

APPENDIX I

Dear Shareholders.

With the government announcement of the opening up of the country, a new experience will affect us going forward. The lockdowns that we previously have will be replaced with intermittent quarantine for those of our workforce recovering from the infection of Covid-19.

All of our workforce have taken their 2 doses of Vaccines and with a high percentage having their booster shots, we're confident there will be no major healthcare disruption to our operations. The group continues to be vigilant against further outbreak with the practice of the Avoid 3Cs (Avoid Crowded Places, Confined Spaces and Close Conversations) and Practice 3Ws (Wash, Wear and Warn).

The Group is fortunate to be able to operate without any major incidence of shutdown due to the Covid-19 pandemic. All the operating locations remain open throughout the year 2021 despite lockdowns imposed by the authorities at one point or another. And more fortunate was our customers who were also able to operate albeit some had to shut down for some days or operate at lower capacities.

Overall, the demand from our customers for their packaging needs picked up and we registered a growth of 8.5% in revenue over that of 2020 amounting to RM154 million and 28.2% increase in profit after tax to RM14 million. Earnings per share rose to 26.47 sen compared to 20.64 sen for FY2020 and net assets per share increased to RM2.31 as at 31 December 2021 compared to RM2.08 as at 31 December 2020.

A strong balance sheet and liquidity will enable the Group to forge ahead confidently to explore opportunities for new investments that can bring higher returns to our shareholders in the long term.

DIVIDENDS

In the year 2021, the Group paid dividend three times, a special dividend of 2 sen on 5 Feb 2021 for the financial year 2020; first interim of 2 sen on 3 May 2021 and another 2 sen paid on 21 December 2021, totaling 4 sen for the financial year 2021. We are aware of shareholders' wish to receive good returns for their investments and we will strive to distribute reasonable dividends year after year.

RESTRUCTURING OF THE BOARD

With regards to Bursa's directive dated 19 January 2022 on amendments to the Listing Requirement limiting the tenure of Independent Director to only twelve years, the listed company will restructure members of the board within the intervening timeframe permitted. Due respect must be given to the members of the Board who have provided invaluable service and made the journey through tough times when the Group had to hive off the seafood division and face financial difficulties when I took over as Chairman.

The general enhancement ideas for board renewal is to improve quality and skills as well as promoting greater diversity but practically this is easier said than done. There is no probationary period when selecting fresh members from resumes which encapsulates the

skillsets that justifies the appointment. It takes a synergistic team of board members, people who are willing to listen well, able to articulate advice and measures that is practicable to the group's business and the ability to work together fruitfully. Nonetheless, the search to refresh the board with new faces will be carried out.

SUSTAINABILITY MATTERS

The company will continue its journey to focus on the key materiality matters of sustainability. This takes a learning curve for the manpower to learn, adapt to improve, taking on the additional duties to their now existing responsibilities. Setting up a new functional unit just for governing sustainability may not be an appropriate step for the group. The manpower must buy in to projects, implement and continuously monitor making it as their daily routine and be won over with fruits of their labour; only then will sustainability be successfully entrenched.

ACKNOWLEDGEMENT

I am grateful to all associates and stakeholders of the Group for your continued unwavering support and trust. I wish to thank all of you including the management for their dedication and commitment to the Group and I look forward to another fruitful year.