**	**3,523,071**
	10,482,966	**(49,826)**	**10,433,140**

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12. TRADE AND OTHER RECEIVABLES (continued)

(f) The ageing analysis of trade receivables of the Group and of the Company are as follows: (continued)

Company	Gross carrying amount RM	Total allowance RM	Balance RM
2022			
Current	8,024,609	–	8,024,609
Past due			
1 to 30 days	2,601,080	(7,235)	2,593,845
31 to 60 days	769,722	(12,174)	757,548
61 to 90 days	291,476	(9,063)	282,413
91 to 120 days	108,646	(3,242)	105,404
More than 121 days	2,369,032	(2,333,549)	35,483
	6,139,956	(2,365,263)	3,774,693
	14,164,565	(2,365,263)	11,799,302

(g) Impairment for other receivables is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) months expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

A receivable is considered as in default when such debtor did not perform their obligation to make payment within the period granted or allowed. Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The credit risk on other receivables has increased significantly since initial recognition in the Group and the Company when contractual payments are more than 30 days past due.

The probability of non-payment by other receivables is adjusted for forward-looking information as stated in Note 12(c) and multiplied by the amount of the expected loss arising from default to determine the twelve (12) months or lifetime expected credit loss for the other receivables.

No expected credit loss is recognised arising from other receivables as it is negligible.

12. TRADE AND OTHER RECEIVABLES (continued)

(h) Credit risk concentration profile

The Group and the Company do not have any significant exposure to any individual customer or counterparty nor do they have any major concentration of credit risk related to any financial instruments except for 3 (2022: 3) trade debtors constituting approximately 20% (2022: 21%) of the total receivables of the Group.

(i) The foreign currency exposure profile of trade and other receivables are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
USD	**16,717,310**	18,377,085	**23,901,030**	241,562

(j) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Effects of 3% changes to RM against foreign currency				
(Loss)/Profit after tax				
- USD	**381,155**	418,998	**544,943**	5,508

13. SHORT-TERM FUND

	Group and Company	
	2023 RM	2022 RM
At fair value through profit or loss		
Short-term fund	**1,629,239**	6,656,458

(a) Short-term fund with a non-financial institution is an investment in income trust fund in Malaysia. The trust fund is invested in highly liquid assets, which is readily convertible to cash.

(b) The management assessed that the fair value of the short-term fund approximated its carrying amount largely due to the short-term maturity of this instrument.

(c) Short-term fund of the Group and of the Company is stated at Level 1 fair value.

(d) Short-term fund is denominated in RM.

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14. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	**75,855,267**	41,910,861	**10,031,227**	2,928,898
Deposit with a licensed bank	**–**	452,000	**–**	452,000
	75,855,267	42,362,861	**10,031,227**	3,380,898

(a) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the financial year:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	**75,855,267**	41,910,861	**10,031,227**	2,928,898
Deposit with a licensed bank (not more than three (3) months)	**–**	452,000	**–**	452,000
Cash and cash equivalents included in the statements of cash flows	**75,855,267**	42,362,861	**10,031,227**	3,380,898

(b) The weighted average effective interest rates of deposit of the Group and the Company at the reporting date were as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Weighted average effective interest rate				
- Fixed rate	**–**	2.25	**–**	2.25

Sensitivity analysis for fixed rate deposit as at the end of the reporting period was not presented as fixed rate instrument is not affected by changes in interest rates.

(c) The average maturity days of deposit at the reporting date were as follows:

	Group		Company	
	2023 Days	2022 Days	2023 Days	2022 Days
Licensed bank	**–**	1	**–**	1

(d) The exposure to interest rate risk is insignificant as the cash and bank balances are short-term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits, which yield better returns than cash at bank.

14. CASH AND BANK BALANCES (continued)

(e) The foreign currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
USD	**34,015,397**	6,386,455	**6,702,459**	37,193

(f) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Effects of 3% changes to RM against foreign currency				
(Loss)/Profit after tax				
- USD	**775,551**	145,611	**152,816**	848

(g) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

15. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	**Amount RM**	**Number of shares**	**Amount RM**
Ordinary shares issued and fully paid with no par value	**120,046,980**	**167,362,903**	120,046,980	167,362,903

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one (1) vote per share without restrictions and rank equally with regard to the Company's residual assets.

16. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group.

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17. TRADE AND OTHER PAYABLES

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Non-current					
Other payables					
Amounts due to related companies	(b)	**–**	43,953,791	**–**	–
Current					
Trade payables					
Third parties		**92,875,321**	125,295,185	**4,772,913**	3,201,150
Amount due to a subsidiary		**–**	–	**116,478**	393,274
	(c)	**92,875,321**	125,295,185	**4,889,391**	3,594,424
Other payables					
Other payables	(d)	**9,464,575**	9,043,077	**1,661,200**	1,834,946
Accruals		**26,965,488**	14,104,815	**4,917,504**	3,833,928
Amount due to immediate holding company	(e)	**–**	123,523	**–**	224
Amounts due to related companies	(f)	**37,125,614**	13,075,984	**1,107,600**	–
Provisions	(g)	**–**	15,000	**–**	15,000
		73,555,677	36,362,399	**7,686,304**	5,684,098
Total trade and other payables (current)		**166,430,998**	161,657,584	**12,575,695**	9,278,522
Total trade and other payables (non-current and current)		**166,430,998**	205,611,375	**12,575,695**	9,278,522
Financial instruments classification:					
Trade and other payables, net of provisions	(a)	**166,430,998**	205,596,375	**12,575,695**	9,263,522
Loans and borrowings	18	**225,648,669**	199,513,543	**79,098,109**	93,411,934
Total financial liabilities carried at amortised cost		**392,079,667**	405,109,918	**91,673,804**	102,675,456

(a) Trade and other payables, net of provisions are classified as financial liabilities measured at amortised cost.

(b) In the previous financial year, non-current amounts due to related companies, which were unsecured, bore interest at 3.42% to 4.50% and were not repayable within the next twelve (12) months.

17. TRADE AND OTHER PAYABLES (continued)

(c) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranges from 30 to 90 (2022: 30 to 90) days.

(d) Other payables are non-interest bearing and are normally settled within an average term of six (6) months (2022: average term of six (6) months).

(e) In the previous financial year, current non-trade amount due to immediate holding company represented advances and payments made on behalf, which were unsecured, interest-free and repayable on demand.

(f) Current non-trade amounts due to related companies are unsecured, interest-free and repayable on demand.

(g) The Group is required to dispose solid waste in accordance with environmental requirements in Malaysia. A provision has been made for the estimated cost for the disposal of solid waste based on the service provider's price quotation.

	Group and Company	
	2023	**2022**
	RM	**RM**
Provision for solid waste disposal		
At 1 January	**15,000**	6,161
Additional provision during the financial year	**138,470**	189,869
Utilisation of provision during the financial year	**(153,470)**	(181,030)
At 31 December	**–**	15,000

(h) The maturity profile of the trade and other payables of the Group and of the Company at the end of each reporting date based on contractual undiscounted repayment obligations is disclosed in Note 18(j) to the financial statements.

(i) The foreign currency exposure profile of payables are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
USD	**55,045,222**	73,480,951	**1,109,941**	63,216

(j) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Effects of 3% changes to RM against foreign currency				
(Loss)/Profit after tax				
- USD	**(1,255,031)**	(1,675,366)	**(25,307)**	(1,441)

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17. TRADE AND OTHER PAYABLES (continued)

(k) Financial instruments that are not carried at fair values and whose carrying amounts are not reasonable approximation of fair values, are as follows:

	2023		2022	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Other payables (non-current)				
- at fixed rate	–	–	43,953,791	42,513,635

In the previous financial year, fair value of the non-current other payables of the Group were categorised as Level 3 in the fair value hierarchy based on discounted cash flows approach. There was no transfer between levels in the hierarchy during the previous financial year.

(l) Sensitivity analysis for fixed rate instruments as at the end of the previous reporting period was not presented as fixed rate instruments were not affected by changes in interest rates.

18. LOANS AND BORROWINGS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
Trade facilities	**144,950,582**	102,864,200	**14,370,022**	9,884,312
Revolving credits	**30,970,000**	39,500,000	**15,000,000**	30,500,000
Term loans	**5,668,651**	9,543,371	**5,668,651**	5,421,650
Finance lease liabilities	**40,805**	39,135	**40,805**	39,135
	181,630,038	151,946,706	**35,079,478**	45,845,097
Non-current				
Term loans	**43,932,037**	47,439,438	**43,932,037**	47,439,438
Finance lease liabilities	**86,594**	127,399	**86,594**	127,399
	44,018,631	47,566,837	**44,018,631**	47,566,837
Total				
Trade facilities	**144,950,582**	102,864,200	**14,370,022**	9,884,312
Revolving credits	**30,970,000**	39,500,000	**15,000,000**	30,500,000
Term loans	**49,600,688**	56,982,809	**49,600,688**	52,861,088
Finance lease liabilities	**127,399**	166,534	**127,399**	166,534
	225,648,669	199,513,543	**79,098,109**	93,411,934

18. LOANS AND BORROWINGS (continued)

(a) The term loans are repayable as follows:

Loan	Interest rate	Year of drawdown	Repayment term
Type 1	Vietnamese Dong ("VND") base lending rate + 0.4%	June 2016	21 quarterly instalments after 24 months of drawdown
Type 2	London Inter-bank Offered Rate ("LIBOR") + 1.0%	April 2018	13 quarterly instalments after 27 months of date of facility letter
Type 3	OCBC Bank's cost of fund ("COF") + 1.0%	August 2022	40 equal quarterly instalments after 3 months of drawdown

In the previous financial year, the Group arranged for an early settlement for Type 2 term loan.

(b) In the current financial year, the term loan of the Group and of the Company amounting to RM49,600,688 is supported by corporate guarantee from the penultimate holding company.

In the previous financial year, term loans of the Group amounting to RM52,861,088 and RM4,121,721 were supported by corporate guarantees from the penultimate holding company and immediate holding company respectively.

(c) Trade facilities of the Group amounting to RM76,448,996 and RM7,582,242 (2022: RM71,422,694 and RM12,169,635) are supported by corporate guarantees from the immediate holding company and the Company respectively. The remaining trade facilities of RM60,919,344 (2022: RM19,271,871) are supported by joint corporate guarantees by the immediate holding company and the Company.

Trade facilities of the Company amounting to RM14,370,022 (2022: RM9,884,312) are supported by corporate guarantee from the immediate holding company.

(d) Revolving credits of the Group amounting to RM15,000,000 and RM15,970,000 (2022: RM30,500,000 and RM9,000,000) are supported by corporate guarantees from the immediate holding company and joint corporate guarantees from the penultimate holding company and the Company.

Revolving credits of the Company amounting to RM15,000,000 (2022: RM30,500,000) are supported by corporate guarantee from the immediate holding company.

(e) At the end of the reporting period, the interest rate profiles of the loans and borrowings were as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
- Fixed rates	**127,399**	166,534	**127,399**	166,534
- Floating rates	**225,521,270**	199,347,009	**78,970,710**	93,245,400
	225,648,669	199,513,543	**79,098,109**	93,411,934

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18. LOANS AND BORROWINGS (continued)

(f) As at reporting date, the weighted average effective interest rates for the loans and borrowings, were as follows:

	Group 2023 %	Group 2022 %	Company 2023 %	Company 2022 %
Floating rates:				
Term loans	**7.26**	7.80	**7.26**	6.13
Trade facilities	**5.03**	4.69	**4.40**	2.91
Revolving credits	**5.18**	4.50	**4.81**	4.50
Fixed rates:				
Finance lease liabilities	**2.08**	2.08	**2.08**	2.08

(g) Sensitivity analysis for fixed rate loans and borrowings as at the end of the reporting period was not presented as fixed rate instruments are not affected by changes in interest rates. Sensitivity analysis of interest rate for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant, is as follows:

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Effects of 50bp changes to (loss)/profit after tax				
Floating rate instruments	**(856,981)**	(757,519)	**(300,089)**	(354,333)

(h) The foreign currency exposure profile of loans and borrowings are as follows:

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
USD	**53,252,521**	53,140,400	**53,252,521**	53,140,400

(i) Sensitivity analysis of RM against foreign currency at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Effects of 3% changes to RM against foreign currency				
(Loss)/Profit after tax				
- USD	**(1,214,157)**	(1,211,601)	**(1,214,157)**	(1,211,601)

18. LOANS AND BORROWINGS (continued)

(j) The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
At 31 December 2023				
Financial liabilities				
Trade and other payables, net of provisions	**166,430,998**	**–**	**–**	**166,430,998**
Loans and borrowings	**186,515,473**	**32,435,956**	**24,344,017**	**243,295,446**
Total undiscounted financial liabilities	**352,946,471**	**32,435,956**	**24,344,017**	**409,726,444**
At 31 December 2022				
Financial liabilities				
Trade and other payables, net of provisions	161,642,584	45,931,712	–	207,574,296
Loans and borrowings	155,557,747	31,315,680	29,766,841	216,640,268
Total undiscounted financial liabilities	317,200,331	77,247,392	29,766,841	424,214,564
Company				
At 31 December 2023				
Financial liabilities				
Trade and other payables, net of provisions	**12,575,695**	**–**	**–**	**12,575,695**
Loans and borrowings	**38,894,968**	**32,435,956**	**24,344,017**	**95,674,941**
Total undiscounted financial liabilities	**51,470,663**	**32,435,956**	**24,344,017**	**108,250,636**
At 31 December 2022				
Financial liabilities				
Trade and other payables, net of provisions	9,263,522	–	–	9,263,522
Loans and borrowings	49,062,176	31,304,186	29,847,539	110,213,901
Total undiscounted financial liabilities	58,325,698	31,304,186	29,847,539	119,477,423

19. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Group's obligation under the Scheme is determined based on the latest actuarial valuation by an independent actuary dated 22 December 2023 (2022: 16 November 2020). The Group carries out the valuation every three (3) years. Under the Scheme, eligible employees are entitled to retirement benefits varying between 18 days and 52 days (2022: 18 days and 52 days) per year of final salary upon attainment of the retirement age of 60.

The amounts recognised in the statements of financial position are determined as follows:

	Group and Company	
	2023	**2022**
	RM	**RM**
Retirement benefit obligations representing net liability	**3,389,182**	2,115,617
Analysed as:		
Not later than 1 year	**965,148**	918,846
Later than 2 years but not later than 5 years	**1,118,310**	161,846
Later than 5 years	**1,305,724**	1,034,925
	3,389,182	2,115,617
Analyses as:		
Current liabilities	**965,148**	918,846
Non-current liabilities	**2,424,034**	1,196,771
	3,389,182	2,115,617

The movements during the financial year in the amounts recognised in the statements of financial position in respect of the retirement benefit obligations are as follows:

	Group and Company	
	2023	**2022**
	RM	**RM**
At 1 January	**2,115,617**	1,232,567
Current service cost	**61,738**	978,508
Interest cost	**50,176**	46,332
Items recognised in profit or loss (Note 29)	**111,914**	1,024,840
Remeasurement effects recognised in other comprehensive income	**1,421,859**	–
Benefits paid by the Scheme	**(260,208)**	(141,790)
At 31 December	**3,389,182**	2,115,617

Certain assumptions are used in the actuarial valuation and due to the long term nature of this Scheme, such estimates are subject to uncertainty.

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

The principal actuarial assumptions used are as follows:

	Group and Company	
	2023	**2022**
	%	**%**
Discount rate	**4.6**	3.8
Expected rate of salary increases	**5.5**	5.5

The discount rate is determined based on the values of AA rated corporate bond yields with 10 to 15 years of maturity.

Significant actuarial assumption for determination of the retirement benefit obligations is the discount rate. The sensitivity analysis below has been determined based on changes to significant assumption, with all other assumptions held constant.

	Group and Company	
	2023	**2022**
	RM	**RM**
A 1% increase/decrease in discount rate will decrease/increase the retirement benefit obligations by	**133,700**	88,313

The sensitivity analysis presented above may not be representative of the actual change in retirement benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

20. DEFERRED TAX LIABILITIES

The deferred tax liabilities are made up of the following:

	(Liabilities)/Assets	
	2023	**2022**
	RM	**RM**
Group		
Capital allowances and depreciation differences	**(7,500,802)**	(7,539,475)
Unabsorbed reinvestment allowances	**494,586**	432,635
Unabsorbed capital allowances	**1,172,024**	1,993,776
Unabsorbed tax losses	**4,129,605**	3,740,977
Provisions and other temporary differences	**954,202**	589,410
Deferred tax liabilities, net	**(750,385)**	(782,677)

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20. DEFERRED TAX LIABILITIES (continued)

The deferred tax liabilities are made up of the following: (continued)

	(Liabilities)/Assets 2023 RM	2022 RM
Company		
Capital allowances and depreciation differences	**(6,750,417)**	(6,756,798)
Unabsorbed reinvestment allowances	**494,586**	432,635
Unabsorbed capital allowances	**1,172,024**	1,993,776
Unabsorbed tax losses	**4,129,605**	3,740,977
Provisions and other temporary differences	**954,202**	589,410
Deferred tax liabilities	**–**	–

The amounts of temporary differences for which no deferred tax assets (stated at gross) have been recognised in the statements of financial position are as follows:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Unabsorbed tax losses:				
- Malaysian entities	**9,704,873**	11,253,471	**2,833,344**	4,381,942
- Foreign entities	**43,958,531**	38,618,066	**–**	–
Unabsorbed capital allowances	**8,376,320**	4,486,907	**–**	–
Unabsorbed reinvestment allowances	**17,981,114**	17,981,114	**–**	–
Provisions and other temporary differences	**466,752**	1,524,019	**–**	–
	80,487,590	73,863,577	**2,833,344**	4,381,942

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits would be available against which the subsidiaries can utilise the benefits therefrom.

For the Malaysian entities, with the gazette of the Finance Act 2021 on 31 December 2021, the carry forward of any unabsorbed tax losses is extended to ten (10) consecutive years of assessment and it is deemed effective from the year of assessment 2019 ("YA 2019"). Any amount which is not utilised at the end of the period of ten (10) years of assessment shall be forfeited.

For the Malaysian entities with effect from YA 2019, the unabsorbed reinvestment allowances will expire after seven (7) consecutive years of assessment from the end of the qualifying period of fifteen (15) consecutive years of assessment commencing from the year of assessment of the first claim.

The Myanmar entity's business activity is conducted in the Thilawa Special Economic Zone and the entity has been granted tax allowance to retrieve the losses for five (5) years after the year of losses incurred under the provision of the Myanmar Special Economic Law, 2014.

The use of tax losses of subsidiaries in other countries is subject to the arrangement of the tax authorities and the tax legislation of the respective countries in which the subsidiaries operate.

20. DEFERRED TAX LIABILITIES (continued)

	Unabsorbed reinvestment allowances		Unabsorbed tax losses	
	2023 RM	2022 RM	2023 RM	2022 RM
Group				
Expires by:				
- 31 December 2024	**–**	–	**5,794,297**	5,794,297
- 31 December 2025	**1,802,645**	1,802,645	**10,259,773**	10,259,773
- 31 December 2026	**–**	–	**9,184,240**	9,184,240
- 31 December 2027	**–**	–	**3,867,410**	3,867,410
- 31 December 2028	**–**	–	**33,088,290**	33,088,290
- 31 December 2029	**–**	–	**5,340,465**	–
- 31 December 2031	**258,132**	–	**–**	–
- 31 December 2032	**–**	–	**3,335,618**	3,264,933
- 31 December 2036	**17,981,114**	17,981,114	**–**	–
	20,041,891	19,783,759	**70,870,093**	65,458,943
Company				
Expires by:				
- 31 December 2025	**1,802,645**	1,802,645	**–**	–
- 31 December 2028	**–**	–	**16,704,412**	16,704,412
- 31 December 2031	**258,132**	–	**–**	–
- 31 December 2032	**–**	–	**3,335,618**	3,264,933
	2,060,777	1,802,645	**20,040,030**	19,969,345

21. CONTRACT LIABILITIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	**130,590**	–	**130,590**	–
Additions	**5,266**	130,590	**–**	130,590
Reclassified to other payables	**(130,590)**	–	**(130,590)**	–
At 31 December	**5,266**	130,590	**–**	130,590

The contract liabilities primarily relate to the advance consideration received from customers. The contract liabilities are expected to be recognised as revenue in the next twelve (12) months.

22. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers				
Sales of goods	**644,419,992**	765,806,143	**91,438,289**	94,833,398
Other revenue				
Dividend income	**–**	–	**46,703,268**	–
	644,419,992	765,806,143	**138,141,557**	94,833,398

(a) Sales of goods

Revenue from sale of goods is recognised at a point in time when the products have been transferred to the customers and coincides with the delivery of products and acceptance by customers.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on normal credit terms not exceeding twelve (12) months.

(b) Dividend income of the Company

Dividend income is recognised when the right to receive dividend payment has been established.

(c) Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements, which has been presented based on geographical location from which the sale transactions originated. No revenue was recognised over time.

23. OTHER OPERATING INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Gain on disposal of property, plant and equipment	**114,114**	57,506	**–**	19,959
Gain on modifications/ reassessments of lease contracts	**76,393**	–	**–**	–
Gain on termination of lease contracts	**17,729**	3,365	**569**	984
Insurance compensation	**177,704**	120,000	**–**	–
Income distribution from short-term fund	**24,944**	5,230	**24,944**	5,230
Rental income	**68,110**	59,480	**68,110**	57,750
Realised foreign exchange gain	**–**	–	**514,913**	–
Unrealised foreign exchange gain	**97,667**	–	**–**	52,629
Miscellaneous	**276,150**	220,705	**261,146**	274,084
	852,811	466,286	**869,682**	410,636

Rental income is accounted for on a straight-line basis over the lease term.

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24. INTEREST INCOME

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Interest income from:				
- loan and advances to subsidiaries	**–**	–	**4,869,152**	2,053,965
- deposits with licensed banks	**219,008**	34,087	**50,088**	28,266
- others	**–**	79,878	**–**	–
	219,008	113,965	**4,919,240**	2,082,231

Interest income is recognised using the effective interest method.

25. FINANCE COSTS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Interest expense on:				
- term loans	**7,087,829**	6,016,189	**3,572,457**	1,058,158
- trade facilities	**2,567,023**	2,360,691	**581,520**	481,104
- revolving credits	**1,700,068**	1,678,413	**1,148,783**	1,217,234
- lease liabilities	**357,708**	252,069	**37,106**	22,781
- amounts due to related companies	**3,113,704**	1,915,403	**–**	–
- others	**621,467**	284,988	**435,842**	150,722
	15,447,799	12,507,753	**5,775,708**	2,929,999

26. (LOSS)/PROFIT BEFORE TAX

(a) Other than those disclosed elsewhere in the financial statements, (loss)/profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Auditors' remuneration:				
- Audit fees				
- BDO PLT	**133,000**	130,000	**107,000**	104,000
- Affiliates of BDO PLT	**157,738**	160,235	**–**	–
- Other auditors	**35,150**	16,546	**–**	–
- Non-audit fees				
- BDO PLT	**10,000**	5,000	**10,000**	5,000
- Affiliate of BDO PLT	**30,629**	20,800	**14,800**	14,200
Net foreign exchange loss/(gain):				
- realised	**486,054**	1,684,443	**(514,913)**	66,976
- unrealised	**(97,667)**	267,056	**612,301**	(52,629)

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26. (LOSS)/PROFIT BEFORE TAX (continued)

(a) Other than those disclosed elsewhere in the financial statements, (loss)/profit before tax is arrived at after charging/(crediting): (continued)

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Net (gain)/loss on disposal of property, plant and equipment	**(114,114)**	(57,506)	**20,339**	(19,959)
Gain on modifications/ reassessments of lease contracts	**(76,393)**	–	**–**	–
Gain on termination of lease contracts	**(17,729)**	(3,365)	**(569)**	(984)
Rental of:				
- land and building	**3,414,254**	609,933	**–**	14,211
- motor vehicles	**723,524**	377,827	**–**	–
- forklift	**13,760**	38,210	**60,300**	38,210
Property, plant and equipment written off	**246,571**	47,729	**216,346**	12,603

(b) Net (reversal of impairment losses)/impairment losses on financial assets recognised in profit or loss were as follows:

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Impairment losses on:					
- trade receivables	12(c)	**51,043**	360,883	**3,266**	119,539
- amounts due from subsidiaries	10(f)	**–**	–	**151,156**	748,578
		51,043	360,883	**154,422**	868,117
Reversal of impairment losses on:					
- trade receivables	12(c)	**(416,334)**	(10,793)	**(85,305)**	(2,100)
- amounts due from subsidiaries	10(f)	**–**	–	**(307,085)**	–
		(416,334)	(10,793)	**(392,390)**	(2,100)
Net (reversal of impairment losses)/ impairment losses on financial assets		**(365,291)**	350,090	**(237,968)**	866,017

27. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current income tax:				
- Malaysian income tax	**227,250**	493,001	**211,928**	493,001
- foreign income tax	**2,536,875**	2,495,627	**–**	–
- over provision in prior years	**(485,089)**	(8,912)	**(493,001)**	(11,122)
	2,279,036	2,979,716	**(281,073)**	481,879
Deferred tax:				
- relating to origination and reversal of temporary differences	**(32,292)**	173,303	**–**	205,000
	2,246,744	3,153,019	**(281,073)**	686,879

(a) Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profit for the fiscal year.

(b) Taxation for other jurisdictions is calculated at the rates prevailing in those respective jurisdictions. The Group's foreign subsidiaries are subjected to 15% to 24% (2022: 15% to 24%) corporate tax rates.

(c) The numerical reconciliation between tax expense and the product of accounting loss multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before tax	**(5,871,120)**	(2,889,162)	**49,052,034**	(6,067,382)
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	**(1,409,069)**	(693,399)	**11,772,488**	(1,456,172)
Tax effects in respect of:				
- different tax rates in foreign jurisdiction	**(519,663)**	(413,769)	**–**	–
- non-allowable expenses	**3,623,320**	8,496,654	**1,040,556**	2,162,896
- non-taxable income	**(1,064,799)**	(864,129)	**(12,229,452)**	(20,928)
- deferred tax assets not recognised	**2,215,171**	–	**–**	12,205
- utilisation of previously unrecognised deferred tax assets	**(625,408)**	(3,853,385)	**(371,664)**	–
	2,219,552	2,671,972	**211,928**	698,001
Withholding tax in foreign jurisdiction	**512,281**	489,959	**–**	–
Over provision of tax expense in prior years	**(485,089)**	(8,912)	**(493,001)**	(11,122)
	2,246,744	3,153,019	**(281,073)**	686,879

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27. TAX EXPENSE (continued)

(d) Tax on each component of other comprehensive (loss)/income is as follows:

	Before tax RM	Tax effect RM	After tax RM
Group			
At 31 December 2023			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	**(1,231,958)**	**–**	**(1,231,958)**
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of net retirement benefit obligations	**(1,421,859)**	**–**	**(1,421,859)**
	(2,653,817)	**–**	**(2,653,817)**
At 31 December 2022			
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translations	(428,513)	–	(428,513)
Fair value gain on cash flow hedge	1,355,949	–	1,355,949
	927,436	–	927,436
Company			
At 31 December 2023			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of net retirement benefit obligations	**(1,421,859)**	**–**	**(1,421,859)**

28. LOSS PER SHARE

(a) Basic

Basic loss per ordinary share for the financial year ended is calculated by dividing loss for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2023	**2022**
Loss net of tax attributable to owners of the parent (RM)	**(8,117,864)**	(6,042,181)
Weighted average number of ordinary shares in issue	**120,046,980**	120,046,980
Basic loss per ordinary share (sen)	**(6.76)**	(5.03)

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there is no dilutive potential ordinary shares outstanding during the financial year.

29. EMPLOYEE BENEFITS

	Group		Company	
	2023 **RM**	**2022** **RM**	**2023** **RM**	**2022** **RM**
Wages and salaries	**73,318,799**	76,363,791	**15,548,049**	14,103,055
Social security contributions	**1,848,173**	1,830,299	**157,148**	141,547
Statutory contributions	**5,602,308**	5,064,704	**1,084,176**	839,232
Increase in liability for retirement benefits obligations (Note 19)	**111,914**	1,024,840	**111,914**	1,024,840
Other benefits	**1,802,491**	1,987,503	**328,401**	928,163
	82,683,685	86,271,137	**17,229,688**	17,036,837

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,699,463 (2022: RM1,699,337) and RM1,551,581 (2022: RM1,556,099) respectively, as further disclosed in Note 30(c) to the financial statements.

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30. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influences. Related parties could be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries and its holding companies.

The related parties and their relationship with the Company are as follows:

Related parties	**Relationship**
Kian Joo Can Factory Berhad	Immediate holding company
BP MPak Sdn. Bhd.	Subsidiary
Box-Pak (Vietnam) Co., Ltd.	Subsidiary
Box-Pak (Hanoi) Co., Ltd.	Subsidiary
BP Pak (Singapore) Pte. Ltd.	Subsidiary
Boxpak (Myanmar) Company Limited	Subsidiary
Aik Joo Can Factory Sdn. Berhad	Related company
AJ Can Sdn. Bhd.	Related company
Bintang Seribu Sdn. Bhd.	Related company
Canzo Sdn. Bhd.	Related company
Federal Metal Printing Factory, Sdn. Berhad	Related company
Kian Joo Canpack Sdn. Bhd.	Related company
Kian Joo Can (Vietnam) Co., Ltd.	Related company
Kianjoo Can (Myanmar) Company Limited	Related company
KJ Can (Johore) Sdn. Bhd.	Related company
KJ Can (Selangor) Sdn. Bhd.	Related company
KJM Aluminium Can Sdn. Bhd.	Related company

(b) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company with related parties took place at terms agreed between the parties during the financial year:

	Group		**Company**	
	2023 RM	2022 RM	**2023 RM**	2022 RM
Sale of finished goods to:				
- immediate holding company	**(519,135)**	(125,337)	**(519,135)**	(125,337)
- related companies	**(9,496,396)**	(7,149,066)	**(7,823,559)**	(6,601,450)
- subsidiary	**–**	–	**(544,517)**	(4,453,101)
Purchase of finished goods from a subsidiary	**–**	–	**1,677,550**	2,688,097
Rental paid/payable to a related company	**3,203,232**	3,173,771	**–**	–
Interest income received/ receivable from subsidiaries	**–**	–	**(4,869,152)**	(2,053,965)
Interest paid/payable to related companies	**3,113,704**	1,915,403	**–**	–
Dividend income received/ receivable from a subsidiary	**–**	–	**(46,703,268)**	–

30. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group and the Company.

The details of remuneration receivable by Directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Executive Directors' remuneration:				
Salaries	**1,060,794**	1,080,000	**1,060,794**	1,080,000
Fees	**116,959**	126,000	**116,959**	126,000
Bonuses	**204,534**	180,000	**204,534**	180,000
Other short-term employee benefits	**16,500**	18,000	**16,500**	18,000
Statutory contributions	**152,794**	152,099	**152,794**	152,099
	1,551,581	1,556,099	**1,551,581**	1,556,099
Non-executive Directors' remuneration:				
Fees	**474,000**	520,027	**474,000**	520,027
Other short-term employee benefits	**54,000**	61,500	**54,000**	61,500
	528,000	581,527	**528,000**	581,527
	2,079,581	2,137,626	**2,079,581**	2,137,626
Other directors of the Group:				
Executive:				
Salaries	**147,882**	143,238	**–**	–
Non-executive:				
Fees	**40,772**	38,283	**–**	–
	188,654	181,521	**–**	–
Total Directors' remuneration	**2,268,235**	2,319,147	**2,079,581**	2,137,626

30. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel (continued)

The number of Directors of the Company whose total remuneration during the financial year fell within the respective bands is analysed as follows:

	Number of Directors	
	2023	**2022**
Executive Directors:		
RM750,001 – RM800,000	**2**	–
RM600,001 – RM650,000	**–**	2
Non-executive Directors:		
RM100,001 - RM150,000	**1**	7
RM50,001 - RM100,000	**5**	–
RM0 - RM50,000	**–**	2

31. CONTINGENT LIABILITIES

	Company	
	2023 RM	**2022 RM**
Unsecured:		
Financial guarantees given to banks for credit facilities granted to subsidiaries	**84,471,586**	40,441,506

The Group designates financial guarantees given to banks for credit facilities granted to subsidiaries as financial liabilities at the time the guarantee is issued.

No value has been placed on the financial guarantees provided by the Company as the Directors have assessed the guarantee contracts and concluded that the financial impact of the guarantees is not material.

No expected credit loss is recognised arising from financial guarantees as it is negligible.

The maturity profile of the financial guarantees is deemed to be on demand.

32. CAPITAL COMMITMENTS

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Approved and contracted for:				
- property, plant and equipment	**1,471,563**	352,168	**1,397,196**	59,068

33. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements. In relation to this, the Group and the Company is also dependent on its immediate holding company, namely Kian Joo Can Factory Berhad to provide continuous financial support and adequate funds for the Group and the Company to meet their obligations as and when they fall due.

During year ended 31 December 2023, the Group's strategy which was to maintain the net debt-to-equity ratio at below 2.5:1. The net debt-to-equity ratios at 31 December 2023 and 31 December 2022 were as follows:

		Group		**Company**	
	Note	**2023 RM**	**2022 RM**	**2023 RM**	**2022 RM**
Loans and borrowings	18	**225,648,669**	199,513,543	**79,098,109**	93,411,934
Lease liabilities	6.2	**6,226,428**	10,359,406	**1,450,948**	819,554
Less: Cash and bank balances	14	**(75,855,267)**	(42,362,861)	**(10,031,227)**	(3,380,898)
Net debt		**156,019,830**	167,510,088	**70,517,830**	90,850,590
Total equity		**109,379,986**	120,151,667	**175,993,737**	128,082,489
Net debt-to-equity ratio		**1.43**	1.39	**0.40**	0.71

Pursuant to the requirements of Practice Note No. 17/2005 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 December 2023.

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors review and agree policies and procedures for the management of these risks, which are executed by the Group Finance Director and Director - Group Executive Management Office together with the Group Managing Director. The Audit and Risk Management Committee provides an independent oversight to the effectiveness of the risk management process.

It is, and has been throughout for the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

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33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable institutions and organisations. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade and other receivables while the primary exposure of the Company is through the amounts due from subsidiaries. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of 14 days, extending up to 120 days for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control section to minimise credit risk. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

During the financial year, the Group and the Company obtained credit insurance to minimise the credit risk exposure.

As at the end of the reporting period, trade receivables of the Group and of the Company amounting to RM17,528,037 (2022: RM15,624,765) and RM6,708,150 (2022: RM9,787,552) respectively are secured by the credit insurance.

The credit risk concentration profile has been disclosed in Note 12(h) to the financial statements.

(ii) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. In addition, there are arrangements with the immediate holding company if further funding is required to meet their obligations as and when they fall due.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 6 and 18 to the financial statements.

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk

The primary interest rate risk of the Group relates to interest-earning deposits and interest-bearing borrowings from financial institutions. The fixed-rate deposits and borrowings of the Group are exposed to a risk of changes in their fair values due to changes in interest rates. The floating rate deposits and borrowings of the Group are exposed to a risk of change in cash flows due to changes in interest rates. The Group borrows in the desired currencies at both fixed and floating rates of interest.

The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 6, 12, 14, 17 and 18 to the financial statements respectively.

(iv) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The sensitivity analysis for foreign currency risk has been disclosed in Notes 10, 12, 14, 17 and 18 to the financial statements respectively.

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

(a) New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	**Effective date**
MFRS 17 *Insurance Contracts*	1 January 2023
Amendment to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 112 *International Tax Reform - Pillar Two Model Rules*	Refer paragraph 98M of MFRS 112

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

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

Title	**Effective date**
Amendments to MFRS 16 *Lease liability in a sale and leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

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

35. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 27 March 2024, BPV, a wholly-owned subsidiary of the Company, entered into a conditional in-principle land sublease agreement with a third party to sublease a parcel of vacant leasehold industrial land for a period of approximately forty five (45) years up to 6 August 2069, for a sublease consideration of VND179,524,000,000 (exclusive of value added tax), which is equivalent to approximately RM34,286,478.

As of the date of this report, the completion of the transaction is subject to the fulfilment of conditions precedent pursuant to the conditional in-principle land sublease agreement.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2023

Location	Description	Year of Last Revaluation/ Acquisition	Land Area (square metres)	Tenure	Expiry Date of Lease	Age of Buildings (Years)	2023 Net Book Value (RM'000)
Lot 4 Jalan Perusahaan 2 Batu Caves Selangor Darul Ehsan Malaysia	Land & Building	2009	18,848	Leasehold	05.09.2074	31	21,141
Lot 7 Jalan Perusahaan 2 Batu Caves Selangor Darul Ehsan Malaysia	Land & Building	1993	12,840	Leasehold	05.09.2074	39	5,000
Lot 22 Dai Lo Huu Nghi Vietnam Singapore Industrial Park Thuan An District Binh Duong Province Vietnam	Land & Building	2009	44,230	Leasehold	11.02.2046	20	15,093
Lot 125, Dai Lo Huu Nghi Vietnam Singapore Industrial Park Thuan An District Binh Duong Province Vietnam	Land & Building	2014	15,000	Leasehold	24.04.2046	8	24,048
Plot No. 014B/015 & 016A VSIP, Bac Ninh Phu Chan Commune Tu Son Town Bac Ninh Province Vietnam	Land & Building	2011	35,762	Leasehold	30.11.2057	11	21,422
Lot No. C2 Thilawa Special Economic Zone Zone A Yangon Region The Republic of the Union of Myanmar	Land & Building	2016	74,830	Leasehold	04.06.2064	5	24,534

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

Total number of issued shares	:	120,046,980
Class of share	:	Ordinary share
Voting rights	:	1 vote per ordinary share

SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100 shares	27	2.30	612	*
100 to 1,000 shares	111	9.43	66,899	0.06
1,001 to 10,000 shares	836	71.03	3,063,148	2.55
10,001 to 100,000 shares	145	12.32	3,673,500	3.06
100,001 to 6,002,348 shares	57	4.84	47,226,700	39.34
6,002,349 shares and above	1	0.08	66,016,121	54.99
Total	**1,177**	**100.00**	**120,046,980**	**100.00**

*Note: * Negligible*

SUBSTANTIAL SHAREHOLDERS

(According to the Register of Substantial Shareholders)

		Direct		Indirect		Total	
No.	Name	No. of shares held	%	No. of shares held	%	No. of shares held	%
1.	Kian Joo Can Factory Berhad ("KJCFB")	66,016,121	54.99	–	–	66,016,121	54.99
2.	Can-One International Sdn. Bhd. ("CISB")	–	–	66,016,121 [(a)]	54.99 [(a)]	66,016,121	54.99
3.	Can-One Berhad ("Can-One")	–	–	66,016,121 [(b)]	54.99 [(b)]	66,016,121	54.99
4.	Eller Axis Sdn. Bhd. ("EASB")	–	–	66,016,121 [(c)]	54.99 [(c)]	66,016,121	54.99
5.	Yeoh Jin Hoe	–	–	66,016,121 [(d)]	54.99 [(d)]	66,016,121	54.99

Notes:

[(a)] *Deemed interest through KJCFB, a wholly-owned subsidiary company of CISB.*

[(b)] *Deemed interest through wholly-owned subsidiary, CISB.*

[(c)] *Deemed interest through Can-One in which EASB holds more than 20% voting shares.*

[(d)] *Deemed interest through EASB in which he holds more than 20% voting shares.*

ANALYSIS OF SHAREHOLDINGS
AS AT 29 MARCH 2024

DIRECTORS' SHAREHOLDINGS
(According to the Register of Directors' Shareholdings)

		Direct		Indirect		Total	
No.	Name	No. of shares held	%	No. of shares held	%	No. of shares held	%
1.	Datuk Dr. Roslan Bin A. Ghaffar	–	–	–	–	–	–
2.	Yeoh Jin Hoe	–	–	66,016,121 [(a)]	54.99 [(a)]	66,016,121	54.99
3.	Keith Christopher Yeoh Min Kit	–	–	–	–	–	–
4.	Tan Kim Seng	24,000	0.02	405,000 [(b)]	0.34 [(b)]	429,000	0.36
5.	Tuan Ngah @ Syed Ahmad Bin Tuan Baru	–	–	–	–	–	–
6.	Foo Kee Fatt	–	–	–	–	–	–
7.	Sharifah Nadia Aljafri	–	–	–	–	–	–

Notes:
[(a)] *Deemed interest through KJCFB, an indirect wholly-owned subsidiary company of Can-One.*
[(b)] *Deemed interest through his spouse.*

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ANALYSIS OF SHAREHOLDINGS
AS AT 29 MARCH 2024

LIST OF THIRTY (30) LARGEST SHAREHOLDERS
(According to the Record of Depositors)

No.	Name	No. of shares held	%
1.	Kian Joo Can Factory Berhad	66,016,121	54.99
2.	Chua Sim Neo @ Diana Chua	5,999,300	5.00
3.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Rakuten Trade Sdn. Bhd. for Pui Cheng Wui*	5,598,800	4.66
4.	Teo Kwee Hock	4,865,500	4.05
5.	Y.A.M. Tunku Nadzaruddin Ibni Tuanku Ja'afar @ Tunku Nadzaruddin	4,659,000	3.88
6.	Citigroup Nominees (Asing) Sdn. Bhd. *- Exempt An for UBS AG Singapore (Foreign)*	4,371,800	3.64
7.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Teo Siew Lai*	2,957,300	2.46
8.	Pui Boon Hean	1,888,700	1.58
9.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Y.A.M. Tunku Naquiyuddin Ibni Tuanku Jaafar*	1,531,800	1.28
10.	Wong Yoke Fong @ Wong Nyok Fing	1,355,400	1.13
11.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *- Y.A.M. Tunku Nadzaruddin Ibni Tuanku Ja'afar @ Tunku Nadzaruddin Raden (Account 1)*	1,057,700	0.88
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Lim Kuan Gin*	1,052,600	0.88
13.	Leong Kok Khoon	915,800	0.76
14.	Pui Boon Keng	693,900	0.58
15.	Lim Gaik Bway @ Lim Chiew Ah	653,000	0.54
16.	Wong Yoke Fong @ Wong Nyok Fing	593,600	0.50
17.	Lee Chee Beng	591,000	0.49
18.	Ng Boo Kean @ Ng Beh Kian	430,000	0.36
19.	Lim Siew Jong	405,000	0.34
20.	Geo-Mobile Asia Sdn. Bhd.	400,000	0.33
21.	Pui Cheng Wui	390,300	0.33
22.	Teo Ah Seng	330,000	0.28
23.	Amsec Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Tan Siow Heng*	328,000	0.27
24.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Lim Ching Neoh*	327,200	0.27
25.	Mak Mei Ling	280,000	0.23
26.	Wong Yoke Fong @ Wong Nyok Fing	277,800	0.23
27.	Public Invest Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Wong Yoke Fong @ Wong Nyok Fing (M)*	277,500	0.23
28.	Eu Mui @ Ee Soo Mei	262,000	0.22
29.	Lim Kuan Seng	250,000	0.21
30.	RHB Nominees (Tempatan) Sdn. Bhd. *- Ng Joo How*	250,000	0.21
	Total	**109,009,121**	**90.81**

NOTICE OF FIFTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fiftieth Annual General Meeting ("AGM") of Box-Pak (Malaysia) Bhd. ("the Company") will be conducted virtually and live-streamed from the broadcast venue at the Conference Room, Lot 6, Jalan Perusahaan Satu, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia on Tuesday, 25 June 2024 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon. **(Please refer to Note C of this Agenda)**

2. To approve the payment of Directors' Fees amounting to RM631,731 payable to the Directors of the Company and its subsidiaries in respect of the financial year ended 31 December 2023. **Resolution 1**

3. To approve the following payment of allowance and benefits for the financial year ending 31 December 2024: **Resolution 2**

   (i) meeting allowance of RM1,500 per person per day to the Directors of the Company; and

   (ii) other benefits of up to RM400,000 to the Non-Executive Directors of the Company and its subsidiaries.

4. To re-elect Director, Yeoh Jin Hoe who retires pursuant to Clause 82 of the Company's Constitution. **Resolution 3**

   Directors, Datuk Dr. Roslan Bin A. Ghaffar and Tuan Ngah @ Syed Ahmad Bin Tuan Baru who also retire by rotation in accordance with Clause 82 of the Company's Constitution, will retire in accordance with Board Charter of the Company. Hence, they will retain office until the close of the Fiftieth AGM.

5. To re-appoint BDO PLT, Chartered Accountants as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix the remuneration of the Auditors. **Resolution 4**

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 **Resolution 5**

   "THAT subject to the Companies Act, 2016, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, if applicable, the Board of Directors of the Company ("Board") be and is hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time at such issue price which is at a not more than a ten per centum (10%) discount to the 5-day volume weighted average market price of the shares of the Company immediately before the relevant price fixing date to such Qualified Placee(s) as the Board may in its absolute discretion deem fit or appropriate, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares in the Company for the time being (excluding treasury shares), and upon such other additional terms and conditions (if any) to be determined by the Board. For the purposes of this resolution, "Qualified Placee(s)" shall refer to persons who are not (in accordance with Paragraph 6.04(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) (a) a director, major shareholder or chief executive of the Company or a holding company of the Company (if applicable), or person(s) connected with such director, major shareholder or chief executive; or (b) nominee corporations, unless the names of the ultimate beneficiaries are disclosed. Qualified Placees shall also be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007;

NOTICE OF FIFTIETH ANNUAL GENERAL MEETING

THAT such authority if/when passed shall constitute an authority for the issue of shares with prior shareholders' approval in a general meeting of the precise terms and conditions of the issue;

THAT such authority shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("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

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

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

whichever occurs first;

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

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature **Resolution 6**

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Company's Circular to Shareholders dated 29 April 2024 provided that:

(i) such transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries and are carried out in the ordinary course of business on normal commercial terms and on terms not more favourable to the parties with which such recurrent transactions are to be entered into than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) the mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the mandate during the financial year;

AND THAT the mandate conferred by this resolution shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed; or

(ii) 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 Companies Act, 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

NOTICE OF FIFTIETH ANNUAL GENERAL MEETING

AND FURTHER THAT the Board of Directors of the Company be and is hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution."

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

Proposed retirement gratuity payment to Chee Khay Leong **Resolution 7**

"THAT the proposed retirement gratuity payment of RM931,500 by the Company to Chee Khay Leong, the former President cum Chief Executive Officer and Executive Director of the Company, in recognition of his role and responsibilities to the Company and its group of companies, be and is hereby approved AND THAT the Directors of the Company be and are hereby authorised to take all such actions as they may consider necessary and/or desirable to give full effect to this resolution."

9. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act, 2016.

By Order of the Board of Directors

Lydia Tong Yiu Shyian-Shyian
SSM PC No. 202208000755
(BC/L/1922)

Kwong Shuk Fong
SSM PC No. 202008002178
(MAICSA 7032330)
Company Secretaries

Batu Caves
Selangor Darul Ehsan
Malaysia
29 April 2024

Notes:

(A) GENERAL MEETING RECORD OF DEPOSITORS

Only a depositor whose name appears on the General Meeting Record of Depositors as at 14 June 2024 shall be entitled to participate at the Fiftieth AGM of the Company or appoint proxy(ies) to participate and vote in his/her stead.

(B) MODE OF MEETING AND PROXY

(i) The venue of the Fiftieth AGM of the Company is strictly a Broadcast Venue as the conduct of the Fiftieth AGM of the Company will be conducted virtually and live-streamed. The Broadcast Venue is also for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

Members will not be allowed to attend the Fiftieth AGM of the Company in person at the Broadcast Venue on the day of the Meeting.

Members are to attend, ask questions to the Board of Directors ("Board") via real time submission of typed texts and vote remotely (collectively, "participate") at the Fiftieth AGM of the Company via the Remote Participation and Electronic Voting ("RPEV") facilities provided by KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC") via its ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024. Please follow the Procedures for RPEV facilities in the Administrative Details for the Fiftieth AGM.

NOTICE OF FIFTIETH ANNUAL GENERAL MEETING

(ii) *A member of the Company entitled to participate at the Fiftieth AGM of the Company is entitled to appoint not more than 2 proxies of his/her own choice to participate in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which, the appointment shall be invalid.*

(iii) *Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to participate at the Fiftieth AGM of the Company. Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("Omnibus Account"), such EAN may appoint multiple proxies in respect of each Omnibus Account it holds. In both cases, such appointment shall be invalid unless the Authorised Nominee or EAN specifies the proportion of its shareholdings to be represented by each proxy it has appointed.*

(iv) *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its common seal or signed by its attorney duly authorised in writing or by 2 officers, 1 of whom shall be a director, on behalf of the corporation. Any alteration to the instrument appointing a proxy must be initialled.*

(v) *The appointment of a proxy may be made in hard copy form or by electronic form and must be deposited with/received by KPMG MRC, not less than 48 hours before the time appointed for holding the Fiftieth AGM of the Company or any adjournment thereof, and in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.*

(vi) *In the case of an appointment made in hard copy form, the Proxy Form, together with the power of attorney (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of our Administration and Polling Agent, KPMG MRC at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.*

(vii) *In the case of appointment by electronic form, the Proxy Form must be electronically lodged with KPMG MRC via its ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024 or via email to support_conveneagm@kpmg.com.my. Please refer to the Administrative Details for the Fiftieth AGM on the procedures for electronic lodgement of Proxy Form via ConveneAGM Meeting Platform.*

(C) AUDITED FINANCIAL STATEMENTS

This agenda item is meant for discussion only as under the provision of Section 340(1) of the Companies Act, 2016, the audited financial statements do not require a formal approval of the members. Hence, this item will not be put forward for voting.

(D) POLL VOTING

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all the resolutions set out in this Notice will be put to vote by way of poll. Independent Scrutineers will be appointed to verify the results of the poll.

(E) PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, ask questions and vote at the forthcoming Fiftieth AGM of the Company and/or any adjournment thereof, a member of the Company:

(i) *consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Fiftieth AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Fiftieth AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*

(ii) *warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and*

(iii) *agrees that the member will indemnify the Company in respect of any penalty, claim, demand, loss and damage as a result of the member's breach of warranty.*

NOTICE OF FIFTIETH ANNUAL GENERAL MEETING

(F) EXPLANATORY NOTES FOR ITEMS 2 AND 3 OF THE AGENDA

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

Resolution 1
If approved, will authorise the payment of Directors' fees for the financial year ended 31 December 2023 to Directors of the Company and its subsidiary, as set out below:

	Amount (RM)
Box-Pak (Malaysia) Bhd.	590,959
Subsidiary	40,772

Resolution 2
If approved, will authorise the payment of meeting allowance to all Directors of the Company and other benefits of up to RM400,000 to the Non-Executive Directors of the Company and its subsidiaries, for the financial year ending 31 December 2024.

(G) EXPLANATORY NOTES FOR ITEM 4 OF THE AGENDA

The profile of the retiring Director is set out in the Profile of Directors on page 13 of the Company's Annual Report 2023. For the purpose of determining the eligibility of Director, Yeoh Jin Hoe, who is standing for re-election at the Fiftieth AGM, the Board through its Nomination Committee ("NC") had assessed him using the Directors'/Key Officers' Evaluation Form, Board & Board Committee Evaluation Form, Performance Evaluation Sheet - Board Committees and Conflict of Interest Assessment Form, in order to assess his calibre and ability to understand the requirements, risk and management of the Group's business; his contribution and performance; his character, integrity and professional conduct in dealing with conflict of interest situations; his ability to critically challenge and ask the right questions; his commitment and due diligence, his confidence to stand up for a point of view; his interaction at meetings and his training record for the financial year ended 31 December 2023. Based on the evaluation result, the aforesaid retiring Director, Yeoh Jin Hoe met the performance criteria required of an effective member of the Board.

The Board based on the recommendation of the NC, endorsed that the Director named under Resolution 3 who is retiring in accordance with the Company's Constitution, is eligible to stand for re-election.

(H) EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 5 - Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016

Ordinary Resolution 5 proposed, if passed, will give a mandate to the Board, from the date of the forthcoming Fiftieth AGM of the Company, to allot and issue ordinary shares of the Company at any time at such issue price which is at a not more than a 10% discount to the 5-day volume weighted average market price of the shares of the Company immediately before the relevant price fixing date, to such Qualified Placee(s) as the Board may in its absolute discretion, consider to be in the interest of the Company and upon such other additional terms and conditions (if any) to be determined by the Board, without having to convene a general meeting provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares in the Company for the time being ("Mandate"). The Mandate from the shareholders will be effective immediately upon passing of the Ordinary Resolution and shall continue to be in force until:

(i) the conclusion of the next AGM of the Company; or
(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

The Mandate will provide flexibility to the Company to raise more capital expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to working capital, operational expenditures, future investment(s), and/or acquisition(s).

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Mandate is in the best interests of the Company and its shareholders.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 27 June 2023. Hence, no proceeds were raised.

NOTICE OF FIFTIETH ANNUAL GENERAL MEETING

Ordinary Resolution 6 - Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("RRPTs")

Ordinary Resolution 6 proposed, if passed, will renew the mandate for the Company and its subsidiary companies to enter into the RRPTs with Can-One Berhad and/or its subsidiary companies as set out in Section 2.4 of the Circular to Shareholders dated 29 April 2024.

The aforesaid mandate from shareholders is on an annual basis and subject to renewal at the next AGM of the Company.

For further information, please refer to the Circular to Shareholders dated 29 April 2024 which is made available together with the Company's Annual Report 2023 at https://www.boxpak.com.my/2024AGM.

Ordinary Resolutions 7 - Proposed retirement gratuity payment to Chee Khay Leong

The proposed Ordinary Resolution 7, if passed, will give the Company the authority to pay retirement gratuity amounting to RM931,500 to Chee Khay Leong, the former President cum Chief Executive Officer and Executive Director of the Company.

Chee Khay Leong had retired as President cum Chief Executive Officer and Executive Director of the Company on 6 November 2023 and the proposed retirement gratuity payment is a retirement gratuity in line with his letter of employment and in view of his role and responsibilities to the Company and its group of companies.

The proposed retirement gratuity payment is tabled for the approval of the shareholders in compliance with Section 230(1) of the Companies Act, 2016 and Paragraph 7.24 of the Main Market Listing Requirements of Bursa Securities, which require that benefits payable to the directors of a listed company be approved at a general meeting.

ADMINISTRATIVE DETAILS FOR THE FIFTIETH ANNUAL GENERAL MEETING ("AGM")

Date of AGM	:	**Tuesday, 25 June 2024**
Time of AGM	:	**10.00 a.m.**
Broadcast Venue	:	**Conference Room Lot 6, Jalan Perusahaan Satu 68100 Batu Caves Selangor Darul Ehsan Malaysia**
Meeting Platform	:	**ConveneAGM at https://conveneagm.my/boxpakagm2024**

MODE OF COMMUNICATION

Pose questions to the Board via real time submission of typed texts at ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024 during live streaming of the Fiftieth AGM.

MODE OF MEETING

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the Fiftieth AGM in person at the Broadcast Venue on the day of the meeting.

ENTITLEMENT TO PARTICIPATE AND VOTE

Only shareholders whose names appear on the Record of Depositors as at **14 June 2024** shall be eligible to attend, ask question (in the form of real time submission of typed texts) and vote remotely (collectively, "participate") at the Fiftieth AGM or appoint a proxy(ies) and/or the Chairman of the meeting to attend and vote on his/her behalf.

REMOTE PARTICIPATION AND VOTING ("RPEV") FACILITIES

The RPEV facilities is provided by KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC") via its ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024. Shareholders (individual/corporate/ authorised nominees/exempt authorised nominees) are to participate remotely at the Fiftieth AGM using RPEV facilities from ConveneAGM Meeting Platform.

Kindly refer to Procedures for RPEV facilities as set out below for the requirements and procedure.

PROCEDURES FOR RPEV FACILITIES

Shareholders who wish to participate at the Fiftieth AGM are required to register at ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024 from **Monday, 29 April 2024** until the day of the Fiftieth AGM on **Tuesday, 25 June 2024**. Shareholders are encouraged to register at least 48 hours before the commencement of the Fiftieth AGM to allow the Company to verify the shareholder status and to avoid any delay in registration.

Kindly read and follow the procedure below for registration at ConveneAGM Meeting Platform. Alternatively, you may refer to the AGM User Guide at https://cdn.azeusconvene.com/wp-content/uploads/brochures/Getting-Started-with-ConveneAGM.pdf:

ADMINISTRATIVE DETAILS FOR THE FIFTIETH ANNUAL GENERAL MEETING ("AGM")

<table>
<tr><th colspan="3">BEFORE THE DAY OF THE FIFTIETH AGM</th></tr>
<tr><th colspan="2">Procedures</th><th>Action</th></tr>
<tr><td>(a)</td><td>Registration for Shareholders and/ or Corporate Representatives</td><td>• Go to <u>https://conveneagm.my/boxpakagm2024</u>.
• Select "Register as Shareholder".
• Fill out the form with the required information and click to "Submit Registration".
• A confirmation will be displayed after a successful registration.
• Check your registered email.
• Open the email from AGM@Convene (<u>agmaccounts@conveneagm.com</u>).
• Select "Verify Your Email".
• After the email verification, you will be redirected to create your own personalised password.
• Upon system verification against the Record of Depositors as at 14 June 2024, you will receive email from AGM@Convene indicating that your registration is approved or rejected.

Please note that the corporate shareholders who require their corporate representative to participate and vote at the Fiftieth AGM must deposit their certificate of appointment of corporate representative to KPMG MRC not later than Sunday, 23 June 2024 at 10.00 a.m.</td></tr>
<tr><td>(b)</td><td>Registration for Proxyholders</td><td>• As Proxy, you will receive email from AGM@Convene (<u>agmaccounts@conveneagm.com</u>) with your proxy code once you are appointed by your shareholder.
• Open the email from AGM@Convene (<u>agmaccounts@conveneagm.com</u>).
• Select "Verify Your Email".
• After the email verification, you will be redirected to create your own personalised password.

Please note that in the event the shareholder who appointed you cannot be authenticated against the Record of Depositors as at 14 June 2024, your registration will not be valid.</td></tr>
<tr><th colspan="3">ON THE DAY OF THE FIFTIETH AGM</th></tr>
<tr><td colspan="2">Participation by Shareholders, Proxies and/or Corporate Representatives during AGM</td><td>• Login to <u>https://conveneagm.my/boxpakagm2024</u>.
• Click to start live webcast.
• Proceed to ask question and/or vote when permissible.</td></tr>
</table>

APPOINTMENT OF PROXY

If you are unable to participate at the Fiftieth AGM, you are encouraged to appoint a proxy or the Chairman of the meeting as your proxy and indicate the voting instruction in the Proxy Form.

If you wish to participate in the Fiftieth AGM yourself, please do not submit any Proxy Form for the Fiftieth AGM. You will not be allowed to participate in the Fiftieth AGM together with a proxy appointed by you.

ADMINISTRATIVE DETAILS FOR THE FIFTIETH ANNUAL GENERAL MEETING ("AGM")

Accordingly, Proxy Forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the Fiftieth AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Sunday, 23 June 2024 at 10.00 a.m.**:

(i) In hard copy:

Must be deposited at the office of our Administration and Polling Agent, KPMG MRC at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(ii) By electronic means:

The proxy form can also be lodged electronically through ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024 or email to support_conveneagm@kpmg.com.my. The steps to submit via ConveneAGM Meeting Platform are summarised below:

- Go to https://conveneagm.my/boxpakagm2024.
- Select "**Register as Shareholder**".
- Fill out the form with the required information and select "**Submit Registration**".
- A confirmation will be displayed after a successful registration.
- Check your registered email.
- Open the email from AGM@Convene (agmaccounts@conveneagm.com).
- Select "**Verify Your Email**".
- After the email verification, you will be redirected to create your own personalised password.
- Sign in to https://conveneagm.my/boxpakagm2024.
- Select "**Fill Out Proxy Form**".

If you have submitted your Proxy Form prior to the meeting, and subsequently decide to participate at the Fiftieth AGM yourself, please write in to support_conveneagm@kpmg.com.my to revoke the appointment of your proxy(ies) at least 48 hours before the Fiftieth AGM.

Alternatively, you may register for RPEV facilities or appoint another proxy. In such an event, your earlier appointment of proxy shall be revoked. Please advice your proxy accordingly. Follow the steps listed in Procedures for RPEV facilities to register and/or withdraw Proxy Form.

VOTING PROCEDURE

The voting procedure will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed KPMG MRC as Poll Administrator to conduct the poll by way of electronic voting ("e-voting") and Independent Scrutineer to verify and validate the poll results.

During the Fiftieth AGM, the Chairman of the meeting will invite the Poll Administrator to brief on the e-voting housekeeping rules. The e-voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

For the purposes of the virtual AGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

Upon the conclusion of the e-voting session, the Independent Scrutineer will verify the poll results followed by the declaration by the Chairman of the meeting whether the resolutions put to vote were successfully carried or not.

ADMINISTRATIVE DETAILS FOR THE FIFTIETH ANNUAL GENERAL MEETING ("AGM")

NO DOOR GIFT/E-VOUCHER/FOOD VOUCHER

There will be no door gift/e-voucher/food voucher for participating at the Fiftieth AGM since the meeting is being conducted on a virtual basis.

Box-Pak (Malaysia) Bhd. would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

RECORDING OR PHOTOGRAPHY AT THE AGM

Strictly no recording or photography of the Fiftieth AGM proceedings is allowed.

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

The shareholders may submit questions to the Company in advance via ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024 prior to the AGM no later than **10:00 a.m. on Sunday, 23 June 2024**. The Chairman and the Board of Directors will endeavour their best to respond to the questions submitted by the shareholders which are related to the resolutions to be tabled at the Fiftieth AGM.

ENQUIRIES

Should you require any assistance on the RPEV facilities, kindly contact KPMG MRC, details as follows:

(a) For matters relating to proxy processing and eligibility to participate at the Fiftieth AGM during office hours on Mondays to Fridays (except on public holidays) from 8:30 a.m. to 5:30 p.m.

Email	:	support_conveneAGM@kpmg.com.my
Telephone No.	:	603-7721 7329/ 7954/ 7780

(b) For ConveneAGM Meeting Platform Technical Support (available 24/7)

Toll Free No	:	1 800 817 240
Email	:	support@conveneagm.com
Live Chat	:	Click on the chat icon at the bottom right side of https://conveneagm.my/boxpakagm2024

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

PROXY FORM

*I/We .... (NRIC/Company No. ....)
(Full Name in Block Letters)
of ....
(Address)
and telephone no./email address .... being a member/members of Box-Pak (Malaysia) Bhd. (the "Company"), hereby appoint:

Full Name (in block letters)	NRIC/Passport No.	No. of Shares	% of Shareholdings
Telephone No.	**Email Address**		

and

Full Name (in block letters)	NRIC/Passport No.	No. of Shares	% of Shareholdings
Telephone No.	**Email Address**		

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Fiftieth Annual General Meeting ("AGM") of the Company to be conducted virtually and live-streamed from the broadcast venue at the Conference Room, Lot 6, Jalan Perusahaan Satu, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Tuesday, 25 June 2024 at 10.00 a.m. and at any adjournment thereof. *I/We indicate with an "X" in the spaces below how *I/we wish *my/our votes to be cast.

Resolution	Ordinary Business	For	Against
1	To approve the payment of Directors' Fees amounting to RM631,731 payable to the Directors of the Company and its subsidiaries in respect of the financial year ended 31 December 2023.		
2	To approve the payment of allowance and benefits for the financial year ending 31 December 2024.		
3	To re-elect Yeoh Jin Hoe as Director.		
4	To re-appoint BDO PLT, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix the remuneration of the Auditors.		
	Special Business		
5	Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
6	Proposed renewal of mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature.		
7	Proposed retirement gratuity payment to Chee Khay Leong.		

Subject to the abovestated voting instructions, *my/our proxy may vote or abstain from voting on the resolutions as *he/she/they may think fit.

If appointment of proxy is under hand -- Signed by *individual member/*officer or attorney of *member/*authorised nominee of .... (beneficial owner)	No. of shares held: .... Securities Account No.: .... *(CDS Account No.) (Compulsory)* Date: ....
If appointment of proxy is under seal The Common Seal of -- was hereto affixed in accordance with its Constitution in the presence of: ---------------------------------- ---------------------------------- Director Director/Secretary In its capacity as *member/*attorney of *member/*authorised nominee of .... (beneficial owner)	No. of shares held: .... Securities Account No.: .... *(CDS Account No.) (Compulsory)* Date: ....

Signed this -------------------------------- day of -------------------------------- , 2024.

**Strike out whichever is not desired.*
[Unless otherwise instructed, the proxy may vote as he/she thinks fit.]

Notes:

(i) Only a depositor whose name appears on the General Meeting Record of Depositors as at 14 June 2024 shall be entitled to participate at the Fiftieth AGM of the Company or appoint proxy(ies) to participate and vote in his/her stead.

(ii) The venue of the Fiftieth AGM of the Company is strictly a Broadcast Venue as the conduct of the Fiftieth AGM of the Company will be conducted virtually and live-streamed. The Broadcast Venue is also for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

(iii) Members will not be allowed to attend the Fiftieth AGM of the Company in person at the Broadcast Venue on the day of the Meeting.

(iv) Members are to attend, ask questions to the Board of Directors via real time submission of typed texts and vote remotely (collectively, "participate") at the Fiftieth AGM of the Company via the Remote Participation and Electronic Voting ("RPEV") facilities provided by KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC") via its ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024. Please follow the Procedures for RPEV facilities in the Administrative Details for the Fiftieth AGM.

(v) A member of the Company entitled to participate at the Fiftieth AGM of the Company is entitled to appoint not more than 2 proxies of his/her own choice to participate in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which, the appointment shall be invalid.

(vi) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to participate at the Fiftieth AGM of the Company. Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("Omnibus Account"), such EAN may appoint multiple proxies in respect of each Omnibus Account it holds. In both cases, such appointment shall be invalid unless the Authorised Nominee or EAN specifies the proportion of its shareholdings to be represented by each proxy it has appointed.

(vii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its common seal or signed by its attorney duly authorised in writing or by 2 officers, 1 of whom shall be a director, on behalf of the corporation. Any alteration to the instrument appointing a proxy must be initialled.

(viii) The appointment of a proxy may be made in hard copy form or by electronic form and must be deposited with/received by KPMG MRC, not less than 48 hours before the time appointed for holding the Fiftieth AGM of the Company or any adjournment thereof, and in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.

(ix) In the case of an appointment made in hard copy form, the Proxy Form, together with the power of attorney (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of our Administration and Polling Agent, KPMG MRC at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(x) In the case of appointment by electronic form, the Proxy Form must be electronically lodged with KPMG MRC via its ConveneAGM Meeting Platform at https://conveneagm.my/boxpakagm2024 or via email to support_conveneagm@kpmg.com.my. Please refer to the Administrative Details for the Fiftieth AGM on the procedures for electronic lodgement of Proxy Form via ConveneAGM Meeting Platform.

(xi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to the vote by way of poll. Independent Scrutineers will be appointed to verify the results of the poll.

(xii) By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate at the forthcoming Fiftieth AGM of the Company and/or any adjournment thereof, the member of the Company accepts and agrees to the Personal Data Privacy terms as set out in the Notice of Fiftieth AGM of the Company dated 29 April 2024.

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AFFIX
STAMP

The Administration and Polling Agent

KPMG MANAGEMENT & RISK CONSULTING SDN. BHD.
[Registration No. 198601000916 (150059-H)]
Concourse, KPMG Tower
No. 8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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Fold This Flap For Sealing

BOX-PAK (MALAYSIA) BHD.
[Registration No. 197401004216 (21338-W)]
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Fax +603 6189 2515

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