



MASTER-PACK

GROUP BERHAD 297020-W

Annual Report 2015



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GROUP FINANCIAL HIGHLIGHTS

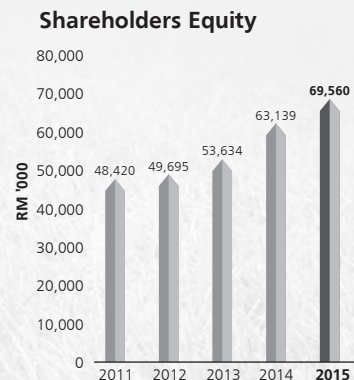
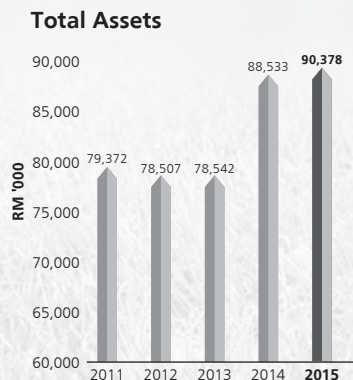
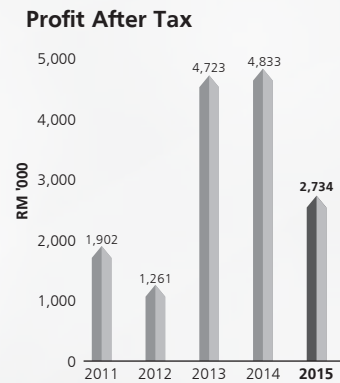
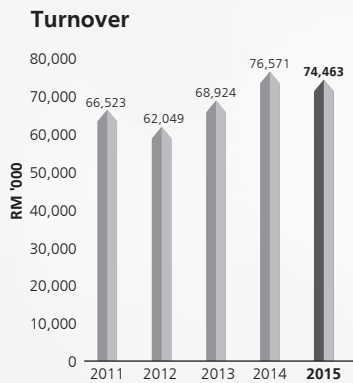
YEAR ENDED 31 DECEMBER

	2011	2012	2013	2014	2015
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	66,523	62,049	68,924	76,571	74,463
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	7,665	5,841	9,516	9,736	7,193
Profit Before Tax	3,319	1,874	6,009	6,297	3,736
Profit After Tax	1,902	1,261	4,723	4,833	2,734
Net Profit Attributable to Equity Holders	1,899	1,252	4,720	4,874	2,872
Total Assets	79,372	78,507	78,542	88,533	90,378
Total Borrowings	22,495	20,539	15,375	14,757	8,938
Shareholders Equity	48,420*#	49,695	53,634	63,139	69,560
Earnings per share (sen)	3.83	2.52	9.51	9.82	5.38
Net Assets per share	0.97	1.00	1.08	1.27	1.27

Included in shareholders' equity of the Group for financial years ended 31 December 2011 is 434,600 shares repurchased and held as treasury shares with average price of RM1.65 per share.

As per announcement dated 12 December 2011, the treasury shares of 434,600 units held in hand were cancelled with immediate effect upon the approval from Bursa Malaysia Securities Berhad.

* Restated Amount.



CORPORATE INFORMATION

AS AT 31 MARCH 2016

BOARD OF DIRECTORS

DATO' SYED MOHAMAD BIN SYED MURTAZA	Executive Chairman
MR. CHEW HOCK LIN	Independent and Non-Executive Director
DATO' SERI KHOR TENG TONG	Independent and Non-Executive Director
EN. AMINUDDIN BIN SAAD	Independent and Non-Executive Director
PUAN NAZRIAH BINTI SHAIK ALAWDIN	Non-Independent and Non-Executive Director
DR. JUNID BIN ABU SAHAM	Independent and Non-Executive Director

COMPANY SECRETARIES

Mr. Lee Peng Loon
(MACS 01258)

Ms. P'ng Chiew Keem
(MAICSA 7026443)

REGISTRAR

Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre,
Jalan 51/205, 46050 Petaling Jaya, Selangor.
Tel : 03 - 7784 3922
Fax : 03 - 7784 1988

AUDITORS

Crowe Horwath AF1018
Chartered Accountants
Level 6, Wisma Penang Garden,
42 Jalan Sultan Ahmad Shah,
10050 Penang.

STOCK EXCHANGE LISTING

**Bursa Malaysia Securities Berhad,
Main Market**

REGISTERED OFFICE

51-21-A, Menara BHL Bank,
Jalan Sultan Ahmad Shah,
10050 Penang.
Tel : 04 - 210 8833
Fax : 04 - 210 8831

SHARE CAPITAL

Authorized	: RM100,000,000
Issued & Paid-Up	: RM54,620,150
Class of Share	: Ordinary shares of RM1.00 each
Voting Right	: One voting right for one ordinary share
Number of Shareholders	: 2145

PRINCIPAL BANKERS

**Malayan Banking Berhad
Penang Main Branch,**
No. 9, Lebuhr Union,
10200 Penang.

HSBC Bank Malaysia Berhad
No. 1, Downing Street,
10300 Penang.

WEBSITE

<http://www.master.net.my>

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

It is the special time of year again, and I take this opportunity to report the Master-Pack Group Berhad group of companies activities and financial performance for the financial year 2015.



FINANCIALS AND OPERATIONS REVIEW

The five year financial highlights on page 2 indicates that the performance of the Group was weaker as compared to last financial reporting year. This is mainly due to the uncertain Malaysian economy vis a vis the implementation of the Goods and Service Tax rule and the weakening Malaysian Ringgit currency.

Profit margins became lean as selling prices to major customer are maintained whilst imported material cost escalates with unfavorable foreign currency exchange. The team valiantly pushes on to increase productivity and innovate on production methods to save cost. The Board's decision to plough back the profits by upgrading the two main factories machinery in past three years was fortuitously timely as it enables these subsidiaries to be much more competitive in offering our loyal customers the best deals.

We are constantly in communication with customers, collaborating on ways to improve packaging design, quality standards and how best to meet expectation standards during the year.

The private placement which was completed in April 2015 was also fortuitously timely corporate exercise as it helped the group reduce its financial burden and ease daily operations cash-flow needs arising from the changeover to GST rule i.e. GST has to be paid outright to clear imported container shipments bound for our factories.

During the year the group disposes off three dormant companies namely Tung Hai Fishing Sdn. Bhd., Ocean Garden Seafood Products Sdn. Bhd. and Master-Pack Labs Sdn. Bhd. in order to streamline the portfolio of the Group and to save the cost associated in maintaining a dormant subsidiary.

AWARDS AND ACCOLADES

We continuously strive to benchmark our operation practices to world class standards guided by Malcolm Baldrige criteria's for performance excellence. Hence, this year Master-Pack Sdn. Bhd. is proud to announce that the Federation of Malaysian Manufacturers had on 1 December 2015, awarded Master-Pack Sdn Bhd the 2015 Silver Excellence Award trophy - SMI category.

It has only been a short seven years i.e. in 2009 since the listed company changed its name and a corporate re-branding exercise to "Master-Pack" was carried out throughout the group. Branding gives Master-Pack



DECEMBER 10, 2015

MSWG - 2015 Top Overall Small Capital Corporate Governance Award



DECEMBER 1, 2015

Federation of Malaysian Manufacturers - 2015 Silver Excellence Award - SMI category

packaging business an identity, specialization image and market differentiation positioning. This is duly celebrated in January 2015 as Master-Pack Group Berhad garnered the 2014-2015 award as Best Brands in Packaging – Corrugated Carton Boxes from The Brandlaureate. In addition, Master-Pack Group Berhad was recognised in the Hall of Fame of Super Excellent Brand on 17 April 2015.

This is also the third consecutive year running that Master-Pack Group Berhad is presented with 2015 Top Overall Small Capital Corporate Governance by Minority Shareholders Watchdog Group. We are proud to be among the top 100 companies listed in the Index, Findings and Recognition for good corporate governance.

PLANS FOR 2016

The world economy stumbled in 2015, amid weak aggregate demand, falling commodity prices and increasing financial market volatility in the major economies. Malaysia as part of the world trading nation is consequentially affected by these economic uncertainties, particularly by the falling crude oil prices and weakening of the Ringgit vis-vis the US Dollar. The weakening ringgit although it allows us to receive a little bit more revenue negates our receipts by rising cost of imports. We hope, in 2016 the situation improves.

Already, on 16 February 2016 *The Star* published a news piece that the Malaysian currency will be steadily gaining against the greenback. This is in contrast to the ringgit being the worst performer against the US Dollar in the Asia region last year. A healthy foreign exchange will be required to balance the cost of living for the residents in Malaysia. Albeit there are also many other uncertainties in the Malaysian economy for the year 2016, Master-Pack plans forward confidently to achieve a better financial performance for its corrugating packaging subsidiaries as compared to the preceding year.

We will always be vigilant, for the sake of our sustainability, about world-wide economic situations which impact on our revenue earnings. We attempt to meet all these challenges in the best ways we can, particularly in making our production more efficient and adopt practices that enable us to use resources more effectively. Additionally, we also look at measures and possibilities to widen our customer base. We are conscious that whatever we do, we will do together with our focus on managing our cash-flows and avoid leveraging on borrowings.

Investments amounting RM 2.0 million were made in the financial year 2015 for a new product line specifically in food packaging. The new principal activity is to ensure a wider market reach. The group foresees a long term

market potential for food packaging products which is in line with the government initiatives for better health as well as bio-degradable packaging products in line with waste recycling.

Tapping into Solar Energy industry has greatly boosted the future prospects of our packaging industry. Gaining a foothold in the supply to the solar energy industry will take up some of our available capacity. From a "Sunset Industry" as it was then called, the packaging industry is now attracting players from overseas taking up stakes in a number of listed and non-listed companies.

DIVIDENDS

For the financial year ended 31 December 2015, a single tier interim dividend of 1% amounting to RM546,201.50 was paid on 6 November 2015. The total dividend paid during the year 2015 is 2.5% compared to nil dividend paid in the last financial year 2014.

ACKNOWLEDGEMENT AND APPRECIATION

Thank You to all our loyal shareholders for your continual support especially in the Extra Ordinary Meeting held on 27 February 2015 for approving the private placement and for being together with us. My sincere thanks to my fellow team of Board members who work alongside with me setting exemplary high performance standards and contributing positively in the Board meetings.

To all my valuable customers, suppliers, business associates, bankers and regulatory authorities, my thanks and appreciation for your unwavering support and close working partnership for continued growth.

To all my Master-Pack employees especially the management team, a big THANK YOU to you for all your hard work, creative and innovative solutions to meet complex changes and challenges faced in the financial year 2015 as most business industry would attest to be tremendously challenging. I say "well done" again for consistently making the effort to make Master-Pack a brand recognise for quality excellence.

Dato' Syed Mohamad Bin Syed Murtaza

Group Executive Chairman

Date :25 March 2016

AN OVERVIEW OF MASTER-PACK GROUP BERHAD BUSINESS OPERATIONS

Master-Pack Group Berhad (“MPG”) and its subsidiaries are primarily engaged in the business of manufacturing corrugated cartons and providing one-stop packaging solutions to its customers. The Master-Pack Group of companies has over the last 25 years, made a name for itself as an innovative niche market player in the packaging industry.

The two main company subsidiaries’ packaging plants are located in Nibong Tebal and Sungai Baong, Penang in the northern region of West Malaysia and Kuching, Sarawak in East Malaysia. In addition, it has an associated company, Richmond Technology Sdn. Bhd. located in Kota Bahru, Kelantan the east coast of West Malaysia. The packaging plants are strategically located to service both east and west Malaysia markets. Additionally, there is a warehouse in Bayan Lepas, Penang and a sales office in Ipoh, Perak to better serve our customers in that area.

MISSION AND VISION

Our Vision is to be the “Preferred Total Packaging Solutions Provider”. Our Mission statement is “We are in the Business of Providing Total Packaging Solutions in Partnership with Our Customers”.

This vision and mission are communicated internally through various mechanisms within the company such as the employee handbook to all employees within the Group.

CORE VALUES

- EXCEL IN SERVING OUR CHOSEN MARKETS

The Company focuses its resources and services to the best of its abilities and therein practices customer centric, earmarking on the Pareto Principle 80-20 rule. We specialize in customized packaging and as such we attend to customers and work closely to understand the pertinent needs to that customer, wherever possible, in order to innovate packaging best suited for each individual customer. We do not sell retail products to public customers as such our website only states details where each of our companies may be contacted.

- DELIVER HIGH QUALITY AND VALUED PRODUCTS TO OUR CUSTOMERS

Our strength lies in being knowledgeable in many aspects of the business such as in design, in suitable materials and re-engineering. We are one of the pioneers to obtain accreditation for ISO 14001: 2004 Environment Management System signifying our commitment in doing what we think is ethically right from the start. We serve domestic and international customers adhering to high standards, conditions and strictures demanded by multi-national customers.

- CARE FOR THE WELFARE OF OUR EMPLOYEES

The company takes cognizance that the strength and the well-being of its employees are of utmost importance. As such, it embraces that cross diversity can help a company to galvanize the multi-faceted mix of age, gender, race and thus has created a harmonious conducive industrial climate to garner the strength of its diverse workforce by providing fair and equitable employment terms and opportunities. Towards this end, Master-Pack tries to inculcate a good and enjoyable work environment whilst embedding adequate measures on operational and safety procedures. The Company involves all level of employees in organizing major events i.e. company annual dinners to inculcate a culture of inclusiveness which encourages employees to mingle freely and cohesively to nurture team spirit and synergy.

As part of “work life benefits” provided by the group, employees are allowed two days paternity leave per year up to the fifth child and a maximum of six days exam leave for those motivated to gain professional qualifications. Two days compassionate leave is also provided for bereavement on the demise of the spouse, parent, grandparent, brother, sister or child of the employee including in-law.

- SERVE THE INTERESTS OF OUR SHAREHOLDERS AND STAKEHOLDERS

It is our core value that we serve the best interests of all parties who are concerned with and have interest in Master-Pack’s continuous growth of business and well-being. We are focused on serving the interests of our shareholders who are after all, the owners of the company. Our shareholders are primarily interested in the return of their investments in terms of Master-Pack’s profitability or dividends distributed. In a nutshell, our shareholders are interested in us, maximizing their shareholders value whilst the other stakeholders are very interested in the total well-being of our company.

- CONTRIBUTE TO OUR SOCIETY

The Company believes in interacting with the community in which it operates its business. It has been our practice and our social responsibility of offering people living around us the first right of refusal to work for our production facilities. We also offer people around us part time jobs when available. We provide Industrial Training Programme and hence accept under-graduates from colleges and universities to gain hands-on experience in selected fields of study related to packaging business.

PRODUCTS AND SERVICES

Corrugated cartons manufactured by MPG plants are fully recyclable products. Please refer to our company website www.master.net.my to pre-view samples of the various models of corrugated products manufactured by our company.

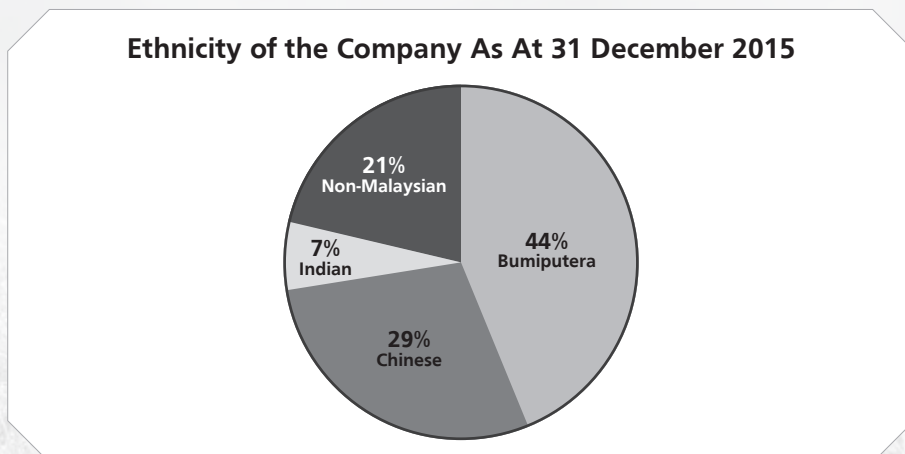
Our packaging is designed holistically with the product of our clients in mind in order to optimize overall environment performance; using clean production technologies and best practices; optimizing raw materials and energy. The packaging that we produce would be designed to be effective, beneficial and safe for users and communities throughout its life cycle and where possible, we aim at reducing the weight and volume of the packaging itself. We work to ensure our packaging meets market criteria for performance and cost as well as qualitatively meeting our customer’s choices and expectations.

Services provided to our current customers include one-stop packaging solution, warehousing as well as Vendor Managed Inventory.

DIVERSITY AND ETHNICITY IN THE WORKPLACE

In connection with Bursa Malaysia Berhad circular dated 22 July 2014 and YAB Prime Minister’s announcement on 8 May 2015 to disclose diversity policies including the target of 30% of women in decision making positions in corporate Malaysia, we are pleased to inform that 13 women or 52 percent hold top management, senior to mid management positions out of the total 25 employees classified in the said category. There are 37 percent women in the total workforce of 227 employed in the group as at 31 December 2015.

The company has an ethnicity combination as shown in the pie chart below.



Please refer to Corporate Social Responsibility on page 30 for graphs on Age Groups Diversity and Ethnicity by Levels of Management for the group as at 31 December 2015.

BUSINESS SUSTAINABILITY

Packaging will always be in demand as packaging is required to protect and transport goods from one point to another and for many other purposes such as providing marketing appeal and information on the goods the package covers. There are many types and forms of packaging using different materials. Packaging using paper is by and large very versatile. The process and techniques of corrugating can transform paper into all kinds of shapes and forms that are not only strong but attractive in design. Corrugated materials can also be made into other usable articles such as paper plates and cups and even furniture.

Packaging using corrugated cartons has attracted much interest lately as the public is now more aware and more informed of the dangers that affect the ozone, the contamination and depletion of natural resources and the warming up of planet earth. So these well-informed buyers' trend towards using recyclable packaging embracing sustainable activities; and henceforth corrugated packaging is one of the preferred options selected.

Packaging using corrugated cartons is the natural alternate material in place of other forms such as plastic, foams, wooden crates and metal. Consumers' awareness and preferred selection on sustainable packaging continues to provide the drive and the momentum of the entire corrugating packaging industry.

OPERATION AND FINANCIAL RISK

Corrugated original raw material comes from trees, which are managed through careful replanting and other responsible forest management practices. Long-term renewal of these resources brings the first, natural ingredient of corrugated to the paper mills in a continuous cycle that assures a steady supply of naturally, healthy and useful fibre to produce plentiful corrugated material. Today, most corrugated content is approximately 73 percent recovered from recycling i.e. proportionately more than any other packaging product material in the world.

In keeping with MPG Sustainable Policy and our Corporate Social Responsibility, our suppliers are assessed on price, quality, timely delivery and practical technical support. Most importantly, we are committed to ensure that our paper commodity sourcing is sustainable meaning our commodity paper purchases are made only from suppliers who fulfils the Forest Stewardship Council standards and other related legislation. Our manufacturing paper wastes are sold at a very low price back to the local paper mills for recycling.

The main challenge in our operation is to ensure a consistently high volume of sales. The management has embarked on a program to widen its sales base to cover various industry sectors and not to rely heavily on any single industry. Currently the group's turnover is spread over a multitude of industries with the top five leading industries being solar energy, food-beverage & agro based, electronics & electrical, converter and ceramics. Furthermore, as it turns out selected products manufactured by the company are patented, thus providing the added advantage to us over the competitors. Our sales coverage by states is shown in the table below.

PERCENTAGE COVERAGE OF VARIOUS MALAYSIAN REGION BY SALES

	Financial Year 2015 Sales Coverage %
Kedah	25.38
Penang	17.65
Perak	6.76
Kelantan	5.29
Pahang	3.46
Selangor	1.66
Negeri Sembilan	1.10
Johor	0.46
Trengganu	0.08
Sarawak	0.03
West Malaysia Plant	61.87
Sarawak	35.58
Sabah	0.90
Brunei	1.65
East Malaysia Plant	38.13
Grand Total	100

MANAGEMENT DISCUSSION AND ANALYSIS

Another major risk factor is the prices of paper commodity in the world. The management monitors paper commodity trends both local and international regularly as well as stockholding quantities prior to decision making on the final choice of supplies. Recently, currency fluctuation risk is of importance due to the weakening Malaysian Ringgit against the US Dollar, the US currency being the transacting currency for imported paper commodities. Currently we do not hedge our foreign exchange currency and closely monitors our imported paper needs.

The Group's Financial Performance for the past five years

	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Turnover	66,523	62,049	68,924	76,751	74,463
EBITA (Earnings Before Interest, Taxes, Depreciation and Amortization)	7,665	5,841	9,516	9,736	7,193
Profit Before Tax	3,319	1,874	6,009	6,297	3,736
Profit After Tax	1,902	1,261	4,723	4,833	2,734
Net profit Attributable to Equity	1,899	1,252	4,720	4,874	2,872
Total Assets	79,372	78,507	78,542	88,533	90,378
Total Borrowings	22,495	20,539	15,375	14,757	8,938
Shareholders Equity	48,420*#	49,695	53,634	63,139	69,560
Earnings per share	3.83sen	2.52sen	9.51sen	9.82sen	5.38sen
Net Assets per share	0.97	1.00	1.08	1.27	1.27

included in shareholders' equity of the Group for the financial years 31 December 2011 is 434,600 shares repurchased and held as treasury shares with average price of RM1.65 per share.

As per announcement dated 12 December 2011, the treasury shares of 434,600 units held in hand were cancelled with immediate effect upon the approval from Bursa Malaysia Securities Berhad.

* restated.

COMMENTARY OF THE FINANCIAL PERFORMANCE FOR THE YEAR ENDED 2015

For the year ended 31 December 2015, the Group's revenue declined RM2.1 million or 2.8%, while profit dropped RM1.8 million or 37%. This was due to the weaker economic environment in the consumer market as a result of the implementation of Goods and Services Tax (GST) from April 2016.

The drop in profit was due to higher cost of material and operating cost as a result of the weaker Malaysian Ringgit as the bulk of materials are imported. An impairment of RM900,000 was made during the year for doubtful debt as a prudent measure after taking into consideration cashflow difficulties experienced by the Group's customers especially in the small and medium enterprise category.

On 8 April 2015, the company announced the completion of the private placement exercise following the listing and quotation of the 5,000,000 new ordinary shares of RM1.00 each on the Main Market of Bursa Malaysia Securities Berhad.

The proceeds of RM5,000,000 was utilised as follows: -

	RM'000
Repayment of bank borrowings	4,300
General working capital	500
Private Placement expenses	200
	5,000

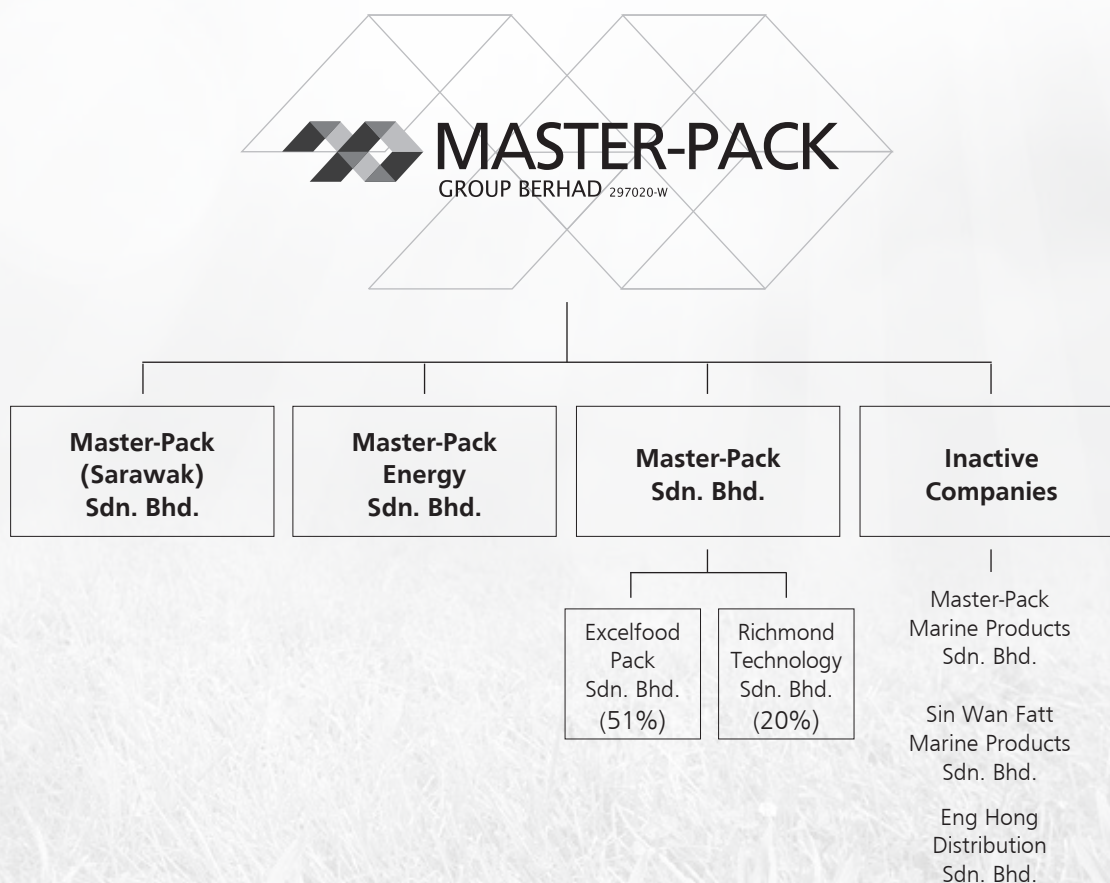
The remaining total borrowings as at the financial year ended 31 December 2015 consist only of banking facilities utilised in the group's daily operations.

OUTLOOK FOR 2016

The economic scenario throughout 2015 was difficult to predict, more so for 2016 and for Malaysia with many uncertainties revolving around crude oil and commodities prices, weak currency, effect of US interest rates and a myriad of others factors.

Nevertheless, the group has made capital investment for the manufacturing of new products in 2015 which will start operation in 2016. The new products are food wrappers, bags and boxes. It is expected the new products will contribute positively to the group's revenue and profitability for the year 2016.

CORPORATE STRUCTURE



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting ("AGM") of the Company will be held at Master-Pack Sdn. Bhd., 1574, Jalan Bukit Panchor, 14300 Nibong Tebal, S.P.S. Penang on Friday, 27 May 2016 at 11.30 a.m. for the following purposes :-

AGENDA

As Ordinary Business :

- | | |
|---|-------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. | Please refer to Note 6 |
| 2. To consider and if thought fit, to pass with or without modifications, the following special resolutions pursuant to Section 129(6) of the Companies Act, 1965:- | |
| i) "That Dato' Seri Khor Teng Tong, who retires pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company to hold office until the next AGM of the Company." | Resolution 1 |
| ii) "That Mr. Chew Hock Lin, who retires pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company to hold office until the next AGM of the Company." | Resolution 2 |
| iii) "That Dr. Junid Bin Abu Saham, who retires pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company to hold office until the next AGM of the Company." | Resolution 3 |
| 3. To re-elect Cik Nazriah Binti Shaik Alawdin, who retires by rotation in accordance with Article 91 of the Company's Articles of Association and who, being eligible, offers herself for re-election. | Resolution 4 |
| 4. To approve the increase and the payment of Directors' Fees of not exceeding RM189,400.00 for the financial year ended 31 December 2015. | Resolution 5 |
| 5. To re-appoint Messrs. Crowe Horwath as auditors of the Company until the next AGM of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

As Special Business

To consider and, if thought fit, to pass with or without modifications, the following ordinary resolutions :

PROPOSED RENEWAL OF GENERAL MANDATE FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

- | | |
|---|---------------------|
| 6. "That, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total issued and paid-up share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares to be issued." | Resolution 7 |
|---|---------------------|

7. PROPOSED CONTINUATION OF DATO' SERI KHOR TENG TONG IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"That authority be and is hereby given to Dato' Seri Khor Teng Tong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of next AGM of the Company."

Resolution 8

8. PROPOSED CONTINUATION OF MR. CHEW HOCK LIN IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"That authority be and is hereby given to Mr. Chew Hock Lin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of next AGM of the Company."

Resolution 9

9. PROPOSED CONTINUATION OF ENCIK AMINUDDIN BIN SAAD IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"That authority be and is hereby given to Encik Aminuddin Bin Saad, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of next AGM of the Company."

Resolution 10

10. To transact any other business of which due notices shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 22nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 20 May 2016. Only a depositor whose name appears on the Record of Depositors as at 20 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/vote on his/her behalf.

By Order of the Board,

LEE PENG LOON (MACS 01258)

P'NG CHIEW KEEM (MAICSA 7026443)

Joint Company Secretaries

Penang

22 April 2016

NOTES ON APPOINTMENT OF PROXY

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. For a proxy to be valid, the proxy form, duly completed must be deposited at registered office of the Company, 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting. If the proxy form is sent by facsimile to the registered office before forty-eight (48) hours before the meeting, this original proxy form must be deposited at the registration counter or to the Company Secretary or his authorised representative at least half one hour before the time appointed for holding the meeting or adjourned meeting otherwise the proxy form sent by facsimile shall be treated as void.
5. In the case of a corporate member, the proxy form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTE ON ORDINARY BUSINESS

6. The Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders of the Company and hence, Agenda 1 is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

7. The Resolution 7 is to seek a renewal of general mandate for the Directors of the Company to allot and issue shares in the Company up to an amount not exceeding 10% of the total issued and paid-up share capital of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This mandate, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next AGM.

As at the date of notice of 22nd AGM, no shares has been issued pursuant to the general mandate granted at the last AGM of the Company and of which, it will be lapse at the conclusion of the 22nd AGM of the Company to be held on 27 May 2016.

The general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

8. The Resolutions 8 to 10, if passed, are to seek shareholders' approval for the existing Independent Non-Executive Directors to be retained and continued to act as Independent Non-Executive Directors to fulfill the requirements of Paragraph 15.02 of the Main Market Listing Requirements and to be in line with the recommendation 3.3 of the Malaysian Code of Corporate Governance 2012. The details of justifications are set out in the Statement of Corporate Governance in pages 21 to 28 of the 2015 Annual Report.

2015 Annual Report

The 2015 Annual Report is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholder upon request within four (4) market days from the date of receipt of the verbal or written request. A copy of the Annual Report can also be downloaded at www.master.net.my

Shareholders who wish to receive the printed Annual Report and who require assistance in viewing the CD-ROM, kindly contact Mr. Ang of Master-Pack Group Berhad at telephone no. 04-5931550 (Ext 302) or email your request to angfh@master.net.my.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Directors recognise that they have to declare any of their respective interests in transactions with the Master-Pack Group Berhad and its subsidiaries ("MPG Group"), and they abstain from deliberation and voting on relevant resolution in respect of such transactions, at the Board meeting or at any general meeting convened to consider the matter.

Parties are considered related to MPG Group, if MPG Group has the ability directly or in-directly, to control the party, or exercise significant influence over the party in making financial and operational decisions, or vice versa; or where MPG Group and the party are subject to common control or common significant influence. Related parties maybe individuals or entities.

At the Annual General Meeting held on 29 May 2015, the Company obtained its Shareholders' mandate to allow the MPG Group to enter into recurrent related party transactions of a revenue or trading nature.

Details of the recurrent related party transactions pursuant to shareholders' mandate are disclosed as follows:

MPG/ Subsidiaries involved	Related Party	Nature of relationship	Nature of Transaction	Actual Value of Transaction from 29 May 2015 to latest practicable date on 31 March 2016	Estimated Value of 2015 Mandate
Master-Pack Sdn. Bhd.	Richmond Technology Sdn. Bhd.	N1	Sales of packaging board	RM3,645,000	RM4,000,000

N1 Richmond Technology Sdn. Bhd., a 20%-owned associate of Master-Pack Sdn. Bhd., a wholly owned subsidiary of MPG, is principally involved in the manufacturing of packaging materials.

Richmond Technology Sdn. Bhd. was incorporated on 9 March 1998 in Malaysia under the Companies Act, 1965, as a private limited company and has an authorized share capital of RM500,000.00 comprising of 500,000 ordinary shares of RM1.00 each. The existing paid-up share capital of Richmond Technology Sdn. Bhd. is RM500,000.00.

Mr. Khor Chai Seang, who is Director of Master-Pack Sdn. Bhd., a wholly-owned subsidiary of the Company and Richmond Technology Sdn. Bhd., is deemed to have interest in the transaction.

On 16 October 2015, Dato Syed Mohamad, the Group Executive Chairman of MPG Group replaced Mr. Khor Chai Seang as the representing director in Richmond Technology Sdn. Bhd.

The related party transactions are reviewed by the independent out-sourced Internal Auditors. The Board through its Audit Committee reviews any related party transaction and conflict of interest situation, which may arise within MPG Group, including any transaction, procedure or course of conduct that may raise questions or issues on the management's integrity.

The Company will not be seeking a renewal of the recurrent related party transactions of revenue or trading nature from the shareholders at the forthcoming 22nd Annual General Meeting. The arms length transactions with the associate company shall not be regarded as related party transactions pursuant to paragraph 10.08(11)(c)(i) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the *Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers*.

BOARD'S RESPONSIBILITY

The Board of Directors of Master-Pack Group Berhad acknowledges its responsibility for the risk management framework and internal control system of the Group. The Board recognizes that the risk management framework and internal control system are designed to manage the Group's risk within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the business objectives of the Group. It can therefore only provide reasonable but not absolute assurance of the effectiveness against material misstatement of management and financial information and records or against financial losses or fraud.

RISK MANAGEMENT PROCESS

The Group has in place a documented Risk Management Policy which provides guidance to employees to be more conscious of the risk management process and presents a standardised understanding on the application of risk management throughout the Group. The Group's Risk Management Framework has been aligned towards the International Standard ISO 3100:2009 Risk Management-Principles and Guidelines. The Audit Committee has been delegated by the Board to review annually the adequacy and effectiveness of the Risk Management Framework and policy of the Group.

A Risk Working Committee comprising heads of Department led by the Executive Director has been tasked by the Board to comprehensively identify, analyse, and evaluate all risks in terms of consequential impact and level of likelihood. The relevant internal controls or application of mechanism in place to manage, mitigate, avoid these risks were also identified.

A yearly report on risk management which summarizes the level of impacts of significant risk and the level of likelihood of such risks was prepared by the Risk Working Committee. The report also highlights residual exposures and the appropriate management control measures / action plans to mitigate such risk exposures. In the Audit Committee and Board meeting held in February 2015, the report on risk management prepared by the Risk Working Committee was reviewed, deliberated upon and the appropriate advice given, where necessary. Additionally, the Board requires the Risk Working Committee to report on risk management in the event of a major change in business or a new potential business venture.

INTERNAL CONTROLS

The key internal control processes that have been embedded in our system of internal controls which are functioning, and in place during the year 2015 include the following:

1. The Board has established an organisation structure with clear defined lines of responsibilities with the appropriate levels of delegation and authority limits. It had extended the responsibilities of the Audit Committee to include the review on the effectiveness of the risk management framework and the assessment of the internal controls system through the Internal Audit function.
2. The Board met five times in the year 2015, and has a formal agenda on matters for discussion. A list of matters reserved for the collective decision of the Board is available in the website www.master.net.my/ir_roles.htm. Due notice is given of the scheduled meetings and the Board meeting papers relating to the agenda items are disseminated to all directors, at least five working days before the meeting, to provide sufficient time for the papers to be reviewed. During the year, the Group Financial Controller and Executive Director were invited to brief the Board members, as and when necessary.
3. The Executive Committee (EXCO) is tasked to manage the business of the Group and to ensure that the Group's operations are in accordance with the business strategies and plans and annual budget approved by the Board. The EXCO implements both financial and operational tasks, and addresses issues arising from changes in both the external business environment, and internal operating conditions. The EXCO meets on a monthly basis where the financial and operational performance of three key subsidiaries are reported, discussed and when applicable, the appropriate corrective action taken promptly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4. Each individual subsidiary has various committees such as Sales, Credit Control, Purchasing, Production and Management team committees. These committees comprise the heads of department as well as senior executives that meet on a regular basis where progress is presented, results are compared against budgets/targets and identified problems are resolved.

In the year 2015, a committee comprising all the accounts and management information system personnel in Master-Pack successfully implemented the new accounting software and were able to meet the Goods and Service Tax reporting requirement standards.

5. There are formalised and documented policies, standard operating procedures and work instructions on various functions. This enables the Group to communicate with all subsidiaries and ensure compliance with internal controls, relevant laws and regulations. The policies and standard operating procedures are progressively reviewed and updated following changes in the latest laws and regulations.

The Board has in place in its website the group's application of the Malaysian Code of Corporate Governance 2012 (www.master.net.my/ir_code_of_business_conduct.htm) and the group's Personal Data Protection Notice (www.master.net.my/ir_personal_data_protection.htm).

6. The internal controls system are checked for compliance by independent audit teams from the Standards and Industrial Research Institute of Malaysia (SIRIM), customers and independent out-sourced Internal Auditors, Messrs. UHY.

Audits by SIRIM are in relation to the ISO 9001:2008 Quality Management System and ISO 14001:2004 Environment Management Systems. Whereas, audits by customer and internal auditors' covers different aspects ranging from Human Resources policies and practices to security and asset management.

The internal auditors would recommend improvements and obtain management's comments or proposed corrective action on the audit findings raised. Internal audit reports are circulated to the members of the Audit Committee who reviewed the findings together with the management's responses and comments. Subsequent follow-ups where applicable, are performed to ensure that the internal audit recommendations have been implemented, and as such provide the assurance the Board requires.

Please refer to page 20 on the function and activities of the out-sourced internal auditors.

7. There exists sufficient insurance coverage and physical safeguards on major assets 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 in which Management reviews the coverage based on the current fixed asset inventory and the respective net book values and "replacement values" i.e. the prevailing market price for the same or similar item, where applicable. In 2015, the Board invited the insurer to present the latest scope and coverage of the Directors and Officers Liability Indemnity Insurance wherein the Board subsequently approved to increase the sum insured.

ASSURANCE FROM MANAGEMENT

The Board has also received reasonable assurance from the Executive Director and the Group Financial Controller that the Group's risk management and internal control system are operating adequately and effectively, in all material respects, based on the risk management and internal control system of the Group.

CONCLUSION

The Board is of the view that the risk management and internal controls system is in place for the year under review and up to the date of approval of this Statement, is sound and sufficient to safeguard the interest of all its stakeholders as well as the group assets.

This risk management and internal control statement excludes the state of risk management and internal control of the associated company, Richmond Technology Sdn. Bhd.

This statement is made in accordance with a resolution of the Board of Directors dated 6 April 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the year ended 31 December 2015 pursuant to Recommended Practice Guide 5 (Revised), *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. The external auditors had reported to the Board that, based on the procedures performed by them, 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 is not prepared, in all material respects, 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* to be set out, nor is factually inaccurate.

OTHER INFORMATION**UTILISATION OF PROCEEDS**

As at 31 December 2015, the proceeds raised by the Company from the private placement exercise is fully utilised and is tabulated in Management Discussion and Analysis on page 11.

SHARE BUY-BACKS

During the financial year, there were no share buy-backs by the Company.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company has not issued any options, warrants or convertible securities during the financial year.

DEPOSITORY RECEIPT PROGRAMME

The Company does not have any depository receipt programme in place.

VARIATION IN RESULTS

The Company did not announce any profit estimate, forecast, projection and unaudited results during the financial year which differ by 10% or more from the audited results.

PROFIT GUARANTEE

During the financial year, there were no profit guarantee given by the Company.

SANCTIONS AND/OR PENALTIES IMPOSED BY REGULATORY BODIES

There was no material penalty or sanction imposed on the Company, its subsidiaries, directors or management by any regulatory bodies during the financial year, save for road traffic offences, if any.

MATERIAL CONTRACTS INVOLVING DIRECTORS' & MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts between the Company and its subsidiaries involving directors' and major shareholders' interest either still subsisting at the end of the financial year ended 2015, or entered into since the end of the previous financial year.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

The Board presents the Audit Committee Report to provide insights into the discharge of the Audit Committee's functions for the Group in 2015.

TERMS OF REFERENCE

The term of reference of the Audit Committee can be obtained from the Company's website at http://www.master.net.my/ir_audit_committee.htm

COMPOSITION OF THE AUDIT COMMITTEE

The composition of the Company's Audit Committee and their respective attendance of meetings held are as tabled below:-

Name	Status of Directorship	Attendance of Meetings	% of Attendance
Mr. Chew Hock Lin (Chairman of Audit Committee)	Independent & Non-Executive Director	Attended 5 out of 5 meetings	100
En. Aminuddin Bin Saad	Independent & Non-Executive Director	Attended 5 out of 5 meetings	100
Cik Nazriah Binti Shaik Alawdin	Non-Independent & Non-Executive Director	Attended 5 out of 5 meetings	100

ACTIVITIES OF AUDIT COMMITTEE

During the year ended 31 December 2015, the Audit Committee carried out the following activities:

Terms of Reference

Perused through the existing Terms of Reference of Audit Committee and found in compliance.

Financial results

- Reviewed the annual audited financial statements of the Company / Group and prior to Bursa announcement the unaudited quarterly results of the Group, and thereafter, submitting them to the Board for approval;
- Reviewed the Risk Management and Internal Control Statement pursuant to paragraph 15.26(b) of the Listing Requirements for the Board's approval;
- Reviewed the Risk Management Framework, risk register together with its accompanying control measures and action plans to mitigate the risks;
- Discussed together with the external auditors and management the relevant changes in accounting principles and standards that may or will affect the financial statements when reviewing the annual audited financial statements;
- Reviewed the nature of related party transactions, the shareholder's circular mandate and recommended them for the Board's approval;

Internal Audit

- Reviewed the adequacy of scope, functions, competency and resources of the internal audit functions;
- Evaluated the yearly performance of the out-sourced internal auditors and recommended their re-appointment;
- Met with the internal auditors once without the presence of any executive Board members / management staff;

Internal Audit (cont'd)

- Discussed and approved the Internal Audit Plan presented by the internal auditors for execution in the current financial year;
- Reviewed and discussed the findings and recommendations as reported by the internal auditors;
- Reviewed the Group's internal audit procedures and the adequacy of actions taken by the management based on the Internal Audit reports;
- Reviewed the Internal Audit reports pertaining to the follow-up reviews following each audit;
- Reviewed the recurrent related party transactions as reported by the internal auditors;

External Audit

- Reviewed the competency, independence and suitability of the external auditors and recommended to the Board for re-appointment;
- Met with the external auditors twice without the presence of any executive Board members / management staff;
- Reviewed and evaluated the external auditor's audit plan, audit strategy and scope of audits relating to the Company / Group;
- Reviewed and recommended the audit fee of the company and its subsidiaries for the financial year to the Board
- Ensured the external auditors evaluated the system of internal controls of the Company / Group and noted the review report of the external auditors to the Board, mentioned in the Statement on Risk Management and Internal Control of the annual report;
- Reviewed and noted the external Audit Review Memorandum presented by the external auditors;
- Evaluated the yearly performance of the external auditors and recommended their re-appointment.

INTERNAL AUDIT FUNCTION

During the financial year ended 31 December 2015, the Company has engaged the services of an independent professional accounting firm, Messrs UHY, to carry out the internal audit functions of the Group in order to assist the Committee in discharging its duties and responsibilities particularly in ensuring that a sound system of internal controls is in place.

The internal audit activities were as follows :-

- Reviewed the risk assessment by discussing with key management on the risk register to determine the auditable areas, prepared the audit plan for the current year and submit for the approval of the Audit Committee;
- Performed the audit in accordance with the internal audit plan which comprised the following :-
 - reviewed the systems of internal control and ascertain the extent of compliance with the established policies, procedures and statutory requirements;
 - identified areas to improve controls of operations and processes in the Group;
 - reviewed the relevancy, reliability, integrity, accuracy, completeness of financial and operational information;
 - reviewed the recurrent related party transactions entered into by the Group to ensure that it complies with the requirements as set out in the Shareholders Circular Mandate and Bursa Listing Requirements;
 - conducted an exit meeting with management on their audit findings;
 - liaised with the management to obtain comments and actions to be taken;
 - followed up reviews on actions that have been agreed to be implemented by the management;
- The audit findings and management comments were compiled into Internal Audit Reports and tabled in the Audit Committee Meetings for its deliberations.

Based on the Internal Auditors' report for the financial year ended 31 December 2015, the system of internal control appears to be working adequately. Based on the work done there were no material weaknesses in the system of internal control that may affect the integrity of our financial statements. On-going actions were taken by management to rectify any weakness identified in all the internal audit reports.

The cost incurred for the internal audit function in respect of the financial year is RM25,605.

STATEMENT ON CORPORATE GOVERNANCE

Master-Pack Group Berhad intends to create long-term value through its core business to generate sustainable shareholder value and to protect the stakeholders' interests. In pursuing this corporate objective, the Board of Directors of Master-Pack believes in having strong corporate governance frameworks via maintenance of a high standard of integrity, transparency, accountability and professionalism as key fundamentals in managing the business operations of the Master-Pack Group of companies.

The Board of Directors of Master-Pack Group Berhad is committed towards adhering to the requirements and guidelines of the Malaysian Code on Corporate Governance 2012 ("the Code") as well as the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa") both in substance and in form, throughout the year under review. The Board is of the view that it has throughout the year complied with the Code as well as Bursa's Listing Requirements, and herein below sets forth illustrations of compliance in all material respects of Corporate Governance by our Company.

The Board of Directors

Currently, the Board consists of six members, comprising four Independent and Non-Executive Directors, one Non-independent Non-Executive Director and one Executive Chairman. The size and composition of the Board is adequate to provide for a diversity of views to facilitate effective decision making and providing appropriate balance of executive, independent and non-independent directors. The biographical details of all the Directors are in the company website www.master.net.my/ab_bod.htm.

All the six Board members possess varied experience, fair knowledge, complementary skills and are of diversified competencies as shown in the matrix of mix and skill set diversity as follows:-

	Functional Experience								Business Strategy	Industry Experience							
	Corporate	Finance/ Audit/ accounting	Law /Govt. Relations	People Management	Sustainability Issues	Professional Services	Risk Management	Multi-national Company		Finance, Banking	Law /Real Estate	Audit/ Business	Academia/ Education	Public Service	Telecommunication/ Electronics	Wealth Management	
D1	✓	✓	✓	✓	✓		✓	✓	✓			✓	✓	✓	✓		
D2	✓	✓		✓	✓	✓	✓	✓		✓	✓			✓			
D3	✓		✓	✓	✓		✓	✓			✓		✓				
D4			✓	✓	✓		✓	✓				✓		✓			
D5		✓	✓	✓	✓	✓	✓	✓		✓	✓		✓				
D6	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓		✓		✓	

- D1 - Dato' Syed Mohamad bin Syed Murtaza - Executive Chairman
 D2 - Mr. Chew Hock Lin - Independent and Non-Executive Director
 D3 - Dato' Seri Khor Teng Tong - Independent and Non-Executive Director
 D4 - Encik Aminuddin bin Saad - Independent and Non-Executive Director
 D5 - Puan Nazriah bt. Shaik Alawdin - Non Independent and Non-Executive Director
 D6 - Dr. Junid bin Abu Saham - Independent and Non-Executive Director

The combined mix and skill set diversity of the board members as tabled, enables the members to contribute positively to the management of the Company.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (cont'd)

Table tabulating Master-Pack Boardroom Gender, Ethnicity and Age

	40 to 50 years	50 to 60 years	60 to 70 years	Above 70 years
Bumiputra	1 (F)	1 (M)	1(M)	1 (M)
Chinese				2 (M)

M - Male

F - Female

The Board members are not related to each other. They come from varied educational background and each member holds different professional qualifications hence contributing to the board a diversified knowledge and expertise. The Board practices an open policy on boardroom diversity and assessment of new board members by the Nomination Committee shall be in accordance with balance pre-defined criteria.

The presence of four Independent and Non-Executive Directors on the Board gives the Board a majority independent element and fairly reflects and represents the interest of the minority shareholders of the Company.

In view of a majority of Independent Directors on our Board, the balance of power and authority of the Board is not compromised by the combined roles of Chairman and the Executive Director held by Dato' Syed Mohamad bin Syed Murtaza, even though he is not an Independent Non-Executive Director. Furthermore, the responsibility of matters material to the Group is in the hands of the entire Board with no individual having unfettered powers to make material decisions.

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions and this is formally documented in the company's Board Charter. The Board Charter guides, regulates and reminds all Board members of their duties and responsibilities on the various regulations affecting their conduct and dealings as Board members of the Company. The Board Charter is available in the Company's website at www.master.net.my/ir_roles.htm. During the financial year 2015, some of the agenda tabled at the Board meetings which were duly considered, discussed and approved by the Board were as follows:-

- i. Approved the financial statements
- ii. Approved the annual budget and revision thereto
- iii. Reviewed the risk management framework and the internal controls
- iv. Reviewed the reports of internal and external audits
- v. Reviewed the performance of the Audit Committee as a whole and it has performed all duties in accordance to the Audit Committee Terms of Reference,
- vi. Reviewed the Recurrent Related Party Transactions of a Revenue or Trading Nature.
- vii. Approved capital expenditure and reviewed the return on capital employed
- viii. Reviewed the terms of reference of the Audit Committee

The schedule of matters reserved for the Board's collective decision is recorded in Appendix A of the Board Charter. Other than as specifically reserved for the Board's collective decision, the responsibility for managing the groups' business activities is carried out by an Executive Committee comprising Heads of Department led by the Executive Chairman.

The Directors' commitment in carrying out their duties and responsibilities is affirmed by their attendance at the Board meetings held during the financial year ended 31 December 2015:

Name	Status of Directorship	Attendance of Meetings
Dato' Syed Mohamad bin Syed Murtaza	Executive Chairman	Attended 5 out of 5 meetings
Mr. Chew Hock Lin	Independent & Non-Executive Director	Attended 5 out of 5 meetings
Dato' Seri Khor Teng Tong	Independent & Non-Executive Director	Attended 4 out of 5 meetings
Encik. Aminuddin Bin Saad	Independent & Non-Executive Director	Attended 5 out of 5 meetings

The Board of Directors (cont'd)

Name	Status of Directorship	Attendance of Meetings
Puan Nazriah Binti Shaik Alawdin	Non-Independent & Non-Executive Director	Attended 5 out of 5 meetings
Dr. Junid Bin Abu Saham	Independent & Non-Executive Director	Attended 5 out of 5 meetings

This attendance confirms members of the board who hold multiple board representations are able to devote sufficient time to discharge their responsibilities adequately.

Code of Business Conduct

All members of the Board are aware that they should set the corporate culture and ethical standards to be adopted, practised and amplified throughout the Master-Pack group. The Master-Pack- Code of Business Conduct or "the MPG Code" which includes the Whistle-blowing policy is shown in www.master.net.my/ir_code_of_business_conduct.htm. The MPG Code sets the ethical standard of behaviour expected of all Directors and employees. Included therein, the MPG Code touches on the issue of bribery & anti-corruption and how the Company deals with the consequences of such act.

Customer satisfaction is a key industry factor to Master-Pack in the type of competitive business we are in. From time to time, our sales and customer service personnel are in contact with our customers to ensure that we provide a high standard of customer satisfaction level as well as respecting our customer's privacy and data security.

We attempt to be customer centric by not just delivering what the customers wants but also to provide an experience beyond or above the normal customer satisfaction. Annual customer satisfaction surveys conducted indicates trends of improvement in the different criteria of customer satisfaction thus encouraging our sales team to perform even better than the preceding year. Master-Pack believes that customer requirements and satisfaction is the key driver towards our business sustainability and profitability. This key driver is made known to employees at all levels and as such it naturally follows that our customer welfare is our area of concern as well.

We are committed in ensuring ethical standards in our business activities. We expect an ethical business practice from our suppliers in their timeliness of delivery, practices in their labour management as well as adherence to human rights of workers. On our part, we attempt to meet their standard of credit and payment practices. Where practical, we patronise local vendors, provided they too practice environmentally friendly measures consistent with promoting sustainable development. Naturally, in all of our business dealings, we are mindfully alerted to the needs for preventing corrupt practices, illegal and unethical behaviour. We ensure that protection is given to the people or any person who reveals illegal or unethical behaviour from retaliation. The Whistle-blowing policy at Master-Pack provides the contact details for which the public can use to voice their concerns and/ or complaints.

The company take cognizance the importance of the well-being of its employees as stakeholders. We strive to eliminate friction and attempt to create a culture in the work place where its diverse workforce can enjoy working together. The Company takes its duties as employers conscientiously and works to see that the welfare of the employees is cared for hence it rarely encounters unresolved complaints to the extent of requiring reporting the case to the Malaysian Labour Department. The Company provides it workers with proper health and safety apparels such as face mask, safety boots, ear plugs and cotton gloves and organizes training to promote the awareness of Occupational Hazard to its employees annually.

There is no formalised career development plan but there is without a doubt a clear succession plan for the top leadership position in the packaging division recognised by all employees in the group. The company inculcates and practises a dual-functional career development plan for the second and third liners of employees giving them a chance to develop their skills and enhance their knowledge not just in a single functional expertise.

Engagements with our employees as stakeholders are in the Corporate Responsibility Statement www.master.net/ir_corporate_social_responsibility.htm

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (cont'd)Code of Business Conduct (cont'd)

The Directors have a duty to declare immediately to the Board should they be interested in any transaction to be entered into directly or indirectly by the Company. An interested director is required to abstain from deliberations and decisions of the Board on the said transaction and he/she does not exercise any influence over the Board in respect of the transaction. He/ She will further undertake to ensure that persons connected to them similarly abstain from voting on the resolution pertaining to the said transaction. Please refer to page 15 in the 2015 Annual Report for the Recurrent Related Party Transactions of a Revenue or Trading Nature.

The Committees

The Board appoints and delegates specific duties to various committees such as the Nomination Committee, Remuneration Committee and Audit Committee to assist in discharging their duties.

Nominating Committee

The Nominating Committee comprises exclusively of Non-Executive Directors and all members are Independent Directors. The members are:

Mr. Chew Hock Lin (Independent Non- Executive Director, Chairman)
 Encik Aminuddin bin Saad (Independent Non-Executive Director)
 Dr, Junid Bin Abu Saham (Independent Non-Executive Director)

There is only one meeting held on 20 November 2015 and was fully attended by all members. The terms of reference of the Nominating Committee are also published on the company website www.master.net.my/ir_nomination_committee.htm. Contained therein, is the nomination process for the appointment for new Directors to the Board as well as the performance assessments of the committees and members of board.

During the Nominating Committee meeting, the following annual assessments were carried out for the financial year 2015:-

- i. Performed the annual peer assessment on the contributions of each individual board members;
- ii. Performed and assessed based on criteria set by the Board in accordance with the Nominating Committee Terms of Reference, on the effectiveness of the Board as a whole and it's Board Committees;
- iii. Assessed on an annual basis whether a director is independent as may be defined in the Bursa Malaysia Main Market Listing Requirements.
- iv. Reviewed and recommended to the Board for the appointment and continuation in office of any director who has reached the age of 70 or any independent director who had reached the tenure of nine(9) years.
- v. Reviewed the Continuing Education Programme attended by the Board members for the year 2015, noting that sufficient time was devoted to update their knowledge and skills, update themselves on the change of the regulatory and statutory and professional requirements.

The Nominating Committee is satisfied that:-

- i. The size and composition of Board are optimum with appropriate mix of knowledge, skills, attributes and core competencies. The Board's composition meets the 30% quota recommended for women to be on the Board of listed companies.
- ii. The Board was able to discharge its duties professionally and effectively as well as uphold the governance standards in their conduct, and that of the Board.
- iii. The directors were able to devote sufficient time commitment to their roles and responsibilities as directors as none hold more than 5 directorship in public listed companies as prescribed in the Bursa Listing Requirements.

Nominating Committee (cont'd)

The Nominating Committee were satisfied that:- (cont'd)

- iv. Dato' Seri Khor Teng Tong, Mr. Chew Hock Lin and Encik Aminuddin Bin Saad all Independent Non-Executive Directors, with a service length of more than nine years; are demonstrably considered independent irrespective of their length of service exceeding the nine year term on the Board. The three Independent Non-Executive Directors had provided confirmations of their independence to the Board.

Dato' Seri Khor Teng Tong, Mr. Chew Hock Lin and Encik Aminuddin Bin Saad were found to provide the Board with a diversified set of skills and expertise as shown in the matrix and skill set diversity in page 21. These Directors had performed their duties diligently and in the best interest of the Company. They continue to provide independent and balance assessments of proposals and issues from the Management. Their tenure as Independent Non-Executive Directors has not prejudiced their objectivity nor their judgement, in the discharge of responsibilities as Independent Directors. That being the case, the Independent Directors have essentially complied with the definition and requirement of an Independent Director as defined by Bursa Main Market Listing Requirements.

Re-Appointment and Re-Election of Directors

Pursuant to Section 129(2) of the Companies Act 1965, Directors who are over the age 70 years shall retire at every annual general meeting, and may offer themselves for re-appointment to hold office until the next annual general meeting.

The Articles of Association of Master-Pack Group Berhad provide that at every annual general meeting, one-third of Directors for the time being and those appointed during the year shall retire from office and shall be eligible for re-election. The Articles further provide that each director of the Company shall retire at least once every three years but shall be eligible for re-election. The memorandum and articles of the company is available www.master.net.my/ir_AA_MA.htm

The Board shall seek shareholders' approval in the forthcoming Annual General Meeting to retain the independent directors who had served the company for more than the nine year term.

The directors standing for re-election in the forthcoming Annual General Meeting are stated in the Notice of Annual General Meeting – resolution 1 to 4 page 12 of the 2015 Annual Report. The biographical details of these directors seeking re-election are available www.master.net.my/ab_bod.htm.

Remuneration Committee

The Board has established a Remuneration Committee comprising directors, all whom are Independent and Non-Executive Directors; namely Mr. Chew Hock Lin (Chairman), Encik Aminuddin bin Saad and Dr. Junid bin Abu Saham. Full attendance was recorded at the annual Remuneration Committee meeting.

The Remuneration Committee held its annual meeting on 20 November 2015 to review the remuneration package of the Executive Chairman / Directors. This is to ensure the remuneration packages offered are in line with the group policies and can attract or retain Executive Chairman / Directors who contribute to the success of the Group.

The Board as a whole determines the remuneration of the Non-Executive Directors. However, the level of the remuneration received by each Non-Executive Director is generally determined by the extent of responsibilities undertaken by the respective Non-Executive Director.

STATEMENT ON CORPORATE GOVERNANCE

The remuneration of executive director and the aggregate remuneration of directors according to the successive band of RM50,000 in compliance with Bursa's Main Market Listing Requirements are as follows:

**Remuneration of Board of Directors
For Year Ended 31 December 2015**

No.	Item	Executive (RM)	Non-Executive (RM)
1	Fees	38,000	151,400
2	Salaries*	1,207,000	

* Salaries include bonus, employer provident fund and performance benefits

Number of Directors whose remuneration falls under each range

Range	Executive (No.)	Non-Executive (No.)
RM1 to RM50,000		5
RM50,001 to RM100,000		
RM1,200,001 to RM 1,250,000	1	

Audit Committee

The Audit Committee comprises exclusively of Non-Executive Directors, a majority of whom are Independent Directors. The terms of reference of the Audit Committee is available on www.master.net.my/ir_audit_committee.htm together with the attendance and activities of the Audit Committee are in the Audit Committee Report.

Directors' Training

Training is an on-going process and the Directors recognize the need to continually develop and refresh their level of knowledge and skills, to update themselves on the changes in the regulatory, statutory and professional requirements, as well as on the changing business risks and environment to better enable them to fulfil their directorship responsibilities. Please refer to the Company website www.master.net.my/ab_bod.htm for the list of training attended by the Board members during the financial year.

Supply and Access to Information

The board meetings for the ensuing financial year are scheduled well in advance before the end of the current financial year so that all Directors are able to plan ahead the next year's Board and Committee meetings into their respective meeting schedules.

To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda. The agenda together with the relevant supporting information is furnished to the Directors at least 5 days before the Board meeting. Information given is inclusive of but not limited to quarterly and yearly financial statements, annual and revised budgets, list of directors dealings, legal issues, project papers, risk management framework and internal controls, draft circular, recurrent related party transactions etc. for discussion in Board Meetings.

The Executive Chairman attends the Board meeting to provide verbal explanation and briefings to enhance the understanding of matters in relation to the Company's business and regulatory requirements. Each Board member is entitled to obtain independent professional advice at the cost of the Company. They are also given unrestricted access to the Group's management.

The Company Secretary attends all Board and Committee Meetings. The Company secretary ensures that meetings are properly convened, proceedings including resolutions are properly and accurately recorded and the statutory register is properly maintained at the registered office of the Company.

Supply and Access to Information (cont'd)

The Company Secretary also keeps the Board well informed of any changes to regulations and guidelines issued by Bursa Securities and Securities Commission. Additionally in furtherance of their duties, the directors also have direct and unrestricted access to the Company Secretary to seek his independent professional advice if required.

Investor Relations and Strengthening Relationship Between Company and Shareholders

Announcements on important matters and financial results of the Company are promptly released to Bursa so that the investing public is provided with an overview of the performance and operations of the Company. The Company has established a website at www.master.net.my/ir_announcements.htm, where public announcements are also posted in addition to the mandatory requirements and postings at Bursa.

The Board supports and encourages active shareholders participation at its Annual General Meeting (AGM) and any other general meetings. In accordance with the Company's Articles of Association, any shareholder may appoint up to a maximum of 2 proxies to attend and vote on his/her behalf in any general meeting.

At the start of the Annual General Meeting, shareholders are informed of their rights to exercise their decision making powers and the rules governing the voting procedures. Matters reserved for shareholders approval were as tabulated in the Notice of Annual General Meeting page 12 to 14 of the 2015 Annual Report circulated to the shareholders. Board members and management are present at each general meeting to respond to questions from shareholders. The Company's external auditors are also present to address queries about the conduct of audit and the preparation and contents of the auditor's report.

Minutes of the outcome of the Extraordinary General Meeting and the Annual General meeting proceedings can be downloaded at www.master.net.my/ir_announcements.htm dated 27 February and 29 May 2015 respectively.

Encik Aminuddin Bin Saad has been assigned as the Senior Independent & Non-Executive Director, to whom concerns in relation to the Company may be conveyed at the email aminuddin@master.net.my. He is also available for shareholders to meet and view their concerns and opinions at the beginning of our Annual General Meeting.

Financial Reporting

With the assistance of Audit Committee in reviewing the financial results, the Board aims to present quality financial reporting showing a balanced and understandable assessment of the Company's financial position and prospect via the Audited Financial Statements and quarterly financial reports on timely basis. The Company's financial statements are prepared in accordance with applicable approved accounting standards pronounced by Malaysian Accounting Standards Board and other relevant or governing authorities.

Statements of Directors' Responsibility for Preparation of Audited Financial Statements

The directors are responsible for ensuring that a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of the results and cash flows of the Company and the Group for the financial year are reflected in the Audited Financial Statements, as set out in pages 39 to 80 of the 2015 Annual Report. The directors are required to ensure these Audited Financial Statements are prepared in accordance with applicable approved accounting standards in Malaysia, provisions of Companies Act, 1965 and Bursa Securities Listing Requirements. (Refer also to write-up on "Financial Reporting" above.)

Risk Management Framework and Internal Controls

The Board acknowledges its responsibility for maintaining the Group's risk management framework and system of internal controls and for reviewing the effectiveness of these systems. The Statement of Risk Management and Internal Controls provide an overview on the state of risk management and internal control system within the Group. Please refer to page 16 to 18 of the 2015 Annual Report. The Company has adopted a formalised risk management policy and keeps a Risk Register. As such the nature and extent of risks the board and management is willing to take in achieving its strategic objectives are monitored accordingly.

Sustainability Policy Statement

The Sustainability Statement explicitly provides a framework for sustainable and responsible operations, activities and practices throughout the Master-Pack Group. Please refer to the Company website www.master.net.my/ir_sustainability_policy_statement.htm

Corporate Responsibility

The Group's corporate responsibilities are explained on www.master.net.my/ir_corporate_social.htm and pages 29 to 31 of the 2015 annual report. Master-Pack Group, as a responsible corporate entity, is conscious of our social obligations towards the environment, community and society in which we operate.

Related Party Transactions

The related party transactions in accordance with the latest circular mandate are reviewed by the internal auditors. A report is submitted by the internal auditors for the Audit Committee's review. Details of these transactions are set out on page 15 of the annual report as well as Note 24 in page 77 of the Financial Statements.

Relationship with Auditors

The Board has always maintained formal and transparent relationships with the Company's auditors and the management is responsive to the auditors' enquiries and their recommendations. The Audit Committee meets up with the external auditors at least three times a year to discuss their audit plan, audit findings and the Group's financial statement. At least two of these meetings are held without the presence of the Executive Directors and the management.

In addition, the external auditors are invited to attend the Annual General Meeting and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their report. The Audit Committee is responsible for yearly review of the auditors' performance and recommendations for their re-appointment to the Board. The Audit Committee takes into consideration all adhoc non-audit services performed by the external auditors to ensure that the independence and objectivity of the external auditors are not compromised. The non-audit fee paid to External Auditors for the financial year 2015 amounts to RM3000.

This statement is made in accordance with the Board meeting held on 25 March 2016.

CORPORATE RESPONSIBILITY

MASTER-PACK group of companies strongly subscribes to corporate sustainability ideas as we want to remain as a business entity that is ethical as well as environmentally and socially responsible. We believe there is value in all of these, and we strive to maintain a business that is reputed to have all of these values as our business imperatives. In achieving the same, we acknowledge our crucial role in aiding the nation to become more sustainable by reducing the environment and social impacts and risks through improved management practices, support for stakeholders and efficient use of natural resources in our manufacturing process.

In simple terms, corporate sustainability consists of Business Sustainability, Environment Sustainability and Social Responsibility; all which the management of Master-Pack at all levels are committed to follow. Sustainability for us is not necessarily an end state, but more of a continuing process of improvement, continual attempts to achieve the ideals of ethical business with practices aimed at achieving sustainability.

Business Sustainability

Master-Pack emphasizes on upholding business ethics in its business dealings and has embedded the Group's culture of integrity, ethical behavior in its policy which is publicly available in the company's website www.master.net.my/ir_code_of_business_conduct.htm.

The Group has been recognized with the award for Top Overall Small Capital Corporate Governance for the third consecutive year in 2015 from the Minority Watchdog Group. This award attests to Master-Pack's continuous efforts in integrating and practicing good corporate responsibility and governance in the way we do things.

We strive to have our packaging designed holistically with the product of our clients in order to optimize overall environment performance; using clean production technologies and best practices; optimizing raw materials and energy. For example, during the year we had been able to recycle steam which is normally release during production back into operation process resulting in a reduction of energy and water consumption. The packaging that we produce would be designed to be effective, beneficial and safe for users and communities throughout its life cycle and where possible, we aim at reducing the weight and volume of packaging.

We work to ensure our packaging meets market criteria for performance and cost as well as qualitatively meeting our customer's choices and expectations. This is in line with our Business Sustainability Policy which is available at www.master.net.my/ir_sustainability_policy_statement.htm

Environment Sustainability

Both the Group's packaging factories in Penang and Sarawak are certified with the Environment Management System ("EMS") MS ISO 14001:2004 as well as the MS ISO 9001:2008. EMS which ensure adherence to environment standards, emission standards, treatment of plant effluents and waste water. In addition, one of the subsidiary company had switched from diesel fuel oil to natural gas. The emission of fumes from the chimney of the subsidiary which uses natural gas energy has consistently recorded well below the standards allowed by the Department of Environment in Malaysia.

Products manufactured by both of our Group's Packaging factories are fully recyclable products. These packaging factories endeavor to enhance ways corrugated paper can be utilized and had been successful in producing paper pallets and layer pads to replace wooden pallets and packing saw dust or plastic bubble pads. These paper pallets are ideally used in containerized shipment and are acceptable to countries supporting the World Green Movement ideology, as the material used is easily recycled. We continuously work with customers to best design corrugated carton boxes that minimize superfluous material/ over design. In addition, the Group's office and production departments proactively collect all scrap papers, production rejects and waste materials for recycling.

In keeping with environment sustainability, our suppliers are assessed on price, quality, delivery and technical support. Most importantly, we are committed to ensure that our paper commodity sourcing is sustainable meaning our commodity paper purchases are made only from suppliers who fulfils the Forest Stewardship Council standards and other legislation. Our manufacturing paper wastes are sold at a very low price back to the local paper mills for recycling.

Social Responsibility

Our sustainability practices get more apparent in the ways we engage with the local community and employees for whom sustainability is equally important.

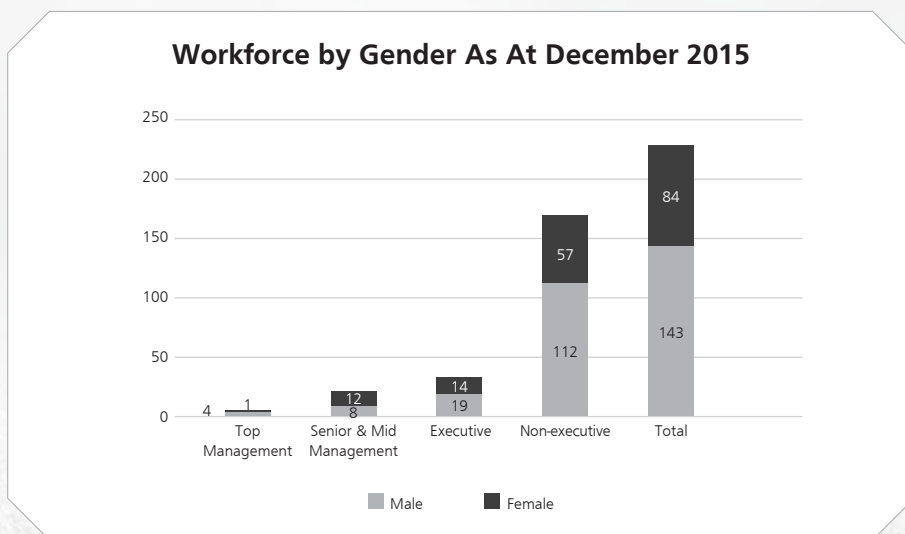
The Group is conscious of the need to contribute to the Community in which it operates its business. It has been our practice and our social responsibility of offering people living around us the first right of refusal to work for our production facilities. We offer people around us part time jobs when available and donate to the community services that benefit the local community surrounding us. Industrial Training Programme is also provided to assist undergraduates from colleges and universities to gain hands-on experience in selected fields of study related to the packaging industry operations

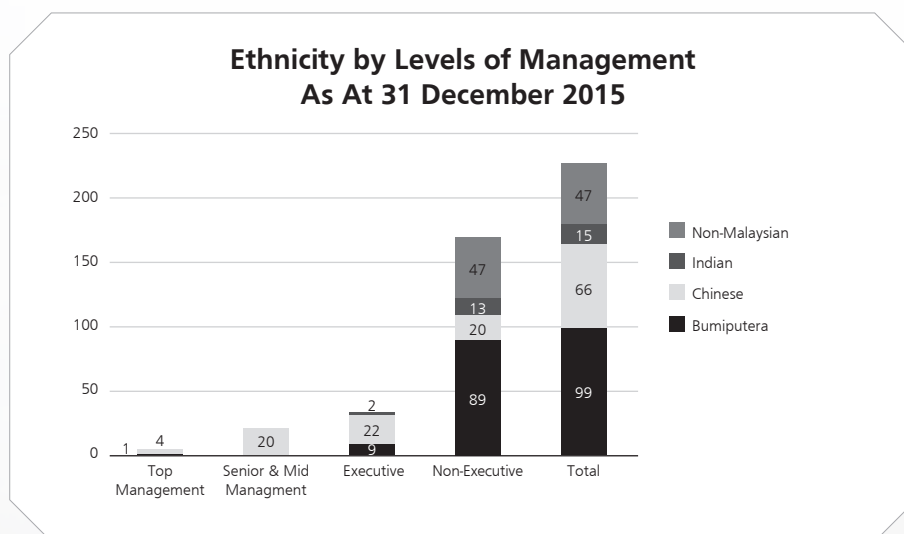
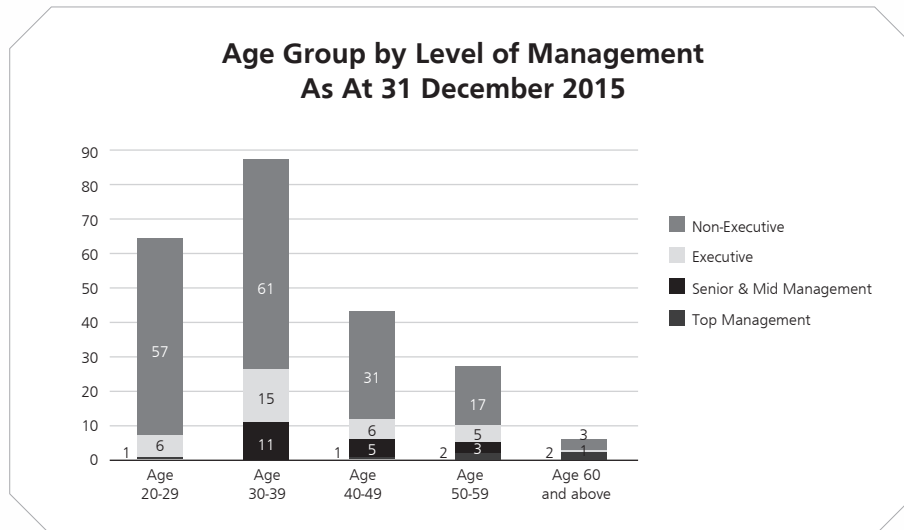
Workplace

The company takes cognizance that the strength and the well-being of its employees are of utmost importance. As such, it embraces that cross diversity can help a company to galvanize the multi-faceted mix of age, gender, race and thus has created a harmonious conducive industrial climate to garner the strength of its diverse workforce by providing fair and equitable employment terms and opportunities. Towards this end, Master-Pack tries to inculcate a good and enjoyable work environment whilst embedding adequate measures on operational and safety procedures. The Company involves all level of employees in organizing major events to inculcate a culture of inclusiveness which encourages employees to mingle freely and cohesively to nurture team spirit and synergy.

Diversity for the workforce in terms of gender, ethnicity and age are shown in the graphs below. Master-Pack have 52% women participation in top and senior management positions which is within the targeted ratio of 30% women holding management positions. There is also no gender inequality in terms of remuneration package. There is sufficient cross diversity in the company to ensure smooth operations during the various ethnic cultural festivities. The group adopts a policy where vacancies are being filled by internal talent and recognizes employee’s loyalty on every 5th year of the employee’s service to the group. The workforce is relatively stable as a high percentage of workers length of service with the group is above 10 years.

The Group has a total of twelve (12) single parents employed in various designations within the Master-Pack Group Berhad group of companies. The Group provides a steady employment income for these single parents enabling them to support their families.





The Group has set in motion activities to supplement and subsidize the living costs of the lower income earning employees. Master-Pack (Sarawak) Sdn. Bhd. provides cooked rice for lunch and dinner for production workers, thus supplementing the workers living cost. During festival occasions, the Employee Welfare Committee will purchase sugar, coffee, cooking oil to be re-sold at subsidized prices to the lower income workers. For the lower income employees with school going children, the Employee Welfare Committee donates school bags and school shoes at the beginning of each new school term.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2015. All values shown in this report are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The Company was also involved in the provision of management services but has ceased the activity during the financial year. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. Other than the cessation of management services by the Company, there have been no significant changes in the nature of the principal activities of the Group during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit/(Loss) for the financial year attributable to:-		
- Owners of the Company	2,872	2,849
- Non-controlling interests	(138)	0
	<u>2,734</u>	<u>2,849</u>

DIVIDENDS

Since the end of the previous financial year, the Company paid the following interim dividends:-

	RM'000
In respect of the financial year ended 31 December 2014:-	
- First interim dividend of 1.5 sen per share (single tier), paid in May 2015	819
In respect of the financial year ended 31 December 2015:-	
- First interim dividend of 1 sen per share (single tier), paid in November 2015	546
	<u>1,365</u>

The directors do not propose any final dividend in respect of the financial year ended 31 December 2015.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year apart from those disclosed in the financial statements.

ISSUE OF SHARES OR DEBENTURES

During the financial year, the Company increased its issued and fully paid-up share capital from RM49,620,000 to RM54,620,000 by a private placement of 5,000,000 new ordinary shares of RM1.00 each at par, for cash, to provide for additional working capital.

There was no issue of debentures by the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No share options were granted by the Company during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the allowance made for doubtful debts inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group or the Company has become enforceable, or is likely to become enforceable within the period of twelve 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 or the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or in the financial statements of the Group and the Company that would render any amount stated in the respective financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are:-

Dato' Syed Mohamad Bin Syed Murtaza
 Aminuddin Bin Saad
 Dato' Seri Khor Teng Tong
 Chew Hock Lin
 Dr. Junid Bin Abu Saham
 Nazriah Binti Shaik Alawdin

Particulars of the interests in shares in the Company of the directors in office at the end of the financial year, as shown in the Register of Directors' Shareholdings, are as follows:-

Name of Director	Number of Ordinary Shares of RM1.00 Each					
	Direct Interest			Deemed Interest		
	Balance at 1.1.2015	Bought	Sold	Balance at 31.12.2015	Balance at 1.1.2015	Balance at 31.12.2015
Aminuddin Bin Saad	10,002	0	0	10,002	0	0
Dato' Seri Khor Teng Tong	554,400	198,500	0	752,900	1,127,000	1,127,000

Save as disclosed above, none of the directors in office at the end of the financial year held any interests in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the directors' remuneration disclosed in 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.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 6 APRIL 2016

Dato' Syed Mohamad Bin Syed Murtaza

Aminuddin Bin Saad

STATEMENT BY DIRECTORS

We, Dato' Syed Mohamad Bin Syed Murtaza and Aminuddin Bin Saad, being two of the directors of Master-Pack Group Berhad, do hereby state that in the opinion of the directors, the financial statements set out on pages 39 to 80 give a true and fair view of the financial position of the Group and the Company as at 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

In the opinion of the directors, the supplementary information set out on page 81 is prepared, in all material respects, in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 6 APRIL 2016**

Dato' Syed Mohamad Bin Syed Murtaza

Aminuddin Bin Saad

STATUTORY DECLARATION

I, Dato' Syed Mohamad Bin Syed Murtaza, being the director primarily responsible for the financial management of Master-Pack Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 39 to 80 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
Dato' Syed Mohamad Bin Syed Murtaza
at Georgetown in the State of Penang
on this 6 April 2016.

Before me

Dato' Syed Mohamad Bin Syed Murtaza

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF MASTER-PACK GROUP BERHAD (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Master-Pack Group Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 80.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF MASTER-PACK GROUP BERHAD (Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (i) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (ii) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (iii) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out on page 81 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath

Firm No: AF 1018
Chartered Accountants

Date: 6 April 2016

Penang

Eddy Chan Wai Hun

Approval No: 2182/10/17(J)
Chartered Accountant

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	2015 RM'000	2014 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	38,284	38,332
Investment properties	5	13,980	13,720
Goodwill on consolidation		196	196
Investment in associate	7	370	312
Available-for-sale financial assets	8	303	320
		<u>53,133</u>	<u>52,880</u>
CURRENT ASSETS			
Inventories	9	9,488	10,144
Trade and other receivables	10	21,244	19,923
Prepayments		556	741
Current tax assets		565	312
Cash and cash equivalents	11	5,392	4,533
		<u>37,245</u>	<u>35,653</u>
CURRENT LIABILITIES			
Trade and other payables	12	7,262	5,797
Loans and borrowings - secured	13	7,658	9,817
Current tax liabilities		53	87
		<u>14,973</u>	<u>15,701</u>
NET CURRENT ASSETS		22,272	19,952
NON-CURRENT LIABILITIES			
Loans and borrowings - secured	13	1,280	4,940
Deferred tax liabilities	14	4,435	4,787
		<u>5,715</u>	<u>9,727</u>
NET ASSETS		<u>69,690</u>	<u>63,105</u>
EQUITY			
Share capital	15	54,620	49,620
Share premium		284	471
Capital redemption reserve		435	435
Revaluation surplus		6,184	6,476
Fair value reserve		105	122
Retained profits		7,932	6,015
Equity attributable to owners of the Company		<u>69,560</u>	<u>63,139</u>
Non-controlling interests	16	130	(34)
TOTAL EQUITY		<u>69,690</u>	<u>63,105</u>

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM'000	2014 RM'000
Revenue	17	74,463	76,571
Other income		427	464
Changes in inventories of work-in-progress and finished goods		(129)	141
Purchase of finished goods		(3,030)	(1,684)
Raw materials and consumables used		(46,362)	(47,944)
Depreciation		(2,772)	(2,348)
Employee benefits expense	18	(9,376)	(9,375)
Finance costs		(685)	(1,091)
Other expenses		(8,858)	(8,468)
Share of associate's profit		58	31
Profit before tax	19	3,736	6,297
Tax expense	20	(1,002)	(1,464)
Profit for the financial year		<u>2,734</u>	<u>4,833</u>
Other comprehensive income:-			
<i>Items that will not be reclassified to profit or loss:-</i>			
- Revaluation increase of properties		0	5,980
- Deferred tax relating to revalued properties		0	(1,331)
- Deferred tax income relating to change in tax rate		134	0
<i>Items that may be reclassified subsequently to profit or loss:-</i>			
- (Loss)/Gain on available-for-sale financial assets		(17)	9
- Reclassification adjustments on:-			
- Derecognition of available-for-sale financial assets		0	(39)
- Dissolution of foreign operation		0	12
Other comprehensive income for the financial year		<u>117</u>	<u>4,631</u>
Total comprehensive income for the financial year		<u>2,851</u>	<u>9,464</u>
Profit/(Loss) for the financial year attributable to:-			
- Owners of the Company		2,872	4,874
- Non-controlling interests	16	(138)	(41)
		<u>2,734</u>	<u>4,833</u>
Total comprehensive income for the financial year attributable to:-			
- Owners of the Company		2,989	9,505
- Non-controlling interests		(138)	(41)
		<u>2,851</u>	<u>9,464</u>
Earnings per share:-	21		
- Basic (sen)		5.38	9.82
- Diluted (sen)		5.38	9.82

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Non-distributable					Distributable			Equity attributable to owners of the Company		Total equity
	Share capital	Share premium	Capital redemption reserve	Revaluation surplus	Fair value reserve	Currency translation reserve	Retained profits	Non-controlling interests	RM'000		
									RM'000	RM'000	
Balance at 1 January 2014	49,620	471	435	2,020	152	(12)	948	53,634	7	53,641	
Revaluation increase of properties	0	0	0	5,980	0	0	0	5,980	0	5,980	
Deferred tax relating to revalued properties	0	0	0	(1,331)	0	0	0	(1,331)	0	(1,331)	
Gain on available-for-sale financial assets	0	0	0	0	9	0	0	9	0	9	
Reclassification adjustments on:-											
- Derecognition of available-for-sale financial assets	0	0	0	0	(39)	0	0	(39)	0	(39)	
- Dissolution of foreign operation	0	0	0	0	0	12	0	12	0	12	
Other comprehensive income for the financial year	0	0	0	4,649	(30)	12	0	4,631	0	4,631	
Profit/(Loss) for the financial year	0	0	0	0	0	0	4,874	4,874	(41)	4,833	
Total comprehensive income for the financial year	0	0	0	4,649	(30)	12	4,874	9,505	(41)	9,464	
Transfer of revaluation surplus	0	0	0	(193)	0	0	193	0	0	0	
Balance at 31 December 2014	49,620	471	435	6,476	122	0	6,015	63,139	(34)	63,105	

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Non-distributable					Distributable			Equity attributable to owners of the Company		Total equity
	Share capital	Share premium	Capital redemption reserve	Revaluation surplus	Fair value reserve	Currency translation reserve	Retained profits	Company	Non-controlling interests	RM'000	
Balance at 1 January 2015	49,620	471	435	6,476	122	0	6,015	63,139	(34)	63,105	
Deferred tax income relating to change in tax rate	0	0	0	134	0	0	0	134	0	134	
Loss on available-for-sale financial assets	0	0	0	0	(17)	0	0	(17)	0	(17)	
Other comprehensive income for the financial year	0	0	0	134	(17)	0	0	117	0	117	
Profit/(Loss) for the financial year	0	0	0	0	0	0	2,872	2,872	(138)	2,734	
Total comprehensive income for the financial year	0	0	0	134	(17)	0	2,872	2,989	(138)	2,851	
Issue of shares	5,000	0	0	0	0	0	0	5,000	0	5,000	
Share issue transaction costs	0	(187)	0	0	0	0	0	(187)	0	(187)	
Equity transactions with non-controlling interests	0	0	0	0	0	0	(16)	(16)	302	286	
Dividends (Note 22)	0	0	0	0	0	0	(1,365)	(1,365)	0	(1,365)	
Total transactions with owners	5,000	(187)	0	0	0	0	(1,381)	3,432	302	3,734	
Transfer of revaluation surplus	0	0	0	(426)	0	0	426	0	0	0	
Balance at 31 December 2015	54,620	284	435	6,184	105	0	7,932	69,560	130	69,690	

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		3,736	6,297
Adjustments for:-			
Depreciation		2,772	2,348
Dividend income		(10)	(5)
Gain on derecognition of available-for-sale financial assets		0	(39)
Gain on disposal of property, plant and equipment		(30)	0
Gain on fair value adjustment of investment properties		(260)	(280)
Impairment loss on loans and receivables		900	170
Impairment loss on property, plant and equipment		26	0
Interest expense		685	1,091
Interest income		(46)	(20)
Inventories written down		46	75
Loss on dissolution of subsidiary		0	12
Revaluation increase of properties		0	(62)
Reversal of impairment loss on loans and receivables		(21)	0
Reversal of inventories written down		(96)	(48)
Share of associate's profit		(58)	(31)
Operating profit before working capital changes		7,644	9,508
Changes in:-			
Inventories		706	39
Receivables and prepayments		(2,015)	(1,903)
Payables		1,555	(336)
Cash generated from operations		7,890	7,308
Tax paid		(1,618)	(1,620)
Tax refunded		111	135
Net cash from operating activities		6,383	5,823
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		10	5
Interest received		46	20
Proceeds from disposal of available-for-sale financial assets		0	39
Proceeds from disposal of property, plant and equipment		30	0
Purchase of property, plant and equipment	23	(2,687)	(2,436)
Net cash used in investing activities		(2,601)	(2,372)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,365)	0
Interest paid		(684)	(1,091)
Issue of shares		5,000	0
Issue of shares to non-controlling interests		196	0
Net (decrease)/increase in short-term loans and borrowings		(632)	108
Repayment of hire purchase obligations		(228)	(136)
Repayment of term loans		(5,627)	(3,759)
Share issue transaction costs paid		(187)	0
Term loan raised		0	1,000
Net cash used in financing activities		(3,527)	(3,878)
Net increase/(decrease) in cash and cash equivalents		255	(427)
Cash and cash equivalents brought forward		2,261	2,688
Cash and cash equivalents carried forward	23	2,516	2,261

The annexed notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	2015 RM'000	2014 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	10	12
Investment properties	5	3,130	2,870
Investments in subsidiaries	6	15,538	16,007
Available-for-sale financial assets	8	303	320
		<u>18,981</u>	<u>19,209</u>
CURRENT ASSETS			
Other receivables	10	8,588	3,636
Prepayments		0	1
Current tax assets		85	1
Cash and cash equivalents	11	633	421
		<u>9,306</u>	<u>4,059</u>
CURRENT LIABILITIES			
Other payables	12	338	1,534
Loans and borrowings - secured	13	33	77
		<u>371</u>	<u>1,611</u>
NET CURRENT ASSETS		8,935	2,448
NON-CURRENT LIABILITIES			
Loans and borrowings - secured	13	0	33
Deferred tax liabilities	14	38	26
		<u>38</u>	<u>59</u>
NET ASSETS		<u>27,878</u>	<u>21,598</u>
EQUITY			
Share capital	15	54,620	49,620
Share premium		284	471
Capital redemption reserve		435	435
Fair value reserve		105	122
Accumulated losses		<u>(27,566)</u>	<u>(29,050)</u>
TOTAL EQUITY		<u>27,878</u>	<u>21,598</u>

The annexed notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM'000	2014 RM'000
Revenue	17	3,116	4,801
Other income		928	353
Depreciation		(3)	(13)
Employee benefits expense	18	(220)	(1,054)
Finance costs		(6)	(6)
Other expenses		(961)	(480)
Profit before tax	19	2,854	3,601
Tax expense	20	(5)	(224)
Profit for the financial year		<u>2,849</u>	<u>3,377</u>
Other comprehensive income:-			
<i>Items that may be reclassified subsequently to profit or loss:-</i>			
- (Loss)/Gain on available-for-sale financial assets		(17)	9
- Reclassification adjustments on derecognition of available-for-sale financial assets		0	(39)
Other comprehensive income for the financial year		<u>(17)</u>	<u>(30)</u>
Total comprehensive income for the financial year		<u>2,832</u>	<u>3,347</u>

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Non-distributable				Accumulated losses RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Fair value reserve RM'000		
Balance at 1 January 2014	49,620	471	435	152	(32,427)	18,251
Gain on available-for-sale financial assets	0	0	0	9	0	9
Reclassification adjustment on derecognition of available-for-sale financial assets	0	0	0	(39)	0	(39)
Other comprehensive income for the financial year	0	0	0	(30)	0	(30)
Profit for the financial year	0	0	0	0	3,377	3,377
Total comprehensive income for the financial year	0	0	0	(30)	3,377	3,347
Balance at 31 December 2014	49,620	471	435	122	(29,050)	21,598
Loss on available-for-sale financial assets (representing other comprehensive income for the financial year)	0	0	0	(17)	0	(17)
Profit for the financial year	0	0	0	0	2,849	2,849
Total comprehensive income for the financial year	0	0	0	(17)	2,849	2,832
Issue of shares	5,000	0	0	0	0	5,000
Share issue transaction costs	0	(187)	0	0	0	(187)
Dividends (Note 22)	0	0	0	0	(1,365)	(1,365)
Total transactions with owners	5,000	(187)	0	0	(1,365)	3,448
Balance at 31 December 2015	54,620	284	435	105	(27,566)	27,878

The annexed notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,854	3,601
Adjustments for:-			
Depreciation		3	13
Dividend income		(3,010)	(2,755)
Gain on derecognition of available-for-sale financial assets		0	(39)
Gain on fair value adjustment of investment properties		(260)	(280)
Impairment loss on investments in subsidiaries		604	83
Impairment loss on loans and receivables		7	79
Interest expense		6	6
Interest income		(5)	0
Reversal of impairment loss on loans and receivables		(79)	0
Waiver of debts		(548)	0
Operating (loss)/profit before working capital changes		(428)	708
Changes in:-			
Receivables and prepayments		12	0
Payables		(165)	46
Cash (absorbed by)/generated from operations		(581)	754
Tax paid		(105)	(242)
Tax refunded		28	106
Net cash (used in)/from operating activities		(658)	618
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		3,010	2,755
Interest received		5	0
Net advance to subsidiaries		(5,509)	(3,298)
Proceeds from disposal of available-for-sale financial assets		0	39
Purchase of property, plant and equipment	23	(1)	(8)
Net cash used in investing activities		(2,495)	(512)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,365)	0
Interest paid		(6)	(6)
Issue of shares		5,000	0
Repayment of term loans		(77)	(71)
Share issue transaction costs paid		(187)	0
Net cash from/(used in) financing activities		3,365	(77)
Net increase in cash and cash equivalents		212	29
Cash and cash equivalents brought forward		421	392
Cash and cash equivalents carried forward	23	633	421

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 6.

The registered office of the Company is located at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang and its principal place of business is located at 1574, Jalan Bukit Panchor, 14300 Nibong Tebal, Seberang Perai Selatan, Penang.

The consolidated financial statements set out on pages 39 to 43 together with the notes thereto cover the Company and its subsidiaries ("the Group") and the Group's interest in an associate. The separate financial statements of the Company set out on pages 44 to 47 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 6 April 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

The financial statements of the Group and the Company are prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the significant accounting policies, and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The following MFRSs became effective for the financial year under review:-

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRSs 2010 - 2012 Cycle</i> "	1 July 2014
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRSs 2011 - 2013 Cycle</i> "	1 July 2014

The adoption of the above MFRSs did not result in any significant changes in the accounting policies of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation of Financial Statements (cont'd)

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:-

MFRS (Issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 9 <i>Financial Instruments</i> (IFRS 9 <i>Financial Instruments</i> as issued by IASB in July 2014)	1 January 2018
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012 - 2014 Cycle"	1 January 2016

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements except as follows:-

MFRS 9 *Financial Instruments*

MFRS 9 *Financial Instruments*, which replaces MFRS 139 *Financial Instruments: Recognition and Measurement*, sets out the requirements for recognising and measuring financial instruments. The major changes introduced by MFRS 9 (that are relevant to the Group and the Company) relate to the classification and measurement of financial assets. Under MFRS 9, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the business model within which they are held and their contractual cash flow characteristics. Management foresees that the adoption of these new classifications will not result in any significant changes in the existing measurement bases of financial assets of the Group and the Company.

2.2 Basis of Consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation (cont'd)

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the reporting period using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:-

- (a) the aggregate of:-
 - (i) the acquisition-date fair value of the consideration transferred;
 - (ii) the amount of any non-controlling interests; and
 - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.
- (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.3 Property, Plant and Equipment

Property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7.

Revaluations of land and buildings are made with sufficient regularity at an interval of not more than five years such that the carrying amounts of the assets do not differ materially from their fair values at the end of the reporting period.

A revaluation increase is recognised in other comprehensive income and accumulated in equity as revaluation surplus or recognised in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation decrease is recognised in profit or loss or recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of the same asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Property, Plant and Equipment (cont'd)

Freehold land is not depreciated. Leasehold land is depreciated on a straight-line basis over the lease term of 43 years. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Buildings	2-3%
Plant and machinery	10-33%
Tools and equipment	10-33%
Furniture, fittings and office equipment	10-33%
Motor vehicles	20-25%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2.4 Investment Properties

Investment property, being a property held to earn rentals and/or for capital appreciation, is stated at fair value. Any gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

2.5 Investments in Subsidiaries

As required by the Companies Act 1965, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.7.

2.6 Investment in Associate

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the carrying amount of the investment is subject to further impairment assessment. The impairment policy is disclosed in Note 2.7.

2.7 Impairment of Non-financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than inventories and investment properties stated at fair value, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss or, in respect of a revalued asset, treated as a revaluation decrease.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss or, in respect of a revalued asset, treated as a revaluation increase. An impairment loss on goodwill is not reversed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Inventories

Inventories of materials and goods are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2.9 Financial Assets

Financial assets of the Group and the Company consist of investments in equity instruments, receivables and cash and cash equivalents.

Recognition and Measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. A financial asset is initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, directly attributable transaction costs. The subsequent measurement of a financial asset depends on its classification as follows:-

(i) Financial assets at fair value through profit or loss

The Group and the Company do not have any financial assets classified under this category.

(ii) Held-to-maturity investments

The Group and the Company do not have any financial assets classified under this category.

(iii) Loans and receivables

All receivables and cash and cash equivalents are classified under this category. After initial recognition, such financial assets are measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial asset is derecognised or impaired as well as through the amortisation process.

(iv) Available-for-sale financial assets

All investments in equity instruments (other than interests in subsidiaries and associate) are classified under this category. After initial recognition, such financial assets are measured at fair value. Any gain or loss arising from a change in the fair value, except for impairment loss, is recognised in other comprehensive income and accumulated in equity as fair value reserve until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset have expired or all the risks and rewards of ownership have been substantially transferred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Financial Assets (cont'd)

Impairment

At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the impairment loss is measured as follows:-

(i) Financial assets carried at amortised cost

An impairment loss on loans and receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the asset's original effective interest rate. The asset's carrying amount is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. The gross carrying amount and the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the increased carrying amount does not exceed what the amortised cost would have been had no impairment loss been recognised at the reversal date. The reversal is recognised in profit or loss.

(ii) Available-for-sale financial assets

When there is a significant or prolonged decline in the fair value of an investment in equity instrument classified as available-for-sale, the cumulative loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. Such cumulative loss reclassified from equity to profit or loss represents an impairment loss and is measured as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in profit or loss. The impairment loss is not reversed through profit or loss in any subsequent period.

2.10 Financial Liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings and financial guarantee contracts.

Recognition and Measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value less directly attributable transaction costs. After initial recognition, all financial liabilities, except for financial guarantee contracts, are measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial liability is derecognised as well as through the amortisation process. After initial recognition at fair value, if any, financial guarantee contracts are measured at the higher of the amount initially recognised less appropriate amortisation and the estimate of any probable obligation.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**2.11 Leases****Finance Lease**

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee.

A finance lease, including hire purchase, is initially recognised as an asset and liability at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The minimum lease payments are subsequently apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. The depreciation policy for depreciable leased assets is consistent with that for equivalent owned assets.

Operating Lease

An operating lease is a lease other than a finance lease.

Lease payments under an operating lease are recognised in profit or loss on a straight-line basis over the lease term.

2.12 Foreign Currency Transactions and Translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

2.13 Share Capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following:-

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

Non-financial Assets

The fair values of land and buildings are measured using the market comparison approach. Under this approach, the fair values are derived from observable market data such as prices per square foot for comparable properties in similar locations (i.e. Level 2).

Financial Assets and Financial Liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

The fair value of quoted investment is directly measured using its unadjusted closing price in an active market (i.e. Level 1).

2.15 Income Recognition

Income from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Income from the rendering of services is recognised when the services are performed.

Dividend income is recognised when the shareholder's right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Income Recognition (cont'd)

Rental income is recognised on an accrual basis.

Interest income is recognised using the effective interest method.

2.16 Employee Benefits

Short-term Employee Benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss in the period in which the associated services are rendered by the employee.

Defined Contribution Plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). Contributions to defined contribution plans are recognised in profit or loss in the period in which the associated services are rendered by the employee.

2.17 Borrowings Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.18 Income Taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.19 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

Judgements Made in Applying Accounting Policies

In the process of applying the accounting policies of the Group and the Company, management makes the following judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements:-

Impairment of available-for-sale financial assets

When there is a significant or prolonged decline in the fair value of an investment in equity instrument classified as available-for-sale, the cumulative decline represents an impairment loss. The determination of what constitutes "significant or prolonged" requires judgement. In making this judgement, management continuously evaluates the historical share price movements and the duration and extent of the decline in fair value below cost. For the financial year ended 31 December 2015, the Group and the Company have not recognised any impairment loss on available-for-sale financial assets.

Sources of Estimation Uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Allowance for inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews require the use of judgements and estimates. Possible changes in these estimates may result in revisions to the valuation of inventories. The carrying amounts of inventories are disclosed in Note 9.

Impairment of loans and receivables

The Group and the Company make allowance for impairment based on an assessment of the recoverability of loans and receivables. Allowance is applied to loans and receivables when there is objective evidence that the balances may not be recoverable. Management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment. Where expectations are different from previous estimates, the difference will impact on the carrying amounts of loans and receivables as disclosed in Note 10.

4. PROPERTY, PLANT AND EQUIPMENT

The Group

	Freehold land		Short-term leasehold land		Buildings		Plant and machinery		Tools and equipment		Furniture, fittings and office equipment		Motor vehicles		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At Cost/Valuation															
Balance at 1 January 2014	3,500	4,800	17,222	40,735	1,663	2,736	818	71,474							
Additions	0	0	515	3,012	19	81	0	3,627							
Write-offs	0	0	0	(21)	(101)	(24)	0	(146)							
Revaluation	880	900	728	0	0	0	0	2,508							
Balance at 31 December 2014	4,380	5,700	18,465	43,726	1,581	2,793	818	77,463							
Representing:-															
- Cost	0	0	0	43,726	1,581	2,793	818	48,918							
- Valuation	4,380	5,700	18,465	0	0	0	0	28,545							
Balance at 1 January 2015	4,380	5,700	18,465	43,726	1,581	2,793	818	77,463							
Additions	0	0	84	2,238	106	254	68	2,750							
Disposals/Write-offs	0	0	0	0	(79)	(7)	(86)	(172)							
Balance at 31 December 2015	4,380	5,700	18,549	45,964	1,608	3,040	800	80,041							
Representing:-															
- Cost	0	0	84	45,964	1,608	3,040	800	51,496							
- Valuation	4,380	5,700	18,465	0	0	0	0	28,545							
Balance at 31 December 2015	4,380	5,700	18,549	45,964	1,608	3,040	800	80,041							

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group

	Freehold land		Short-term leasehold land		Buildings	Plant and machinery	Tools and equipment	Furniture, fittings and office equipment	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000						
Depreciation and Impairment Losses										
Balance at 1 January 2014	0	760	0	2,078	33,200	1,240	2,510	675	40,463	
- Accumulated depreciation	0	190	0	506	1,413	78	95	66	2,348	
Depreciation	0	0	0	0	(21)	(101)	(24)	0	(146)	
Write-offs	0	(950)	0	(2,584)	0	0	0	0	(3,534)	
Revaluation	0	0	0	0	0	0	0	0	0	
Balance at 31 December 2014	0	0	0	0	34,592	1,217	2,581	741	39,131	
- Accumulated depreciation	0	281	0	640	1,612	75	106	58	2,772	
Depreciation	0	0	0	0	26	0	0	0	26	
Impairment losses	0	0	0	0	0	(79)	(7)	(86)	(172)	
Disposals/Write-offs	0	0	0	0	0	0	0	0	0	
Balance at 31 December 2015	0	281	640	640	36,204	1,213	2,680	713	41,731	
- Accumulated depreciation	0	0	0	0	26	0	0	0	26	
- Accumulated impairment losses	0	281	640	640	36,230	1,213	2,680	713	41,757	
Carrying Amount										
Balance at 1 January 2014	3,500	4,040	15,144	7,535	423	226	143	31,011		
Balance at 31 December 2014	4,380	5,700	18,465	9,134	364	212	77	38,332		
Balance at 31 December 2015	4,380	5,419	17,909	9,734	395	360	87	38,284		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The freehold land, short-term leasehold land and buildings were revalued to fair values on 31 December 2014 based on appraisals performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2). Had the land and buildings been carried under the cost model, the total carrying amounts of their entire classes that would have been recognised in the financial statements are as follows:-

	The Group	
	2015	2014
	RM'000	RM'000
Freehold land	1,904	1,904
Short-term leasehold land	684	719
Buildings	9,772	10,012
	12,360	12,635

The freehold land, short-term leasehold land and buildings have been pledged as security for credit facilities granted to the Group.

The carrying amounts of property, plant and equipment acquired under hire purchase financing which remained outstanding as at the end of the reporting period are as follows:-

	The Group	
	2015	2014
	RM'000	RM'000
Plant and machinery	1,189	1,235
Motor vehicles	51	0
	1,240	1,235

The Company

	Furniture, fittings and office equipment RM'000
<u>At Cost</u>	
Balance at 1 January 2014	995
Additions	8
Balance at 31 December 2014	1,003
Additions	1
Balance at 31 December 2015	1,004
<u>Accumulated Depreciation</u>	
Balance at 1 January 2014	978
Depreciation	13
Balance at 31 December 2014	991
Depreciation	3
Balance at 31 December 2015	994

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company

	Furniture, fittings and office equipment RM'000
<hr/>	
<u>Carrying Amount</u>	
Balance at 1 January 2014	17
Balance at 31 December 2014	12
Balance at 31 December 2015	10

5. INVESTMENT PROPERTIES

The Group

	Freehold land RM'000	Buildings RM'000	Office lots RM'000	Total RM'000
<u>Fair Value</u>				
Balance at 1 January 2014	2,670	8,180	2,590	13,440
Fair value adjustments	115	(115)	280	280
Balance at 31 December 2014	2,785	8,065	2,870	13,720
Fair value adjustments	0	0	260	260
Balance at 31 December 2015	2,785	8,065	3,130	13,980

The Company

	Office lots RM'000
<u>Fair Value</u>	
Balance at 1 January 2014	2,590
Fair value adjustments	280
Balance at 31 December 2014	2,870
Fair value adjustments	260
Balance at 31 December 2015	3,130

The fair values of investment properties were measured based on appraisals performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. INVESTMENT PROPERTIES (cont'd)

The carrying amounts of investment properties pledged as security for credit facilities granted to the Group and the Company are as follows:-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Freehold land	0	2,550	0	0
Buildings	0	7,950	0	0
Office lots	3,130	2,870	3,130	2,870
	<u>3,130</u>	<u>13,370</u>	<u>3,130</u>	<u>2,870</u>

6. INVESTMENTS IN SUBSIDIARIES

The Company

	2015 RM'000	2014 RM'000
Unquoted shares, at cost	26,363	33,395
Impairment losses	(10,825)	(17,388)
	<u>15,538</u>	<u>16,007</u>

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Ownership Interest		Principal Activity
		2015	2014	
<u>Direct Subsidiaries</u>				
Master-Pack Sdn. Bhd.	Malaysia	100%	100%	Manufacture of corrugated cartons and distribution of packaging materials
Master-Pack (Sarawak) Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of corrugated fibreboard cartons
Master-Pack Marine Products Sdn. Bhd.	Malaysia	100%	100%	Inactive
Master-Pack Labs Sdn. Bhd.	Malaysia	0%	68%	Inactive
Master-Pack Energy Sdn. Bhd.	Malaysia	60%	60%	Trading of Industrial diesels and additives
Sin Wan Fatt Marine Products Sdn. Bhd.	Malaysia	100%	100%	Inactive

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Ownership Interest		Principal Activity
		2015	2014	
<u>Direct Subsidiaries (cont'd)</u>				
Tung Hai Fishing Sendirian Berhad	Malaysia	0%	100%	Inactive
<u>Indirect Subsidiaries</u>				
Ocean Garden Seafood Products Sdn. Bhd.	Malaysia	0%	53%	Inactive
Excelfood Pack Sdn. Bhd. (formerly known as Exactwood Sdn. Bhd.)	Malaysia	51%	0%	Manufacture and sale of food wrappers, bags and boxes
Eng Hong Distribution Sdn. Bhd. (formerly known as Fastrack Industry Sdn. Bhd.)	Malaysia	51%	0%	Inactive

Acquisition of Subsidiaries

During the financial year, the Group, through Master-Pack Sdn. Bhd., acquired 51% equity interests in Excelfood Pack Sdn. Bhd. (formerly known as Exactwood Sdn. Bhd.) and Eng Hong Distribution Sdn. Bhd. (formerly known as Fastrack Industry Sdn. Bhd.) for cash consideration of RM51 each. The acquisitions did not have any significant impacts on the financial statements.

Disposal of Subsidiaries

During the financial year, the Group, through the Company and Sin Wan Fatt Marine Products Sdn. Bhd., disposed of its entire equity interests in Master-Pack Labs Sdn. Bhd., Tung Hai Fishing Sendirian Berhad and Ocean Garden Seafood Products Sdn. Bhd. for cash consideration of RM2 each. The disposals did not have any significant impacts on the financial statements.

7. INVESTMENT IN ASSOCIATE

The Group

	2015 RM'000	2014 RM'000
Unquoted shares, at cost	100	100
Share of post-acquisition changes in net assets	270	212
	370	312

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

7. INVESTMENT IN ASSOCIATE (cont'd)

The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Effective Ownership Interest		Principal Activity
		2015	2014	
Richmond Technology Sdn. Bhd.	Malaysia	20%	20%	Manufacture of packaging materials

The summarised financial information of the associate is as follows:-

	2015 RM'000	2014 RM'000
Non-current assets	730	683
Current assets	3,464	2,933
Non-current liabilities	(234)	(43)
Current liabilities	(2,108)	(2,011)
Net assets	1,852	1,562
Revenue	13,039	8,282
Profit (representing total comprehensive income)	290	156

The reconciliation of the above summarised financial information to the carrying amount of the investment in associate is as follows:-

	2015 RM'000	2014 RM'000
Net assets	1,852	1,562
Effective ownership interest	20%	20%
Carrying amount	370	312

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group and the Company

	2015 RM'000	2014 RM'000
Shares quoted in Malaysia, at fair value	303	320

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

9. INVENTORIES

The Group

	2015	2014
	RM'000	RM'000
Raw materials	7,230	6,722
Work-in-progress	461	554
Finished goods	911	947
Goods-in-transit	886	1,921
	<u>9,488</u>	<u>10,144</u>

10. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade receivables:-				
- Associate	1,302	930	0	0
- Unrelated parties	20,848	20,917	0	0
- Allowance for impairment	(1,123)	(2,130)	0	0
	<u>19,725</u>	<u>18,787</u>	<u>0</u>	<u>0</u>
	21,027	19,717	0	0
Other receivables:-				
- Subsidiaries	0	0	28,613	23,729
- Allowance for impairment	0	0	(20,045)	(20,124)
	<u>0</u>	<u>0</u>	<u>8,568</u>	<u>3,605</u>
- Unrelated parties	217	206	20	31
	<u>217</u>	<u>206</u>	<u>8,588</u>	<u>3,636</u>
	<u>21,244</u>	<u>19,923</u>	<u>8,588</u>	<u>3,636</u>

Trade Receivables

Trade receivables are unsecured, non-interest bearing and generally on 30 to 150 day terms.

The movements in allowance for impairment are as follows:-

	The Group	
	2015	2014
	RM'000	RM'000
Balance at 1 January	2,130	2,095
Impairment loss recognised	900	170
Impairment loss reversed	(21)	0
Impairment loss written off	(1,886)	(135)
Balance at 31 December	<u>1,123</u>	<u>2,130</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. TRADE AND OTHER RECEIVABLES (cont'd)

Trade Receivables (cont'd)

All the above impairment losses were individually determined after considering the adverse financial conditions of the debtors who have defaulted/delayed in payments.

The ageing analysis of trade receivables not impaired is as follows:-

	The Group	
	2015	2014
	RM'000	RM'000
Not past due	14,308	14,582
Past due 1 to 30 days	3,998	2,567
Past due 31 to 120 days	1,156	2,253
Past due more than 120 days	1,565	315
	<u>21,027</u>	<u>19,717</u>

Trade receivables that are neither past due nor impaired mainly relate to creditworthy customers who have regular transactions and good payment records with the Group.

Management determines credit risk concentration in terms of counterparties. As at 31 December 2015, there was 1 (2014 : 2) major customer that accounted for 10% or more of the Group's trade receivables and the total outstanding balance due from this major customer amounted to RM4,747,000 (2014 : RM6,506,000).

Other Receivables

Other receivables are unsecured and non-interest bearing. The amounts owing by subsidiaries are repayable on demand. The amounts owing by unrelated parties mainly consist of advances and refundable deposits which have no fixed repayment terms.

The movements in allowance for impairment are as follows:-

	The Company	
	2015	2014
	RM'000	RM'000
Balance at 1 January	20,124	20,045
Impairment loss recognised	7	79
Impairment loss reversed	(79)	0
Impairment loss written off	(7)	0
Balance at 31 December	<u>20,045</u>	<u>20,124</u>

All the above impairment losses were individually determined after considering the adverse financial conditions of the debtors who have defaulted/delayed in payments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Highly liquid investments	1,000	999	0	0
Term deposit with licensed bank (fixed rate)	303	0	303	0
Cash and bank balances	4,089	3,534	330	421
	<u>5,392</u>	<u>4,533</u>	<u>633</u>	<u>421</u>

The effective interest rate of term deposit as at 31 December 2015 was 2.10% per annum.

12. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade payables	4,248	3,174	0	0
Other payables:-				
- Subsidiaries	0	0	120	1,151
- Unrelated parties	2,884	2,493	218	383
	2,884	2,493	338	1,534
Compensation received	130	130	0	0
	<u>7,262</u>	<u>5,797</u>	<u>338</u>	<u>1,534</u>

The currency profile of trade and other payables is as follows:-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	7,213	5,247	338	1,534
US Dollar	49	550	0	0
	<u>7,262</u>	<u>5,797</u>	<u>338</u>	<u>1,534</u>

Trade and other payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade Payables

Trade payables are unsecured, non-interest bearing and generally on 30 to 60 day terms.

Other Payables

Other payables are unsecured and non-interest bearing. The amounts owing to subsidiaries are repayable on demand. The amounts owing to unrelated parties mainly consist of sundry payables and accruals for operating expenses which are generally due within 30 to 90 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

12. TRADE AND OTHER PAYABLES (cont'd)

Compensation Received

This represents compensation received from the seller of a parcel of land purchased by a subsidiary in 1995. The seller sold to the subsidiary the entire land which included a minor portion beneficially owned by other individuals. As the subsidiary has an obligation to compensate these individuals for their entitled portion, the compensation received from the seller has been deferred as a liability, pending the determination of the individuals' entitled portion by the relevant authority.

13. LOANS AND BORROWINGS - SECURED

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Fixed rate:-				
- Hire purchase payables	890	1,055	0	0
- Banker acceptances	3,780	4,411	0	0
- Term loan	33	110	33	110
Floating rate:-				
- Bank overdrafts	2,876	2,272	0	0
- Term loans	1,359	6,909	0	0
	<u>8,938</u>	<u>14,757</u>	<u>33</u>	<u>110</u>
Disclosed as:-				
- Current liabilities	7,658	9,817	33	77
- Non-current liabilities	1,280	4,940	0	33
	<u>8,938</u>	<u>14,757</u>	<u>33</u>	<u>110</u>

Hire purchase payables are secured against the assets acquired thereunder (Note 4). Other loans and borrowings are secured against certain property, plant and equipment (Note 4) and investment properties (Note 5).

The effective interest rates of loans and borrowings as at 31 December 2015 ranged from 4.76% to 8.50% (2014 : 4.75% to 9.35%) per annum.

Except for hire purchase payables and term loans, loans and borrowings are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

13. LOANS AND BORROWINGS - SECURED (cont'd)

Hire Purchase Payables

Hire purchase payables are repayable over 5 years. The repayment analysis is as follows:-

	The Group	
	2015	2014
	RM'000	RM'000
Minimum hire purchase payments:-		
- Within 1 year	292	278
- Later than 1 year and not later than 2 years	292	277
- Later than 2 years and not later than 5 years	400	648
Total contractual undiscounted cash flows	984	1,203
Future finance charges	(94)	(148)
	890	1,055
Represented by present value of hire purchase payables:-		
- Within 1 year	245	219
- Later than 1 year and not later than 2 years	260	232
- Later than 2 years and not later than 5 years	385	604
	890	1,055

The fair values of hire purchase payables are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured are considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximate to the effective interest rates of hire purchase payables.

Term Loans

Term loans are repayable over 5 to 15 years. The repayment analysis is as follows:-

	The Group		The Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Gross loan instalments:-				
- Within 1 year	827	3,382	34	84
- Later than 1 year and not later than 2 years	340	3,230	0	35
- Later than 2 years and not later than 5 years	370	1,179	0	0
Total contractual undiscounted cash flows	1,537	7,791	34	119
Future finance charges	(145)	(772)	(1)	(9)
	1,392	7,019	33	110

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

13. LOANS AND BORROWINGS - SECURED (cont'd)

Term Loans (cont'd)

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Represented by present value of term loans:-				
- Within 1 year	757	2,915	33	77
- Later than 1 year and not later than 2 years	299	3,001	0	33
- Later than 2 years and not later than 5 years	336	1,103	0	0
	<u>1,392</u>	<u>7,019</u>	<u>33</u>	<u>110</u>

The fair values of term loans are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured are considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximate to the effective interest rates of term loans.

14. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Balance at 1 January	4,787	3,357	26	13
Deferred tax (income)/expense relating to origination and reversal of temporary differences recognised in:-				
- Profit or loss	(143)	55	13	13
- Other comprehensive income	0	1,331	0	0
Deferred tax income relating to change in tax rate recognised in:-				
- Profit or loss	(49)	0	0	0
- Other comprehensive income	(134)	0	0	0
Deferred tax liabilities (over)/under provided in prior year	(26)	44	(1)	0
Balance at 31 December	<u>4,435</u>	<u>4,787</u>	<u>38</u>	<u>26</u>
In respect of taxable/(deductible) temporary differences of:-				
- Property, plant and equipment	4,665	4,798	1	2
- Investment properties	70	57	37	24
- Inventories	(35)	(10)	0	0
- Financial instruments	(265)	(58)	0	0
	<u>4,435</u>	<u>4,787</u>	<u>38</u>	<u>26</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

14. DEFERRED TAX LIABILITIES (cont'd)

Save as disclosed above, as at 31 December 2015, deferred tax liabilities and deferred tax assets have also effectively been recognised and offset against each other by the Group to the extent of approximately RM747,000 (2014 : RM733,000). No further deferred tax assets have been recognised for the excess of the unused capital allowances and unused tax losses over the taxable temporary differences as follows:-

	The Group	
	2015 RM'000	2014 RM'000
Unused capital allowances	4,381	10,436
Unused tax losses	20,160	33,042
Taxable temporary differences of:-		
- Property, plant and equipment	(12)	(9)
- Investment properties	(3,099)	(2,924)
	21,430	40,545

15. SHARE CAPITAL

	2015		2014	
	No. of Shares '000	RM'000	No. of Shares '000	RM'000
Ordinary shares of RM1.00 each				
Authorised	100,000	100,000	100,000	100,000
Issued and fully paid-up:-				
At 1 January	49,620	49,620	49,620	49,620
Issued during the year	5,000	5,000	0	0
At 31 December	54,620	54,620	49,620	49,620

During the financial year, the Company increased its issued and fully paid-up share capital from RM49,620,000 to RM54,620,000 by a private placement of 5,000,000 new ordinary shares of RM1.00 each at par, for cash, to provide for additional working capital.

16. NON-CONTROLLING INTERESTS ("NCI")

The Group

	Accumulated NCI		Loss Allocated to NCI	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Master-Pack Labs Sdn. Bhd.	0	(9)	0	(1)
Master-Pack Energy Sdn. Bhd.	48	(19)	(23)	(38)
Ocean Garden Seafood Products Sdn. Bhd.	0	(6)	(1)	(2)
Excelfood Pack Sdn. Bhd. (formerly known as Exactwood Sdn. Bhd.)	82	0	(114)	0
Eng Hong Distribution Sdn. Bhd. (formerly known as Fastrack Industry Sdn. Bhd.)	0	0	0	0
	130	(34)	(138)	(41)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

16. NON-CONTROLLING INTERESTS ("NCI") (cont'd)

The details of the subsidiaries that have NCI are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Ownership Interest Held by NCI		Principal Activity
		2015	2014	
Master-Pack Labs Sdn. Bhd.	Malaysia	0%	32%	Inactive
Master-Pack Energy Sdn. Bhd.	Malaysia	40%	40%	Trading of Industrial diesels and additives
Ocean Garden Seafood Products Sdn. Bhd.	Malaysia	0%	47%	Inactive
Excelfood Pack Sdn. Bhd. (formerly known as Exactwood Sdn. Bhd.)	Malaysia	49%	0%	Manufacture and sale of food wrappers, bags and boxes
Eng Hong Distribution Sdn. Bhd. (formerly known as Fastrack Industry Sdn. Bhd.)	Malaysia	49%	0%	Inactive

The summarised financial information of the above subsidiaries is as follows:-

	2015 RM'000	2014 RM'000
Non-current assets	1	32
Current assets	414	192
Current liabilities	(158)	(334)
Net assets/(liabilities)	257	(110)
Revenue	331	59
Loss (representing total comprehensive income)	(292)	(102)
Net cash used in operating activities	(269)	(23)
Net cash from/(used in) financing activities	476	(116)
Net cash inflow/(outflow)	207	(139)

17. REVENUE

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of goods	74,347	76,488	0	0
Rendering of services	0	0	0	1,968
Dividend income from:-				
- Investments in subsidiaries	0	0	3,000	2,750
- Quoted investments in Malaysia	10	5	10	5
Rental income from investment properties	106	78	106	78
	74,463	76,571	3,116	4,801

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

18. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short-term employee benefits	8,623	8,633	220	980
Defined contribution plan	753	742	0	74
	<u>9,376</u>	<u>9,375</u>	<u>220</u>	<u>1,054</u>

19. PROFIT BEFORE TAX

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging:-				
Auditors' remuneration:-				
- Current year	90	86	22	22
- Prior year	1	0	0	0
Direct operating expenditure for investment properties:-				
- Generating rental income	12	10	12	10
- Not generating rental income	54	57	0	0
Directors' remuneration:-				
- Fee	189	175	186	172
- Other emoluments	1,207	1,090	0	394
Fee expense for financial instruments not at fair value through profit or loss	80	78	1	2
Impairment loss on investments in subsidiaries*	0	0	604	83
Impairment loss on loans and receivables:-				
- Subsidiaries	0	0	7	79
- Unrelated parties	900	170	0	0
Impairment loss on property, plant and equipment*	26	0	0	0
Interest expense for financial liabilities not at fair value through profit or loss	685	1,091	6	6
Inventories written down	46	75	0	0
Loss on dissolution of subsidiary	0	12	0	0
Realised loss on foreign exchange	24	0	0	0
Rental of equipment	11	4	0	0
Rental of premises	193	121	8	10

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

19. PROFIT BEFORE TAX (cont'd)

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
and crediting:-				
Bad debts recovered	6	0	0	0
Gain on derecognition of available-for-sale financial assets	0	39	0	39
Gain on disposal of property, plant and equipment	30	0	0	0
Gain on fair value adjustment of investment properties	260	280	260	280
Interest income for financial assets not at fair value through profit or loss	46	20	5	0
Realised gain on foreign exchange	0	6	0	0
Revaluation increase of properties	0	62	0	0
Reversal of impairment loss on loans and receivables:-				
- Subsidiary	0	0	79	0
- Unrelated parties	21	0	0	0
Reversal of inventories written down	96	48	0	0
Waiver of debts	0	0	548	0

* Included in other expenses

20. TAX EXPENSE

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Tax based on results for the year:-				
Malaysian income tax	1,182	1,421	0	219
Deferred tax	(192)	55	13	13
	990	1,476	13	232
Tax under/(over) provided in prior year:-				
Malaysian income tax	38	(56)	(7)	(8)
Deferred tax	(26)	44	(1)	0
	1,002	1,464	5	224

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

20. TAX EXPENSE (cont'd)

The numerical reconciliation between the product of profit before tax multiplied by the applicable tax rate, which is the statutory income tax rate, and the tax expense is as follows:-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	3,736	6,297	2,854	3,601
Tax at applicable tax rate of 25%	934	1,574	713	900
Non-taxable income	(179)	(56)	(910)	(698)
Non-deductible expenses	480	357	262	86
Expenses eligible for double deduction	(4)	(5)	0	0
Reinvestment allowances claimed	(110)	(316)	0	0
Decrease in unrecognised deferred tax assets	(36)	(22)	0	0
Effect of differential tax rates	(95)	(56)	(52)	(56)
Tax under/(over) provided in prior year	12	(12)	(8)	(8)
Tax expense	1,002	1,464	5	224

21. EARNINGS PER SHARE

The Group

The basic earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year as follows:-

	2015	2014
Profit for the financial year attributable to owners of the Company (RM'000)	2,872	4,874
Number of shares in issue at 1 January ('000)	49,620	49,620
Effect of shares issued ('000)	3,767	0
Weighted average number of shares in issue ('000)	53,387	49,620
Basic earnings per share (sen)	5.38	9.82

The diluted earnings per share equals the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

22. DIVIDENDS

The Group and the Company

	2015 RM'000	2014 RM'000
In respect of the financial year ended 31 December 2014:-		
- First interim dividend of 1.5 sen per share (single tier)	819	0
In respect of the financial year ended 31 December 2015:-		
- First interim dividend of 1 sen per share (single tier)	546	0
	<u>1,365</u>	<u>0</u>

23. NOTES TO STATEMENT OF CASH FLOWS

Purchase of Property, Plant and Equipment

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost of property, plant and equipment purchased	2,750	3,627	1	8
Amount financed through hire purchase	(63)	(1,191)	0	0
Net cash disbursed	<u>2,687</u>	<u>2,436</u>	<u>1</u>	<u>8</u>

Cash and Cash Equivalents

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and cash equivalents	5,392	4,533	633	421
Bank overdrafts	(2,876)	(2,272)	0	0
	<u>2,516</u>	<u>2,261</u>	<u>633</u>	<u>421</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

24. RELATED PARTY DISCLOSURES

Significant transactions with related parties during the financial year are as follows:-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Key management personnel compensation:-				
- Short-term employee benefits	2,128	1,974	186	544
- Defined contribution plan	155	153	0	22
	2,283	2,127	186	566
Dividends declared from subsidiaries	0	0	3,000	2,750
Management fee charged to subsidiaries	0	0	0	1,968
Purchase of goods from subsidiary	0	0	0	2
Sale of goods to associate	3,826	3,310	0	0
Sale of goods to other related parties*	0	34	0	0
Subscription for shares in subsidiary	0	0	135	0
Waiver of debts by subsidiary	0	0	548	0

* Being companies in which a director has substantial financial interests

25. SEGMENT REPORTING

The Group

Operating Segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the manufacture and sale of corrugated fibreboard cartons and packaging materials.

Geographical Information

Information about geographical areas has not been reported separately as the Group operates and generates revenue principally within Malaysia.

Major Customer

For the financial year ended 31 December 2015, there was 1 (2014 : 1) major customer that contributed 10% or more of the Group's total revenue and the total revenue generated from this major customer amounted to RM16,238,000 (2014 : RM16,683,000).

26. COMMITMENT FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The Group

	2015 RM'000	2014 RM'000
Contracted but not provided for	162	471

27. CONTINGENT LIABILITIES

The Company

Pledge of Properties - Secured

The Company is contingently liable up to a limit of RM1,960,000 (2014 : RM1,800,000), being the total carrying amount of its certain investment properties which have been pledged as security for credit facilities granted to a subsidiary.

Financial Guarantees - Unsecured

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of RM27,200,000 (2014 : RM49,000,000). The total utilisation of these credit facilities as at 31 December 2015 amounted to RM10,045,000 (2014 : RM15,235,000).

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.10. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

28. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and other price risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit Risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 27.

As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is minimal. The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms.

Liquidity Risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

28. FINANCIAL RISK MANAGEMENT (cont'd)

Currency Risk

The Group's exposure to currency risk arises mainly from transactions entered into in currencies other than its functional currency, i.e. Ringgit Malaysia ("RM"). The major foreign currency transacted is US Dollar ("USD").

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	The Group	
	Increase/ (Decrease) in Profit	Increase/ (Decrease) in Profit
	2015	2014
	RM'000	RM'000
Appreciation of USD against RM by 10%	(4)	(41)
Depreciation of USD against RM by 10%	4	41

Interest Rate Risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely loans and borrowings.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments.

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss or as available-for-sale, any change in interest rates at the end of the reporting period would not affect its profit or loss or other comprehensive income. For floating rate financial instruments stated at amortised cost, the following table demonstrates the sensitivity of profit or loss to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	The Group	
	Increase/ (Decrease) in Profit	Increase/ (Decrease) in Profit
	2015	2014
	RM'000	RM'000
Increase in interest rates by 50 basis points	(16)	(43)
Decrease in interest rates by 50 basis points	16	43

Other Price Risk

The Group's exposure to other price risk arises mainly from quoted investments.

The Group manages its investments on an individual basis by continuously evaluating the share price movements, investment returns and the general industrial conditions relevant to the investees.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

28. FINANCIAL RISK MANAGEMENT (cont'd)

Other Price Risk (cont'd)

The Group's quoted investments are listed on Bursa Malaysia Securities Berhad. Based on the assumption that the share prices of these investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI"), the following table demonstrates the sensitivity of profit or loss and other comprehensive income ("OCI") to changes in FBMKLCI that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	The Group and the Company			
	2015		2014	
	Increase/ (Decrease) in Profit RM'000	Increase/ (Decrease) in OCI RM'000	Increase/ (Decrease) in Profit RM'000	Increase/ (Decrease) in OCI RM'000
Increase in FBMKLCI by 10%	0	30	0	32
Decrease in FBMKLCI by 10%	(1)	(29)	0	(32)

29. CAPITAL MANAGEMENT

The Group's objective in capital management is to maintain a strong capital base to support its business and maximise shareholders' value.

The Group monitors capital using a debt-to-equity ratio, which is calculated as total loans and borrowings divided by total equity. The Group's strategy is to maintain the ratio at below 1 : 1 as follows:-

	The Group	
	2015 RM'000	2014 RM'000
Total loans and borrowings	8,938	14,757
Total equity	69,690	63,105
Total capital	78,628	77,862
Debt-to-equity ratio	0.13 : 1	0.23 : 1

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

SUPPLEMENTARY INFORMATION - REALISED AND UNREALISED PROFITS OR LOSSES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total accumulated losses of the Company and its subsidiaries:-				
- Realised	(35,535)	(36,392)	(28,421)	(29,657)
- Unrealised	332	(11)	855	607
	<u>(35,203)</u>	<u>(36,403)</u>	<u>(27,566)</u>	<u>(29,050)</u>
Total share of retained profits of associate:-				
- Realised	270	212	0	0
- Unrealised	0	0	0	0
	<u>(34,933)</u>	<u>(36,191)</u>	<u>(27,566)</u>	<u>(29,050)</u>
Consolidation adjustments and eliminations	<u>42,865</u>	<u>42,206</u>	<u>0</u>	<u>0</u>
Total retained profits/(accumulated losses) as per statement of financial position	<u>7,932</u>	<u>6,015</u>	<u>(27,566)</u>	<u>(29,050)</u>

The above supplementary information is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

GROUP PROPERTIES

AS AT 31 DECEMBER 2015

No.	Location	Description Of Property	Build-up Area	Land Area	Existing Use	Tenure	Approx. Age Of Buiding (years)	Fair Value/ Net Book Value	Date Of Last Revaluation /Date Of Acquisition
Properties									
1	Lot No. 408, Mukim 7, S.P.S., Penang.	Industrial Land & Factory Building	125,855 sq ft	7.17 acres	Factory for manufacturing facilities	Freehold	20	L:RM3,400,000 B:RM9,165,000	31-Dec-14
2	Plot No. 13 and 14 Mukim 5, S.P.S., Penang.	Industrial Land & Factory Building	72,174 sq ft	2.5 acres	Factory for manufacturing facilities	Freehold	15	L:RM980,000 B:RM5,000,000	31-Dec-14
3	Lot 1270, Section 66, Kuching Town Land District, Kuching, Sarawak.	Industrial Land & Factory Building	83,699 sq ft	4.05 acres	Factory for manufacturing facilities	Leasehold land Expiring in 2035	23	L:RM5,700,000 B:RM4,300,000	31-Dec-14
Investment Properties									
4	Lot 3527, Mukim of Kuala Kurau, Daerah Krian, Perak.	Industrial Land & Factory Building	12,600 sq ft	39,476 sq ft	Factory for manufacturing facilities, suspended operations	Freehold	25	L:RM235,000 B:RM115,000	31-Dec-15
5	Lot 10056 to 10063 Mukim of Parit Buntar Daerah Krian, Perak.	Industrial Land & Factory Building	99,832 sq ft	133,291 sq ft	Vacant and for investment purposes	Freehold	18	L:RM1,330,000 B:RM7,950,000	31-Dec-15
6	Office units-5-3-1 to Office units-5-3-6, Hunza Complex, Greenlane Heights, Jalan Gangsa, 11600 Penang. Parent Lot: 4744, Section 5, Town of Georgetown, North East District, Penang.	Commercial Lots	8,530 sq ft	Not Applicable	Rental for investment purposes	Freehold	20	B:RM3,130,000	31-Dec-15
7	Lot No. 9645/166398 share of Lot. No. 8224 Mukim of Parit Buntar District of Kerian, Perak.	Agricultural Land	Not applicable	20.21 acres	Vacant and for investment purpose	Freehold	Not applicable	L:RM1,220,000	31-Dec-15

L : Land
B : Building

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

DISTRIBUTION OF SHAREHOLDER AS AT 31 MARCH 2016

No. of Holders	Holdings	Total Holdings	%
298	Less Than 100	13,456	0.02
126	100 - 1,000	75,102	0.14
1,416	1,001 - 10,000	4,254,322	7.80
259	10,001 – 100,000	8,274,381	15.15
42	100,001 and below 5% of issued shares	17,879,989	32.73
4	5% and above of issued shares	24,122,900	44.16
2145	TOTAL	54,620,150	100

DIRECTORS' SHAREHOLDINGS

Name of Director	Direct Interest	%	Deemed Interest	%
Dato' Syed Mohamad Bin Syed Murtaza	-	-	-	-
Dato' Seri Khor Teng Tong	752,900	1.38%	1,127,000 ⁽¹⁾	2.06
Aminuddin Bin Saad	10,002	-	-	-
Chew Hock Lin	-	-	-	-
Dr. Junid Bin Abu Saham	-	-	-	-
Nazriah Binti Shaik Alawdin	-	-	-	-

Note :

⁽¹⁾ Deemed interest by virtue of his shareholding in Khor Teng Tong Holdings Sdn. Bhd.

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 31 MARCH 2016

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Yayasan Bumiputra Pulau Pinang Bhd.	15,872,000	29.06	-	-
Ch'ng Eng Seong	5,635,900	10.32	-	-
Chin Siew Yoong	3,015,000	5.52	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

LIST OF TOP 30 SHAREHOLDERS

NO	NAME OF SHAREHOLDERS	SHAREHOLDINGS	%
1	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR YAYASAN BUMIPUTRA PULAU PINANG BHD.. (PEN)	9,500,000	17.39
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY : HDM CAPITAL SDN. BHD. FOR YAYASAN BUMIPUTRA PULAU PINANG BHD.	6,372,000	11.67
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY : HDM CAPITAL SDN. BHD. FOR CH'NG ENG SEONG	5,235,900	9.59
4	JF APEX NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR CHIN SIEW YOONG (MARGIN)	3,015,000	5.52
5	TEO KWEE HOCK	2,261,100	4.14
6	JF APEX NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)	1,804,600	3.30
7	TK KHOR & ASSOCIATES SDN. BHD.	1,350,078	2.47
8	KHOR TENG TONG HOLDINGS SDN. BHD.	1,127,000	2.06
9	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY : HDM CAPITAL SDN. BHD. FOR KHOO BUCK CHEW	1,100,000	2.01
10	KHOR TENG TONG	752,900	1.38
11	TAN BOO NAM	747,461	1.37
12	LINDA TEH SWEE LIAN STEINER	669,800	1.23
13	LINDA TEH SWEE LIAN STEINER	652,000	1.19
14	YIK PHOOI HAR	650,000	1.19
15	KHOR CHING WEE	491,000	0.90
16	CH'NG ENG SEONG	400,000	0.73
17	CHENG LEE WAH	365,200	0.67
18	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR YEW TEK HOON (E-BMM)	345,100	0.63
19	LIM NGAK EE	314,000	0.57
20	UNG PENG JOO	307,000	0.56
21	KHOR CHEW WAN	288,250	0.53
22	TEH AH GIM	271,100	0.50
23	LEE KAY HUAT	225,000	0.41
24	SIEOW CHONG SENG	222,400	0.41
25	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR TAN CHEE WOOL (E-PPG)	222,000	0.41
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR SOH MAN TONG	200,000	0.37
27	KHOR AH YEAM	200,000	0.37
28	NG KIANG HWA	200,000	0.37
29	OOI PEY WONG	200,000	0.37
30	TEO MEI CHING	200,000	0.37

PROXY FORM

*I/We, _____ *NRIC No./ Passport No./ Company No. _____ of
(Full Name in Block Letters)

_____ being a member/members of the abovenamed Company,
(Address)

hereby appoint _____ *NRIC No./ Passport No./ Company No. _____
(Full Name in Block Letters)

of _____ or failing whom, the Chairman
(Address)

of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 22nd Annual General Meeting of the Company to be held at Master-Pack Sdn. Bhd., 1574, Jalan Bukit Panchar, 14300 Nibong Tebal, S.P.S. Penang on Friday, 27 May 2016 at 11.30 a.m. and at any adjournment thereof.

No.	Resolutions	FOR	AGAINST
1.	To re-appoint Dato' Seri Khor Teng Tong as a Director.		
2.	To re-appoint Mr. Chew Hock Lin as a Director.		
3.	To re-appoint Dr. Junid Bin Abu Saham as a Director.		
4.	To re-elect Cik Nazriah Binti Shaik Alawdin as a Director.		
5.	To approve the increase and the payment of Directors' Fees.		
6.	To re-appoint Messrs. Crowe Horwath as auditors of the Company.		
7.	To authorise the Directors to issue shares pursuant to Section 132D of Companies Act, 1965.		
8.	To retain Dato' Seri Khor Teng Tong as an Independent Non-Executive Director.		
9.	To retain Mr. Chew Hock Lin as an Independent Non-Executive Director.		
10.	To retain Encik Aminuddin Bin Saad as an Independent Non-Executive Director.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signed this _____ day of _____, 2016.

No. of shares held

Signature(s)/Common Seal of member(s)

For appointment of two(2) proxies, percentage of shareholdings to be represented by the proxies :		
	No. of shares	%
Proxy 1		
Proxy 2		
		100

Notes :

- (1) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (2) A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (3) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (4) For a proxy to be valid, this form, duly completed must be deposited at registered office of the Company, 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting. If this form is sent by facsimile to the registered office before forty-eight (48) hours before the meeting, this original form must be deposited at the registration counter or to the Company Secretary or his authorized representative at least half one hour before the time appointed for holding the meeting or adjourned meeting otherwise this form sent by facsimile shall be treated as void.
- (5) In the case of a corporate member, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorized.
- (6) In respect of deposited securities, only a depositor whose name appear on the Record of Depositors on 20 May 2016 shall be eligible to attend the meeting or appoint proxies to attend and/or vote on his/her behalf.

Fold this flag sealing

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Stamp

The Company Secretary
Master-Pack Group Berhad (297020-W)
51-21-A Menara BHL Bank,
Jalan Sultan Ahmad Shah,
10050 Penang.

1st fold here



www.master.net.my



MASTER-PACK GROUP BERHAD 297020-W

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