MASTER-PACK
GROUP BERHAD 199401011341 (297020-W)

Creating Value
Sustaining Growth

Annual Report
2025

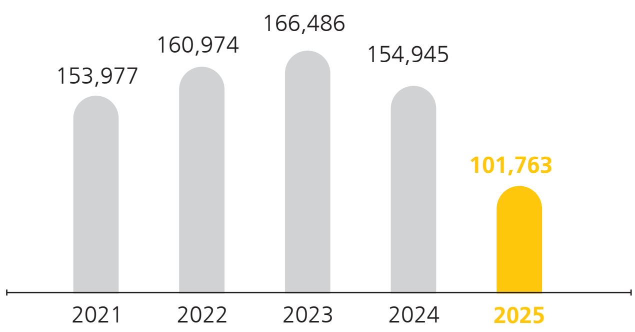
TABLE OF
Contents

GROUP FINANCIAL HIGHLIGHTS
YEAR ENDED 31 DECEMBER

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	153,977	160,974	166,486	154,945	101,763
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	22,718	29,447	33,292	27,753	11,572
Profit Before Tax	18,229	25,162	28,272	22,203	6,361
Profit After Tax	14,453	21,838	24,611	18,193	4,802
Net profit Attributable to Owners of the Company	14,456	21,838	24,611	18,193	4,802
Total Assets	158,082	170,160	199,311	206,297	194,249
Total Loans and Borrowings	8,648	4,042	4,408	4,261	4,206
Shareholders Equity	126,388	143,253	169,302	174,693	170,127
Capital Expenditure	1,694	1,790	7,525	2,555	2,378
Earnings per share	26.47 sen	39.98 sen	45.06 sen	33.31 sen	8.79 sen
Net assets per share	RM2.31	RM2.62	RM3.10	RM3.20	RM3.11

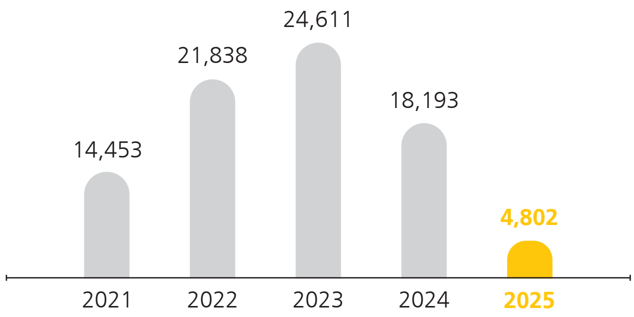
REVENUE (RM' 000)

RM101,763



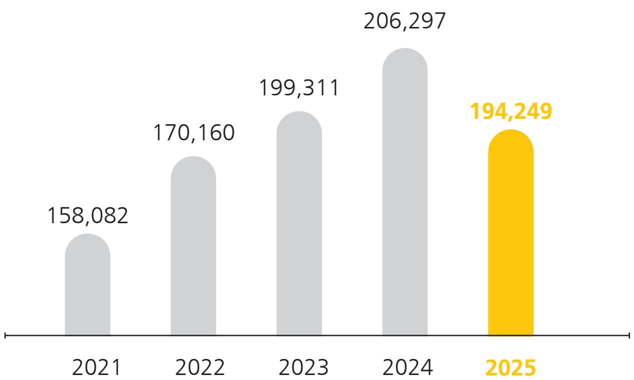
PROFIT AFTER TAX (RM' 000)

RM4,802



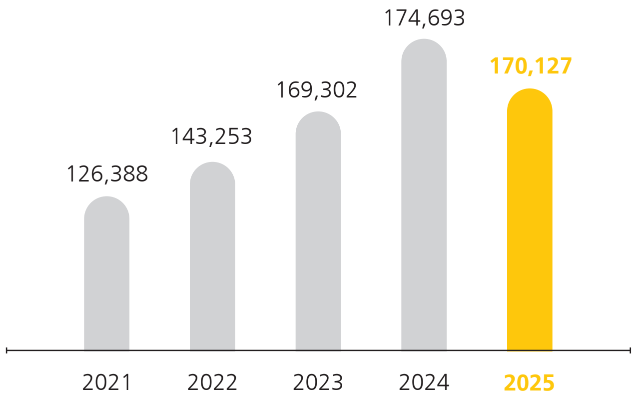
TOTAL ASSETS (RM' 000)

RM194,249



SHAREHOLDERS EQUITY (RM' 000)

RM170,127



BOARD OF DIRECTORS

DATO' SERI SYED MOHAMAD BIN SYED MURTAZA
Executive Chairman

MR. CHEW HOCK LIN
Non-Independent and Non-Executive Director

MR. DHARMIK RAJKUMAR SHETH
Independent and Non-Executive Director

MR. ONG SHEIK YOONG
Independent and Non-Executive Director

PROF DATO' DR. GP DORAISAMY GOVINDASAMY
Independent and Non-Executive Director

PUAN FAZLINA BINTI YAHAYA
Independent and Non-Executive Director

MADAM KHOR SAN LENG
Independent and Non-Executive Director

COMPANY SECRETARIES

Mr. Lee Peng Loon
(MACS 01258) / SSM PC NO. 201908002340

Ms. P'ng Chiew Keem
(MAICSA 7026443) / SSM PC NO. 201908002334

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817 - LCA) & AF 1018
Chartered Accountants
Level 6, Wisma Penang Garden,
42 Jalan Sultan Ahmad Shah,
10050 Penang.

REGISTERED OFFICE

51-21-A, Menara BHL Bank,
Jalan Sultan Ahmad Shah,
10050 Penang.

Tel : 04 - 210 8833
Email : corporatenet21@gmail.com

PRINCIPAL BANKERS

Standard Chartered Bank Malaysia Berhad
Third Floor, Gurney Paragon Mall,
10250 Georgetown, Penang.

AmBank (M) Berhad/AmBank Islamic Berhad
37, Jalan Sultan Ahmad Shah, 10050 Penang

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad, Main Market

SHARE CAPITAL

No. of ordinary shares	: 54,620,150
Issued & Paid-Up	: RM55,338,465
Class of Share	: Ordinary shares
Voting Right	: One voting right for one ordinary share
Number of Shareholders	: 2,115

WEBSITE

http://www.master.net.my

COMPANY PROFILE

ABOUT US

For over 35 years, Master-Pack Group Berhad ("MPG" or "the Group") has established itself as a leader in the niche market of industrial packaging. We are dedicated to the design, manufacture, and supply of high-quality, customized corrugated carton boxes and wooden packaging solutions. Our business is built on a foundation of engineering excellence and a deep understanding of our customers' specific needs, positioning us as an innovative and reliable partner in the packaging industry.

OUR STRATEGIC FOOTPRINT

The Group's operations are strategically located to serve regional and international markets effectively:

- Manufacturing Plants: Three facilities in Penang (Master-Pack Sdn. Bhd.), Sarawak (Master-Pack Sarawak Sdn. Bhd.), and Vietnam (Master-Pack Vietnam Co., Ltd).
- Logistics & Warehousing: A dedicated warehouse in Bayan Lepas, Penang, enabling Just-in-Time (JIT) delivery and supporting our comprehensive Total Packaging Solutions services.

STRATEGIC DIRECTION

Vision:
To be the Preferred Total Packaging Solutions Provider.

Mission:
To provide Total Packaging Solutions in Partnership with Our Customers.

Core Purpose:
To deliver innovative, sustainable, and value-creating packaging that protects our clients' goods and advances their business goals.

OUR CORE VALUES

Our operations and strategic decisions are guided by a set of fundamental principles that define who we are and how we do business.

1. Customer-Centric Innovation & Partnership

   We are not a general-purpose packaging supplier; we are a customization specialist. By applying the Pareto Principle (80/20 rule), we strategically focus our resources on building deep, collaborative partnerships with key clients who drive the majority of our revenue. This close collaboration allows us to engineer and innovate packaging solutions that are perfectly suited to each customer's unique products and logistical requirements.

2. Uncompromising Quality & Technical Expertise

   Our competitive advantage lies in our professional knowledge across the entire packaging value chain—from material science and structural design to re-engineering for cost and efficiency. As a pioneer in obtaining the ISO 14001:2004 Environmental Management System certification, we demonstrate a long-standing commitment to ethical practices and quality management. This ensures we consistently meet the rigorous standards of our domestic and multinational clientele.

3. Empowering & Caring for Our People

   We recognize that our employees are the foundation of our success. We are committed to fostering a diverse, equitable, and inclusive workplace where individuals of all ages, genders, and backgrounds can thrive. We cultivate a harmonious and safe industrial environment through fair employment practices and a strong safety culture. Our commitment to employee welfare is reflected in our "work-life benefits," which go beyond statutory requirements to include:

   - Paternity and maternity leave.
   - Exam leave to support professional development.
   - Compassionate leave for bereavement.

   We foster a culture of inclusiveness through company-wide events that build team spirit and synergy.

4. Commitment to Shareholders & Stakeholders

   We are dedicated to creating sustainable, long-term value for our shareholders, the owners of our company. Our primary focus is on maximizing shareholder value through sustained profitability and prudent dividend distribution. We achieve this by building a resilient and growing business, while simultaneously serving the interests of all stakeholders, including our employees, customers, suppliers, and the communities in which we operate.

5. Active Contribution to Our Communities

   We believe in being a responsible corporate citizen. Our practice is to offer first right of employment to local community members for our production facilities, providing accessible job opportunities. We actively engage with local universities through partnership programs, helping to bridge the gap between academic knowledge and industrial practice. Our commitment to the well-being of our surrounding communities is enduring, and we continue to execute annual sustainability – social programs.

OUR PRODUCTS & SERVICES: SUSTAINABLE SOLUTIONS

Choosing Master-Pack is a choice for sustainability. Our primary material, paper, is derived from a natural, renewable source—trees—and is one of the world's most recycled materials.

- Sustainable by Design: Our corrugated cartons are 100% recyclable. We employ clean production technologies and optimize raw material and energy usage to minimize our environmental footprint. Our holistic design approach seeks to reduce the overall weight and volume of packaging without compromising strength, thereby optimizing environmental performance throughout the product's life cycle.
- Comprehensive Packaging Services: We offer more than just boxes. Our integrated services include:
  - One-Stop Packaging Solution: From initial design to final production.
  - Warehousing & Logistics: Secure storage and inventory management.
  - Vendor Managed Inventory (VMI): Proactive inventory replenishment to streamline our customers' supply chains.
- Quality Assured: Our packaging is designed to meet rigorous market criteria for performance and cost, ensuring it is effective, beneficial, and safe for users and communities.

BUSINESS SUSTAINABILITY & MARKET OUTLOOK

The global demand for packaging remains resilient, driven by the essential need to protect, preserve, and market goods during transit. Corrugated packaging, in particular, is experiencing a significant resurgence. As global awareness of environmental issues grows, corrugated materials are increasingly preferred over alternatives like plastics, foams, and metal due to their renewability, biodegradability, and high recycled content.

This shift in consumer and corporate preference towards sustainable packaging provides a powerful and enduring momentum for the corrugated packaging industry. We are strategically positioned to capitalize on this trend as a provider of eco-friendly, high-performance solutions.

COMPANY PROFILE (CONT'D)

OPERATIONAL RESILIENCE & FINANCIAL RISK MANAGEMENT

1. Sustainable Supply Chain & Sourcing

   Our primary raw material, paper fibre, is a renewable resource. We are committed to ensuring its sustainability. Globally, corrugated content averages approximately 73% recycled material, the highest rate of any packaging product. In line with our Sustainability Policy and ESG commitments, we rigorously assess our suppliers on quality, delivery, and ethical practices. We are committed to sourcing paper only from suppliers who adhere to Forest Stewardship Council (FSC) standards and relevant environmental legislation. Furthermore, all manufacturing paper waste is sold back to mills for recycling, closing the loop in our material lifecycle.

2. Mitigating Market Concentration Risk

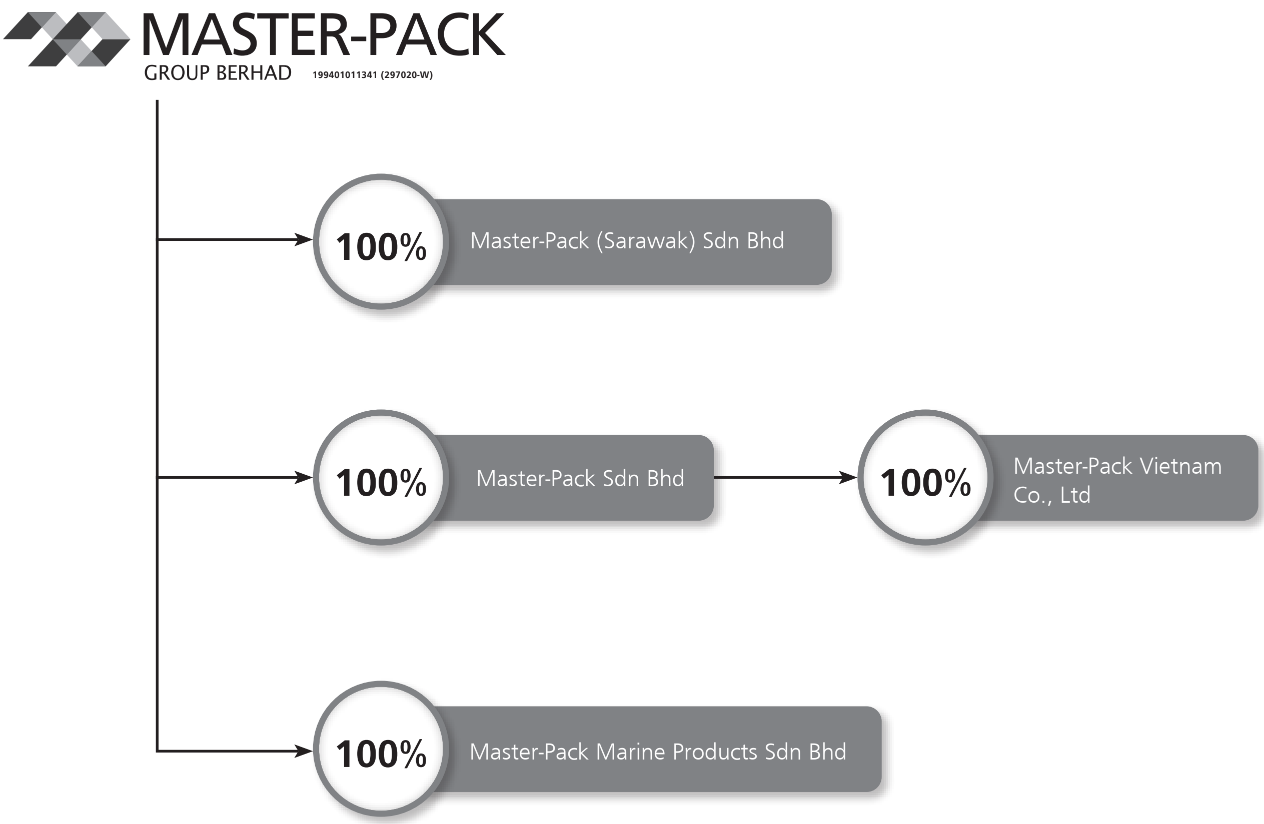
   Our primary operational focus is on maintaining a consistently high volume of sales across a diversified portfolio. Management has proactively implemented a strategy to broaden our sales base, reducing reliance on any single industry sector. This diversification strengthens our resilience against sector-specific downturns. Currently, the Group's revenue is well-distributed across multiple industries, with the top five leading sectors being:

   - Solar Energy
   - Food, Beverage & Agro-based
   - Electronics & Electrical
   - Converter
   - Ceramics

3. Protecting Our Intellectual Capital

   Our commitment to innovation is further solidified by our patented product designs. These patents provide a distinct competitive advantage, protecting our unique solutions and reinforcing our market position against competitors.

CORPORATE STRUCTURE



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Group's Annual Report and audited financial statements for the financial year ended 31 December 2025.

Dato' Seri Syed Mohamad bin Syed Murtaza
Group Executive Chairman

A Reflection on Resilience and Long-Term Value

This past year has been a powerful testament to the resilience and strength of our business. For the fifth consecutive year, the Group surpassed the RM100 million turnover mark, a milestone that reflects the enduring demand for our products and the trust our customers place in us. Since I had the privilege of assuming the role of Chairman in 2004, we have transformed the Group from a challenging position—recording a loss of over RM12 million and a net asset value of RM1.05 per share in 2004—to one that consistently delivers shareholder value.

Our performance this year, however, must be viewed within the context of a volatile global landscape. While we celebrated our highest Profit before Tax in 22 years in 2024, the financial year ended 31 December 2025 presented a different reality. The unexpected introduction of "Reciprocal Tariffs Policies" by the US administration in early 2025 sent shockwaves through global supply chains, directly impacting our key customers who are heavy exporters to the US market. This resulted in a moderation of our own performance, with turnover settling at RM102 million and Profit before Tax at RM6 million.

This correction does not diminish the long-term progress we have made. It is precisely during such periods of disruption that the foundational strength of a company is truly tested. The solid foundation of operational discipline, robust governance, and prudent financial management, built painstakingly over the years by our management team, has enabled us to navigate these headwinds effectively.

Navigating External Headwinds with Agility

The sudden shift in demand required swift and decisive action. Our management team responded admirably, reviewing operational plans and adjusting production scheduling in real-time. Crucially, we maintained open and transparent communication with our customers to understand their evolving needs and align our support accordingly. This agility, combined with our diversified customer portfolio within the region and our long-standing relationships with key accounts, proved invaluable in weathering the disruption. I extend my deepest gratitude to every member of the team for their commitment and adaptability throughout the year.

Commitment to Shareholder Returns

Reflecting our confidence in the Group's underlying strength and our commitment to returning value to shareholders, we paid a dividend of 8 sen per share as of 27 March 2025. While we have not declared a further dividend for the financial year ended 31 December 2025, preferring to retain capital for operational flexibility, we are pleased to announce a dividend of 4 sen per share, which has been declared and will be paid on 18 June 2026 for the financial year ending 2026. This forward-looking declaration underscores our positive outlook and dedication to rewarding our shareholders' continued support.

Deepening Our Commitment to Sustainability

Sustainability is not merely a corporate responsibility; it is integral to our long-term business continuity and competitiveness. We continue to integrate sustainable practices into our working environment and corporate culture, ensuring our business processes generate positive impacts for the community, economy, and environment.

In late 2025, we completed the installation and commissioning of solar panels at our Penang plant. While the cost savings from this initiative are not yet fully reflected in the 2025 financials, we are now monitoring energy consumption to measure our progress against targets.

I am also pleased to report a significant improvement in our FTSE4Good Index score, which rose from 3.1 to 3.6. This progress is a clear indicator of the Board and management's unwavering commitment to accountability, transparency, and enhanced sustainability performance.

Looking ahead, we are proactively preparing for the new regulatory landscape. In 2026, we will transition to the National Sustainability Reporting Framework, aligned with IFRS S1 and S2 standards. To spearhead this effort, we established a dedicated Sustainability Risk Management Committee in late 2025. Comprising members of our internal management team, this committee is tasked with developing the consequences of climate change under various scenarios and developing strategic plans to mitigate associated risks. We are committed to equipping this team with the requisite training and knowledge to meet these challenges.

Fostering Community and Youth Development

Our commitment to creating a positive impact extends beyond our factory gates. We believe in investing in the communities that support us. During the year, we were proud to provide sponsorship to the Universiti Sains Malaysia's RoboCop Team, supporting youth innovation in science and technology. We also lent our support to World Mental Health Day 2.0, championing the critical cause of mental well-being. Furthermore, we contributed to the development of future generations through sponsorships for a secondary school's new building fund and a primary school's building improvement and maintenance program. Through these initiatives, we aim to cultivate a healthy, motivated, and future-ready society.

Recognition and Industry Engagement

The Group's commitment to excellence and sustainable growth was once again recognized on regional and international platforms in 2025. We were honoured to attend the ASEAN Leadership and Partnership Forum, Global Muslim Excellence Award, receive the prestigious Golden Bull Award, and participate in strategic dialogues at the ASEAN CFO Summit. Our nomination as a recipient for the ESG Plus Awards further reinforces our position as a responsible corporate citizen. These accolades are a testament to the integrity, accountability, and continuous improvement that define our corporate culture.

Outlook for 2026

As we look to the future, we do so with a sense of cautious optimism and strategic clarity. The global economic landscape remains complex and unpredictable, with geopolitical tensions and trade policies continuing to introduce volatility. While the immediate impact of the 2025 tariffs may still persist, we believe the recent tariff adjustments will be slightly better for the global economy.

Our focus for 2026 will be to :-

Strengthen Customer Relationships - We will continue to work in close collaboration with our customers, helping them navigate their own challenges and adapt to shifting market dynamics. By deepening these relationships, we aim to secure our position as an indispensable part of their supply chain.

Driving Operational Efficiency - The lessons of 2025 have reinforced the importance of agility. We will enhance our production planning, optimize costs, and maintain the flexibility to respond swiftly to market changes.

The fundamentals of our business remain strong. While we do not expect the external environment to become significantly easier, we are confident in our ability to adapt and find pathways to growth. We will continue to build on the solid foundation we have created, ensuring the Group remains resilient, relevant, and ready for the opportunities that lie ahead.

I wish to thank my fellow Board members for their counsel, our management and staff for their dedication, and our shareholders, customers, and business partners for their continued trust and support. Together, we will continue to build a sustainable and prosperous future for the Group.

Dato' Seri Syed Mohamad bin Syed Murtaza
Group Executive Chairman

DATO' SERI SYED MOHAMAD BIN SYED MURTAZA
Executive Chairman

Dato' Seri Syed Mohamad Bin Syed Murtaza, age 79, a Malaysian, was appointed to the Board of Directors and the Executive Chairman of Master-Pack Group Berhad ("MPGB") and its group of companies on 17 December 2004. He represents Yayasan Bumiputra Pulau Pinang Bhd., one of the major shareholders of MPGB.

Dato' Seri Syed has over 57 years of vast experience in the business, corporate and entrepreneurial exposures. After completing his education at Penang Free School, he joined Kah Motors and has since then been appointed to several key positions in various business and non-business organizations, both locally and internationally. He has served in reputable multinational companies such as Shell Malaysia and was the Chairman of Penang Port Commission. He is the former Chairman of DRB HICOM Berhad., former President of The Federation of Asian Motorcycle Industries and International Motorcycle Manufacturers Association, former director of Globetronics Technology Berhad, and former director of Usains Holdings Sdn. Bhd., the corporate arm for Universiti Sains Malaysia. Dato' Seri Syed is experienced in a diverse range of businesses from automotive and manufacturing to exports, trading, property and oil and gas.

Dato' Seri Syed sits on the boards of Yayasan Bumiputra Pulau Pinang Bhd., MITTAS Bhd., Boon Siew Credit Bhd., Penang Tourists Centre Bhd., Tourism Entrepreneur Centre Bhd. and several private limited companies such as Armstrong Auto Parts Sdn. Bhd. and Penang Port Sdn. Bhd. and most recently an advisor to Southern Reef Sdn. Bhd.

He also heads Penang Tourist Centre Bhd., MITTAS Bhd. and is the advisor to Motorcycle, Scooter Assembly & Distributor Association of Malaysia. In addition, he has held many other appointments at state and national levels.

Dato' Seri Syed does not have any conflict of interest with the Company and is not related to any director of the Company. He attended all five Board Meetings held in the financial year.

PROF DATO DR GP DORAISAMY GOVINDASAMY
Independent & Non-Executive Director

Prof Dato Dr GP Doraisamy Govindasamy, age 71, a Malaysian, was appointed to the Board of Directors as an Independent & Non- Executive Director of Master-Pack Group Berhad on 31 October 2025.

Prof Dato Dr GP Doraisamy has over four decades of professional experience spanning education, law and academia. His career includes more than 20 years of legal practice as an Advocate and Solicitor, followed by senior academic roles in postgraduate business and law programmes including MBA ,DBA and PhD. He has extensive regional exposure, having presented and facilitated in multiple countries across Asia Pacific. He has also undertaken corporate advisory responsibilities and board positions, contributing his expertise in governance, education and strategic development.

He is a board member of the National Athletics Disciplinary Board of the Malaysian Athletics Federation and continues to advise various youth, academic and business institutions. His achievements include representing Malaysia at the World Peace Summit in Seoul, South Korea (2019), being appointed as the Honourable Secretary General - World Humanitarian Drive (WHD) Malaysian Chapter by the WHD Headquarters, London, United Kingdom (2019), and the conferred a Professorship by the International Business School of Scandinavia in Zurich, Switzerland (2018).

Prof Dato Dr GP Doraisamy does not have any conflict of interest with the Company and is not related to any director of the Company. He attended only one Board Meeting held in the financial year as he was appointed on 31 October 2025.

MR. ONG SHEIK YOONG
Independent & Non-Executive Director

Mr. Ong Sheik Yoong, age 43, a Malaysian, was appointed to the Board of Directors as Independent & Non-Executive Director of MPGB on 3 February 2026. He is the Chairman of the Audit Committee. He currently is a director of Ocean Vantage Holdings Berhad and Wellcall Holdings Berhad.

He graduated from University of Tunku Abdul Rahman with a degree in Commerce (Hons) Accounting in 2006. Currently, Mr. Ong is a member of the Malaysian Institute of Accountants ("MIA"), Fellow Member of Association of Chartered Certified Accountants ("FCCA") and member of ASEAN Chartered Professional Accountant ("CPA").

Mr. Ong is a Partner at CHI-LLTC, a medium-sized chartered accountancy firm, with a distinguished career spanning over 19 years in audit and advisory services. His extensive experience encompasses statutory and special audits across diverse industries, including Telecommunications, Retail, Manufacturing, and Construction, gained at several large and medium-sized audit firms. Mr. Ong also possesses significant capital markets expertise, having acted as a Reporting Accountant for IPOs on Bursa Malaysia and led financial due diligence for mergers and acquisitions

Mr. Ong does not have any conflict of interest with the Company and is not related to any director or major shareholders of the Company. He did not attend any Board Meetings held in the financial year as he was just appointed in 3 February 2026.

MADAM KHOR SAN LENG
Independent & Non-Executive Director

Mdm. Khor San Leng age 53, a Malaysian, was appointed to the Board of Directors as an Independent & Non-Executive Director of MPGB on 1 July 2023.

Mdm. Khor graduated from University of South Alabama with a Bachelor degree in Finance. She started her career in Corporate Planning Department of MPGB from 1996 to 2005. Since 2005, she has been an Executive Director of Hunza Properties Berhad ("HPB") which involves in property development and property investment businesses. HPB was a listed entity at Bursa Malaysia Securities Berhad until it was delisted in 2016. She also serves as a director in multiple subsidiaries of HPB.

Mdm. Khor does not have any conflict of interest with the Company and is not related to any director or major shareholders of the Company. She attended all five Board Meetings held in the financial year.

MR. DHARMIK RAJKUMAR SHETH
Independent & Non-Executive Director

Mr. Dharmik Rajkumar Sheth, age 38, a Malaysian, was appointed to the Board of Directors as Independent & Non-Executive Director of MPGB on 22 February 2023. He is the Chairman of Nominating Committee and also a member of the Audit Committee and Remuneration Committee.

He graduated from University of Melbourne Australia with a Bachelor of Commerce majoring in Finance & Management. He has continued to expand his expertise in various fields such as Digital Transformation, Data Analytics, Portfolio Management and Corporate Restructuring. In addition, he is a Ministry of Finance Malaysia registered management consultant for Organisational Assessment and Human Resource Development.

Mr. Dharmik is a partner and lead consultant of his own Management Consultancy and Big Data Analytics Firm with branches in Kuala Lumpur, Kota Kinabalu and Brunei Darussalam, and had formerly worked as a management consultant in an international Audit and Advisory Firm.

He does not have any conflict of interest with the Company and is not related to any director or major shareholders of the Company. He attended all five Board Meetings held in the financial year.

PUAN FAZLINA BINTI YAHAYA
Independent & Non-Executive Director

Puan Fazlina binti Yahaya, age 61, a Malaysian, was appointed to the Board of Directors as an Independent & Non-Executive Director of MPGB on 1 July 2023. She is a member of the Nominating Committee and Remuneration Committee.

With a Diploma in Stenography from University Mara Technology Malaysia (UiTM) in 1987, Puan Fazlina has worked her way up the corporate ladder in various industries including Malaysian Royal Air-Force, Education, Construction, Waste Management, Manufacturing, Sales and Marketing.

Her wealth of experience in business administration and management as well as diverse experience brings fresh perspective to the Board. Previously she had served as the Personal Assistant to the Deputy Chief Minister Pulau Pinang, Secretariat to Motorcycle and Scooters Assemblers and Distributors Association of Malaysia and currently she operates her own business.

Puan Fazlina does not have any conflict of interest with the Company and is not related to any director or major shareholders of the Company. She attended all five Board Meetings held in the financial year.

MR. CHEW HOCK LIN
Non-independent & Non-Executive Director

Mr. Chew Hock Lin, age 82, a Malaysian, was appointed to the Board of Directors as Independent & Non-Executive Director of MPGB on 27 December 2001. He is the Chairman of Remuneration Committees and also serves as a member of the Audit Committee and Nominating Committee of the Company. He was a former director in GUH Holdings Berhad, a public listed company. Mr. Chew was redesignated to Non-independent Non-executive Director on 3 April 2023 as he had served as an Independent Non-executive Director for more than a cumulative term of 12 years.

He graduated from University of Western Australia with a Bachelor in Commerce Degree and has more than 30 years' experience in audit and accountancy profession. He is a former partner of an international audit firm. Currently, he is a Certified Public Accountant (Malaysia), a Chartered Accountant (Malaysia) and a Fellow of Chartered Tax Institute of Malaysia.

He does not have any conflict of interest with the Company and is not related to any director or major shareholders of the Company. He attended all five Board Meetings held in the financial year.

	2025 RM'000	2024 RM'000	Change RM'000	%
REVENUE	101,763	154,945	(53,182)	-34.3%
Raw materials, consumables and related input cost	(61,777)	(89,899)	(28,122)	-31.3%
Employee benefits	(17,843)	(20,134)	(2,291)	-11.4%
Other expenses	(14,459)	(19,925)	(5,466)	-27.4%
Other income	3,888	2,766	1,122	40.6%
	(90,191)	(127,192)	(37,001)	
EBITDA	11,572	27,753	(16,181)	-58.3%
Depreciation	(4,944)	(5,252)	(308)	-5.9%
Finance Cost	(267)	(298)	(31)	-10.4%
	(5,211)	(5,550)	(339)	
Profit Before Tax	6,361	22,203	(15,842)	
Profit Before Tax Margin	6.3%	14.3%	-8.0%	
Taxation	(1,559)	(4,010)	(2,451)	-61.1%
Profit After Tax	4,802	18,193	13,391	-73.6%
Profit After Tax Margin	4.7%	11.7%	-7.0%	

REVENUE

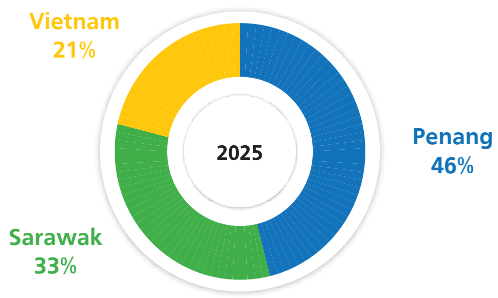
In 2025, the Group recorded total revenue of RM101.8 million, a decline of RM53.2 million (35.3%) compared to the previous year. The drop was mainly attributable to reduced orders from customers exporting to the United States, who were adversely affected by tariffs imposed by the US government. As a result, deliveries of packaging materials to these customers fell sharply.

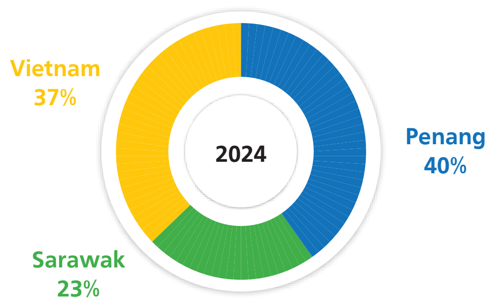
Revenue Contribution by Region

The US tariffs aimed to curb imports of solar-related equipment from Southeast Asia, which directly affected demand at our Penang and Vietnam plants.

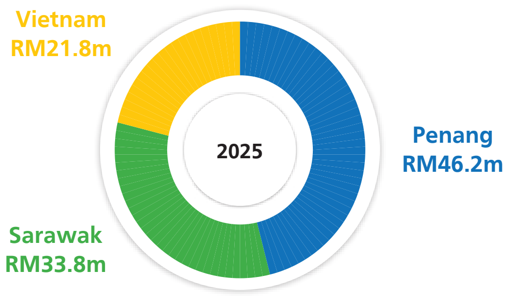
- Vietnam: Revenue decreased by 62%, from RM58 million to RM22 million.
- Penang: Revenue fell by RM16 million, or 26%.
- Sarawak: Revenue remained relatively stable at RM34 million, just 3% lower than in 2024.

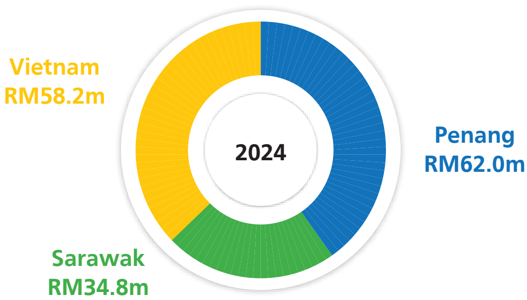
Contribution in percentage





Contribution In Ringgit

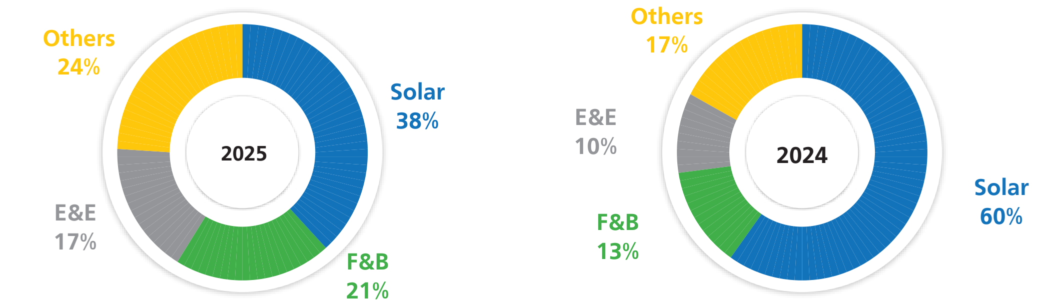




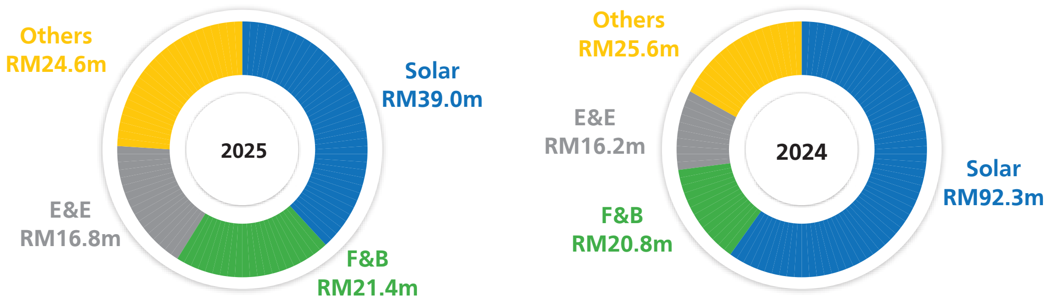
Revenue Contribution from different Industry

Revenue from the solar sector reduced significantly due to the shift in US trade policy. Its contribution declined from 60% (RM92.3 million) of Group revenue in 2024 to 38% (RM39 million) in 2025. The sector, previously the Group's largest revenue contributor, experienced a substantial contraction during the year.

Contribution in percentage



Contribution in Ringgit



The different industries:

Solar – Solar Energy
F&B – Food, Beverages and Agro-based
E&E – Electronics & Electrical
Others – all other sectors such as converter, ceramics, etc

COST AND EARNINGS

The cost of raw materials declined in line with the reduction in revenue for the year. Lower production volume also resulted in lower direct labour and overtime costs.

Operating expenses were tightly controlled throughout the year to protect profitability, with several cost cutting measures implemented to maintain a positive bottom line.

Other income increased due to higher interest earned on surplus cash placed with financial institutions.

Depreciation decreased marginally as several assets reached the end of their useful lives and were fully depreciated.

Financial Position of the Group

	2025 RM'000	2024 RM'000	Change RM'000	%
Non-current Assets	73,091	72,546	545	0.8%
Current Assets	121,158	133,751	(12,593)	-9.4%
Borrowings and Lease Liabilities	4,206	4,261	(55)	-1.3%

Non-current Assets: The Group invested RM3.7 million in a new property during the year. However, this investment did not result in an overall increase in non current assets, as the additional value was offset by depreciation on existing assets.

Current Assets stood at RM121 million as at 31 December 2025, compared to RM134 million as at 31 December 2024. The decrease mainly reflects lower trade receivables and reduced inventory levels, in line with the decline in revenue for the year.

Borrowings: The Group's strong financial position enabled it to maintain low levels of trade borrowings.

Cash-flow

	2025 RM'000	2024 RM'000	Change RM'000	%
Net cash from operating activities	17,660	25,987	(8,316)	-32.0%
Net cash used in investing activities	(5,528)	(2,503)	(3,025)	120.9%
Net cash used in financing activities	(7,033)	(8,386)	1,353	-16.1%
Net (decrease) / increase in cash and cash equivalents	(1,005)	12,091	(13,096)	-108.3%

Operating activities continued to generate positive cash flow in 2025, contributing RM17.7 million for the year.

The Group acquired an industrial property for RM3.7 million in cash for the purpose of rental to generate another stream of income. RM1.8 million was spent on the installation of solar panels at the Penang plant, supporting the Group's sustainability initiatives and long term energy efficiency goals.

A total of RM7.0 million was used in financing activities, of which RM6.6 million represented dividend payments to shareholders. RM2.2 million was paid in January 2025 in respect of Financial Year 2024 and RM4.6 million was paid in March 2025 for the financial year 2025. The remaining RM0.4million was for the settlement of lease liabilities and hire purchase obligations.

Prospect 2026

For the financial year 2026, the Group anticipates a gradual recovery from the sharp cyclical downturn experienced in 2025 and a shift toward a more stable and resilient business environment. Although 2025 was marked by a significant decline in profit before taxation due to the implementation of new US tariffs and intensified competitive pressures, the Group remains fundamentally strong, financially sound, and consistently profitable.

A key pillar of the Group's outlook for 2026 is its continued focus on sector and product diversification. To mitigate the risks associated with customer concentration—particularly in sectors exposed to geopolitical or regulatory volatility—the Group is actively expanding its "One Stop Packaging Services" offering beyond its traditional market segments.

By broadening its customer base and portfolio mix, the Group aims to enhance revenue stability, reduce dependency on single-industry cycles, and position itself for long term, sustainable growth.

Master-Pack Group Berhad recognizes that it is vital to continuously develop and improve the business operations of the Group in a responsible and sustainable manner. The Board believes that by placing sustainability as its core business operations will drive the long-term business growth of the Group as a whole.

The Board recognizes that business is not solely judged by its financial performance but also on its conducts in respect of economic, environment, social and governance ('EESG') aspects meeting challenging environment generating values to its stakeholders in long term sustainable manner. Hence, it is the underlying value of the Group to achieve equilibrium between financial performance, value creation and long-term business sustainability.

Basis of Scope

For the purpose of this report, Master-Pack consolidates data from three operating subsidiaries; two located in Malaysia and one located in Vietnam.

This Statement should also be read alongside other sections in this Annual Report namely Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Controls as sustainability efforts may be narrated in the respective sections.

Reporting Period

This report covers the period from 1 January to 31 December 2025. Where possible, information from previous years has been included to provide comparative data.

This Statement has been prepared in compliance with Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad ("Bursa") and refers to Bursa Malaysia's Sustainability Reporting Guide 3rd edition and toolkits.

Assurance

This Statement has not been audited externally. All the financial data disclosed in this report are presented on a best effort basis. However, key risks, processes and controls related to EMS14001 have been audited by SIRIM. However in 2024, Master-Pack Sarawak was audited by an accredited independent firm SEDEX on the areas pertaining to environment, social and governance bench-mark to international standards and was found to be in compliance.

This Statement have been reviewed by the Audit Committee and approved by the Board.

MEMBERSHIPS

Master-Pack Sdn. Bhd. and Master-Pack Vietnam Co., Ltd. are members of Responsible Business Alliance ("RBA") since 2022. Master-Pack Sarawak Sdn. Bhd. is a member of Supplier Ethical Data Exchange ('SEDEX") since 2016. The respective RBA, SEDEX annual Self-Assessment Questionnaire ("SAQ") reports have been submitted timely as required. In 2024, Master-Pack Group Berhad group of companies joined the United Nations Global Compact ("UNGC"). Master-Pack Sdn. Bhd. and Master-Pack Sarawak Sdn. Bhd. are also members of the Federation of Malaysian Manufacturers.

Master-Pack Sarawak Sdn. Bhd. participated as a member in SIRIM's Resource Efficiency and Industrial Symbiosis Opportunity Assessment ("REISO") Programme (2024-2025) under the Technology-Enabled Support for the Development of Eco-Industrial Park Intervention and Digitalisation Project.

GOVERNANCE

To embed sustainability throughout Master-Pack has to be a commitment from the very top of the organization. Our sustainability governance is led by the Board of Directors who are responsible for considering economic, environment, social and governance matters in the Group's strategies. Our Board is supported by the Sustainability Committee which oversees sustainability matters of the Group, identifying principal risks and business sustainability strategies alongside the Executive Director and General Manager.

2025 Sustainability Committee		
Chairman	Mr. Dharmik Rajkumar Sheth	Independent Non-executive Director
Committee members	Encik Radhi bin Mohamad	Independent Non-executive Director
	Mr. Chew Hock Lin	Non-Independent Non-executive Director
	Mr. Sim Poh Lai	Executive Director
	Mr. Vincent Ting	General Manager
	Ms. Tan Poh Lin	Sustainability Executive

Governance Structure

Below is the sustainability governance structure along with their roles and responsibilities

Governance Structure	Roles & Responsibilities
Board of Directors- Comprise of 5 Independent Non-Executive Directors, 1 Non-Independent Non-Executive Director and 1 Executive Director	• Oversees the integration of business and sustainability strategy and monitors performances; • Oversight on corporate sustainability risks, strategy and performance. The Group Executive Chairman shall be primarily responsible for sustainability matters; • Oversight extends to evaluating economic impacts, supply chain management, social and environment considerations • Ensure the availability of resources, systems and processes to effectively manage sustainability matters.
Sustainability Committee- comprise 2 Independent Non-Executive Directors, 1 Non-Independent Non-Executive Director, Executive Director and General Manager	• Assists the Board in overseeing risk & opportunity, internal controls and processes in managing sustainability matters; • Reviews the yearly Risk and Opportunity Register; • Sets sustainability strategic action, policies and procedures to be implemented across the Group; • Monitors the progress of sustainability matters. • Reviews other Sustainability related reports e.g. FTSE4Good, UNCG COP2025 • The Sustainability Chairman had reported the progress of Sustainability matters discussed to the Board in the quarterly meetings.
General Manager- Chairs the Working Committee and leads the Working Committee	• Driving the implementation of sustainability strategies; • Reports to the Sustainability Committee and is accountable for managing material sustainability matters of the group. • Manages sustainability matters with the support of the Working Committee
Working Committee – comprise management team and representatives from operations, procurement, human resources, management information system and finance	• Responsible for materiality assessment of sustainability risk and opportunities identified, monitoring internal controls, execution of actions and reporting on the progress of sustainability matters; • Reports to the General Manager on sustainability matters; • Compile ESG data and information for reporting including any proposed actions for deliberation of the Sustainability Committee.

GOVERNANCE (CONT'D)

Restructuring of Sustainability Governance

However, in November 2025, the Sustainability Risk Management Committee ("SRMC") was established merging the responsibilities and duties of the Risk Working Committee and the Sustainability Committee. The SRMC duties are primarily responsible to assist the Board in identifying risks and opportunities and its accompanying internal controls of business, operations and sustainability including the strategies, development, implementation and monitoring of sustainability matters. The restructuring improves governance and clarity as procedures are integrated together.

SRMC will report to the Audit Committee on an annual basis on the findings of the review, assessment and updates the Risk & Opportunity Register.

Sustainability Statement

Our Commitments:

- **Act with Integrity:** Adhere to the Master-Pack Code of Conduct, ensuring our employees are treated fairly and ethically.
- **Promote Innovation:** Maintain a management system that fosters continuous innovation and performance improvements through collaboration with customers and suppliers.
- **Support Circular Economy:** Partner with customers to redesign products that extend lifespan and align with circular economy principles.
- **Protect the Environment:** Take proactive measures to prevent pollution and safeguard natural flora and biodiversity from operational impacts.
- **Ensure Workplace Safety:** Reduce occupational hazards by providing regular training and clear communication on health and safety matters.
- **Adopt ESG Practices:** Collaborate with external partners and suppliers to align with ESG practices and conform to the Master-Pack Supplier Code of Conduct.
- **Develop Talent:** Invest in employee development, focusing on sustainability's role in daily operations.
- **Enhance Operational Efficiency:** Operate facilities with a focus on reducing GHG emissions, conserving water, and complying with all regulatory requirements.
- **Engage with Communities:** Contribute to the communities where we operate through sponsorship, participation, and active involvement.
- **Create Economic Value:** Implement mid-term and long-term growth roadmaps that generate enduring economic value.

We will take steps to continue adapting, evolving and integrating sustainable practices into the Group's working environment and work culture to ensure the Group's business continuity and competitiveness. We practice business process and strategies taking into consideration the EESG values which brings positive impact on the community, economy and environment. Hence, the Board is committed to accountability, transparency and sustainability performance of our business.

STAKEHOLDERS ENGAGEMENT

The Group recognizes the importance of engagement with stakeholders that are affected by our operations. As such the Group continuously communicates with all stakeholders in order to work together in creating synergy, inspiring trust and building relationships with partners in the supply chain. Most importantly stakeholders' engagement pursued by the Group is based on ethical business practices and effective governance. The Board and the top management lead the corporate culture with intentional integrity and is guided by the Master-Pack Code of Business Conduct and the Anti-Bribery and Anti-Corruption polices.

The management reaches out to stakeholders through a variety of ways to listen, understand and respond to stakeholder's expectations, needs and concerns. Feedback from stakeholders helps us in our business strategy as well as in prioritizing our sustainability goals.

Master-Pack recognizes the importance of continually engaging with stakeholders as an integral part of the company's process in its business developments, operations and financial performance and will respond to their concern accordingly.

STAKEHOLDERS ENGAGEMENT (CONT'D)

Stakeholders' engagement on sustainability topics and type of engagement

STAKEHOLDERS	SUSTAINABILITY TOPICS	TYPE OF ENGAGEMENT	Frequency
Customers	• Product, Quality and Service performance • Operation in compliance with applicable laws • Productivity, service & quality Improvements • Timely delivery • Demonstration of good ESG adherence and practices	• Performance Review • Virtual / physical customer audits at our premises • Virtual networking session • Master-Pack website • Customer Satisfaction Feedback Survey • Business Review	• On-going • On-going • On-going • On-going • Annually • Annually
Employees	• Communication and engagement • Safe and healthy working condition and employee welfare • Employee Satisfaction • Operation in compliance with applicable laws and standards • Diversity an equal opportunity for career advancement	• Intranet/ Internal memo • Employee surveys / training • Physical employee assemblies / briefings • Training and development • Appraisal and Performance Reviews • Employee Service Awards and Recognition • Social event- physically	• On-going • Annually • Quarterly • On-going • Bi-Annually • Annually • Annually
Suppliers	• Supplier's performance review • Communication of product quality and delivery service • Practices on ethical conduct and compliance • Environment, safety & health and Governance • Social Governance matters on diversity, equity and human rights	• Supplier selection -pre-qualification • Regular communication verbally and emails • Supplier ratings • Supplier audits • Acknowledgement from supplier to adhere to Master-Pack Supplier Code of Conduct • Supplier trainings	• On-going • On-going • Annually • On-going • As required • As required
Investors / Financiers / Shareholders	• Business /Financial Performance • Operations, business outlook in compliance with the market and applicable laws and regulations • Demonstration of good ESG adherence and practices • Timely and accurate announcements and information on company's website	• Annual Report and Quarterly Results Announcements • Annual General Meetings • Master-Pack Website	• Quarterly/ Annually • Annually • Ongoing
Government & Regulators	• Regulatory Compliance • Good corporate governance practices	• Site Visits and Inspection • Audits • Meeting and engagement sessions	• As required • As required • As required
Community	• Environment protection • Compliance with applicable laws • Local community involvement	• Sponsorship and donations • Participation in sponsorship events	• Ongoing • As required

MATERIALITY ASSESSMENT

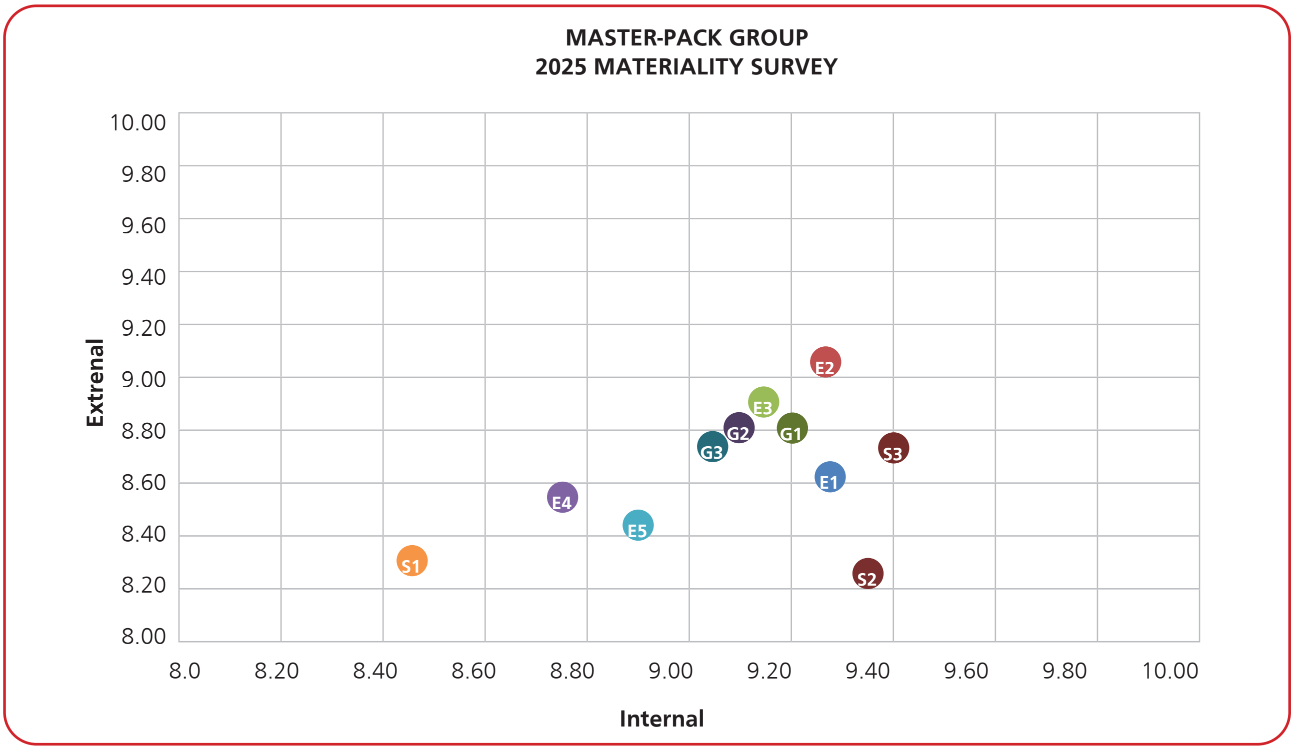
We assess our material issues to continually increase the maturity of our approach in managing the sustainability risks and opportunities posed to our business. This helps to ensure that we prioritize the issues that have the greatest impact on the economy, the environment and the society.

Our materiality assessment process enables us to identify and assess key risks and opportunities to ensure long term sustainable growth. The assessment involves evaluating the significance of each sustainability matter based on its severity of impact and frequency of occurrence to the Group.

1. Understanding and identification	2. Categorization and Prioritization	3. Materiality Assessment and Validation	4. Process review
• Understand sustainability matters related to business operations	• Categorize and prioritize key sustainability matters	• Perform materiality matrix on the stakeholder's influence assessment against internal business sustainability assessment	• Evaluate the materiality assessment process against the outcomes
• Determine key stakeholders and their concerns	• Plan possible actions and report on the key sustainability matters	• Validate the identified material matters base on materiality, perform monitoring and managing sustainability matters which have the most significant impact	• Re-assess and re-evaluate the process to achieve the desired outcomes, when necessary

The materiality assessment process generates the materiality matrix, a visual representation of the Group priorities. Each material sustainability matter reflects the concerns and interests of stakeholder groups.

The top 11 material matters identified remain the same as prior year. The inputs gathered were tabulated and plotted on a materiality matrix as shown below to illustrate the significance of each material matter base on the level of prioritization to our Group and our stakeholders.



MATERIALITY ASSESSMENT (CONT'D)

	LEGENDS	POINTS	
ECONOMIC	Economic Performance	E1	Continued financial stability, ability to distribute dividends, pay suppliers and employees and regulatory bodies. Includes adapting to changing market condition, maintaining competitiveness through innovation and production efficiency
	Products and Services	E2	Delivering high quality products, valued services and support in cost effective manner
	Business Growth and Progressive Innovation	E3	Sustainable business growth and developing innovative solutions to meet customer's specifications
ENVIRONMENT	3Rs	E4	To train, encourage and implement the concept of 3Rs into the employee's work environment as well as private household environment. Thereby reducing the waste send to the landfill or incineration which may cause unhealthy emissions.
	Energy Consumption & Efficiency	E5	Efforts to track, monitor, and improve energy consumption efficiency in its business operation. Also covers the investment and implementation to switch to using a cleaner energy source.
SOCIAL	Community Investment	S1	Corporate Social responsibility initiatives namely donations and sponsorship activities for the communities in which it operates focusing on poverty and education for the under privileged
	Gender Equality, Equity and Inclusiveness	S2	Aim at attracting and retaining talent by cultivating an inclusive working environment for its workforce; where gender equality, pay equity, diversity, trust, respect becomes part of the work culture ethics
	Safety and Health	S3	Efforts to identify risks, implement action plans and regularly monitor safety and health in the work environment as well as meeting the regulatory standards as required.
GOVERNANCE	Business Ethics and Transparency	G1	Uphold high standards of integrity, governance and adhere to professional ethical standards as in the industry norm
	Cyber Security and Data Privacy	G2	Policies and implementation of standard operating procedures to protect confidentiality, integrity of information and transactions relating to business, operations, customers, strategic partners and any person that the company comes in contact.
	Supply Chain Management	G3	Managing our relationships with supplier through fair procurement practices and ensuring they comply with the Supplier Code of Conduct ESG requirements and responsibilities

ECONOMICS

The Board and Management shall continue to strive relentlessly towards long term business profitability and growth whilst sustaining our presence as the Preferred Packaging Supplier within the niche packaging market.

Master-Pack creates sustainable value for its customer, the supply chain, shareholders and other stakeholders to whom derived economic value is distributed. The economic value distribution derive are taxes for the government, compensation and benefits for the employees, dividends for the shareholders, raw material and service prices for the suppliers and service providers. Part of the value earned is retained in the Group for capital investments and to maintain leverage against capital market fluctuations.

Please refer to the Management Discussion section of the 2025 Annual Report for the Synopsis of Master-Pack Group data facts on Financial Performance for 2025.

ECONOMICS (CONT'D)

Commitment to Quality & Productivity

Having the latest revision of ISO 9001 :2015 certification is a testament that we continue to uphold a consistent quality standard of our products. In 2025, our factory in Vietnam obtained certification of ISO 14001:2015 a testament to Master-Pack's commitment to be environmentally friendly in the way operations are managed. All three subsidiaries are certified with ISO 9001:2015 and ISO 14001:2015.

A comprehensive quality management system framework has been established to ensure customers that quality assurance policies and procedures are in place to address product quality and reliability on regular basis as well as improving work efficiency.

All our products are subject to monitoring and quality control checks during different stages of production. Thereafter, our products are delivered on timely basis and met the customer's expectation in order to build customer's confidence and trust.

Product and services responsibility

Basically, our products are manufactured customized to the requirements of our customers. Corrugated cartons and wooden packaging manufactured by our Company's plants are fully recyclable products. Our packaging is designed holistically with the product of our clients in mind in order to optimize overall environment performance. The packaging that we produce would be designed to be effective, beneficial and safe for users and communities throughout its life cycle.

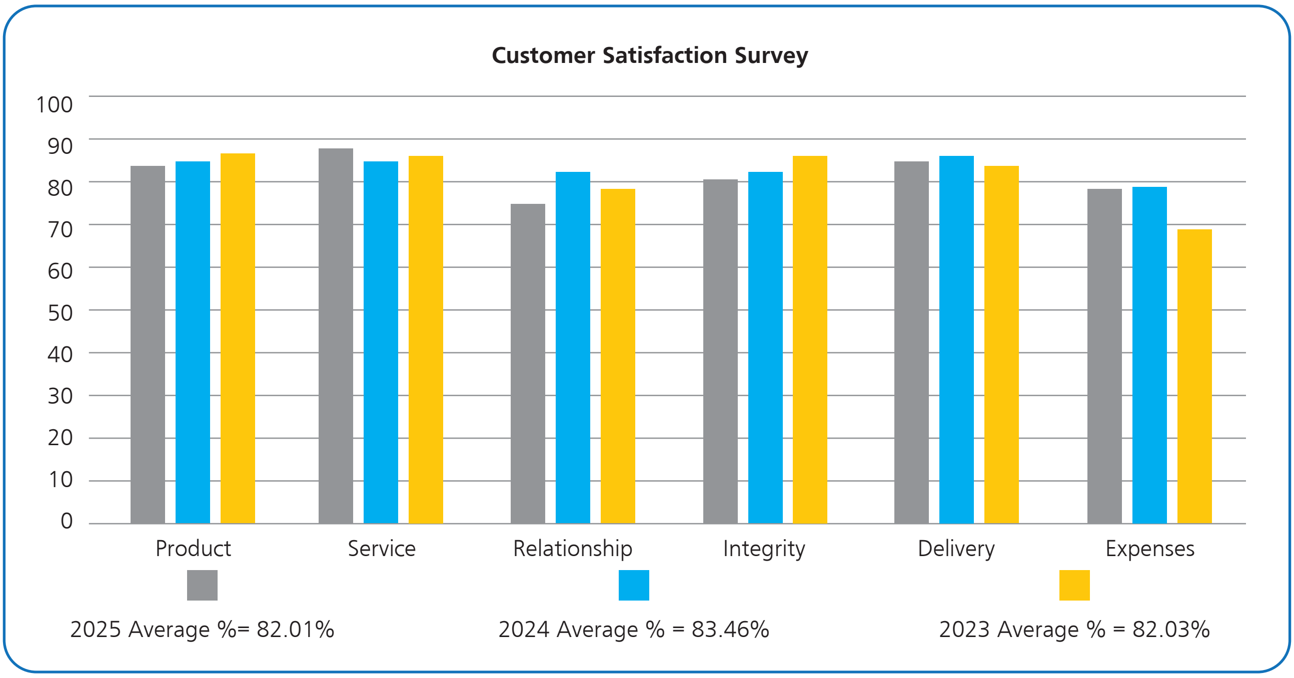
We do not sell direct to consumers nor are the products sold on retail basis. Carton boxes made from paper are fully recyclable. The product lifespan will be much dependent on conditions during use and storage of the product which is not within the company's control once the product is delivered into the hands of the customers. As a general rule, the company's product responsibility ends once the products are delivered and received by the customers.

Customer Satisfaction

MPGB Sustainability Targets	Target	Results
	80% customer satisfaction rating	82.01%

The sales team is committed to continuously strive to improve our level of service, quality and product excellence. The team continues to focus, listen and pay attention to the smallest details in our pursuit to achieve total customer satisfaction. Most of all, it takes team effort to serve the interest of customers from various industries, catering to the individual requirements of each company.

Annually we conduct customer survey to assess customer satisfaction with the aim of improving quality service and concerns.



ECONOMICS (CONT'D)

Sustainable Supply Chain & Sourcing

Master-Pack understands that ethical sourcing and responsible supply management is important to procurement decisions.

Our primary raw material, paper fibre, is a renewable resource. We are committed to ensuring its sustainability. Globally, corrugated content averages approximately 73% recycled material, the highest rate of any packaging product. In line with our Sustainability Policy and our commitments, we rigorously assess our suppliers on quality, delivery, and ethical practices. We are committed to sourcing paper only from suppliers who adhere to Forest Stewardship Council (FSC) standards and relevant environmental legislation. Furthermore, all manufacturing paper waste is sold back to mills for recycling, closing the loop in our material lifecycle.

Supply Chain Management

Our suppliers are selected in accordance with our established procurement process which includes technical and commercial evaluation as well as eventual product acceptance by our customers. We are continually refining our procurement standards to respond to changes in the regulatory environment and new product requirement. Our Supplier Code of Conduct policy have been updated in 2025 to be aligned with our expectations of our suppliers' conformance. The suppliers are required to read and understand the terms contained therein and pledge a commitment to abide by the terms set forth in the Master-Pack's Supplier Code of Conduct. This creates clarity around the standards to be met. We count on reliable supplier relationship and also support our suppliers in implementing our requirements.

Master-Pack Supplier Code of Conduct available on https://master.net.my/investor-relations/vendor-supplier-code-of-conduct/ outlines our expectation and guidelines with respect to responsible sourcing including commitments to human rights, the environment, health and safety and business ethics. The Supplier Code of Conduct is also available in English and Vietnamese catering to our business operation in Malaysia and Vietnam. The intention of this Supplier Code of Conduct is to increase awareness and improve transparency, economic, environment, social and governance adherence and the integrity of Master-Pack's supply chain. All our key material suppliers and contractors had agreed to adhere to our Supplier Code of Conduct by signing the letter of acknowledgement that they have read and understood the terms set forth and pledge a commitment to abide by the terms of the Master-Pack Supplier Code of Conduct.

The Group have not identified or received reports of any potential violations by suppliers on the Supplier Code of Conduct for the year under review.

Our procurement team encourages our business partners to make continuous improvements toward sustainable business conduct.

Local Supply Chain

We emphasize our business needs for materials in local procurement while taking into consideration to establish a secure, reliable and cost-effective supply chain that conforms to our required standards of product quality, pricing, delivery and technical support services. The suppliers supplying raw materials are require to demonstrate compliance to RoHs and REACH requirements. Our raw material purchases that we procure both locally and some overseas are customized for our major customers.

	2023	2024	2025
Local material purchases (excluding services)	59%	64%	63%

We are committed and give first priority to source our material purchases locally. However, there are still materials which are not available locally or does not meet the specification and quality standards set by our customers and as a result have to be imported. We continue our pursuit to manage our customer's expectation levels on locally available materials and if possible, to replace with local materials.

Environmental and Social Assessment in Supply Chain

The Supplier Code of Conduct was updated in 2025 and is available in the company's website. In addition to obtaining supplier's pledge commitment to abide by the terms set forth in the Master-Pack's Supplier Code of Conduct, a Supplier's Self-assessment Questionnaire on the areas of environment, social and governance aspect were circulated during the year to major suppliers to obtain feedback on their adherence to the Supplier Code of Conduct. Audit visits to supplier's premise shall be arranged in the near future.

Master-Pack Vietnam also organized training for our Vietnamese suppliers on the Responsible Business Alliance Code requirements.

ECONOMICS (CONT'D)

Conflict-Free Minerals Policy & Raw Materials Sourcing

We do not procure or use in our production processes any of the supplies that contain the 3TG raw material. In other words, we are not part of the supply chain on raw material and products that could possibly benefit armed groups in the Democratic Republic of Congo and adjoining countries. We will continue to be vigilant in our raw material sourcing to ensure that conflict-free mineral remains not applicable to our Company.

Tax Governance

Taxation is important for Master-Pack and for our stakeholders. The Group continuously monitors and manage tax matters. We formulate our tax strategy based on the local tax regulatory requirements in both Malaysia and Vietnam. Our tax strategy is incorporated into audited financial statements which are audited by external auditors and approved by the Board of Directors with recommendation from Audit Committee.

ENVIRONMENT

The ongoing discussions globally and calls for companies to act on climate change has accelerated the transition to low carbon products and services. To this tune, responsible environment stewardship is no longer on voluntary basis but is now critical to future proof any manufacturing business.

As an environmentally conscious company, Master-Pack is committed to protecting the environment and mitigating the impacts of climate change. The major environment impacts from Master-Pack's business operations are related to energy, waste production and logistics.

We are committed to complying with all applicable environment laws and regulations.

	2023	2024	2025
Penalties and Sanction on non-compliance to environment regulations	0	0	0

Environment Permits and Reporting

All required environmental permits, approvals and registrations are obtained, maintained and kept up to-date. Reporting requirements in compliance to regulations are duly adhered to.

Pollution Prevention and Resource Reduction

The use of resources and generation of waste including water and energy, are tracked and monitored and where applicable control actions are taken to reduce consumption such as steam recycling and recycling of waste materials.

Hazardous Substance

All hazardous chemicals and other materials harmful to the environment are identified and appropriately handled during use, in storage and for disposal.

Wastewater and Solid Waste

Wastewater and solid waste generated from operations such as ink flakes and sanitation facilities are monitored, controlled and treated.

Licensed waste collectors are engaged by the company to ensure waste undergo proper disposal and appropriate recycling. Paper core and scraps form the major bulk of waste generated and these scraps are fully recycled as they are collected and ultimately sold back to paper mills.

ENVIRONMENT (CONT'D)

Air Emissions

Air emissions are tested per DOE requirements

Material Restrictions

Adherence to all applicable laws, regulations and customer requirements regarding prohibition on material restrictions and in compliance to the law.

Storm Water Management

Preventive measures are in place at all times to prevent storm water contamination including discharge and spills from entering public drain. Periodic testing is conducted.

Energy Management

We commit to transition to using energy which are produce by eco-friendly technology and resources such as electricity from hydro power plants and solar power panels as much as possible.

In East Malaysia, Master-Pack Sarawak Sdn. Bhd. 100% electricity source although purchase from Sarawak Energy is mainly powered by renewal hydro power. In Vietnam, 49% of the electricity consume in 2 of our warehouses are powered by solar panels installed by the industrial park management. In West Malaysia, Master-Pack Sdn. Bhd. solar power panels were installed and commissioned only in November 2025. It is projected that in the ensuing year approximately 80-85% of electricity consumption will be from renewal sources.

Majority of the electricity consumption is utilized by production machinery and facilities equipment. We recognize the importance of properly managing and regulating energy consumption as part of cost measurement.

Total Energy Consumption

	Unit	2023	2024	2025
Electricity	MWh	1592	1624*[1]	1418
Energy intensity	(MWh/ RM'000)	0.0318	0.0103	0.014

	Unit	2023	2024	2025
Gas consumption	M3	192,030	190,503	192,261
Petrol	Litre	27,403	28,651*[1]	26,378
Diesel	Litre	237	206	205

*[1] reinstated add reclassification of petrol from company own car

High energy lightings in the workplace had already been changed to energy saving lightings for all production sites. During lunch breaks, we inculcate a habit of asking workers to switch off air-conditioners and lightings and non-operating machines to save energy. The higher recording of electricity in the year 2024 is inclusive of all operational plants, rented warehouses and hostel which the hostel data was not collected in the previous year. We have been able to recycle steam which is normally release during production back to operation process resulting in a reduction of energy and water consumption.

Energy intensity increases due to the decrease in revenue in the financial year 2025.

Gas consumption increases due to high frequency of intermittently machine stoppages for changeover compared to long machine run-time and less frequent stoppages.

ENVIRONMENT (CONT'D)

Water

	Unit	2023	2024	2025
Water Usage per meter	Megalitres	9.81	15.02	14.59
Treated Effluent water discharge	litres	0	0	0

Water is supplied by the municipal district of each Malaysian manufacturing operations sites. In Vietnam, the water usage is charge by the management of the industrial park. The group does not withdraw water from any natural water resources such as natural springs, streams or well water. All operations are not located in water stress areas. Waste water from washing printer ink or industrial water effluent is heat treated to become dry solid flakes before disposal as scheduled waste.

Understanding the importance and how valuable water is to this planet, it is our commitment to take proactive measures to reduce the consumption of water in our business operations.

	Unit	2025
Rain Water Harvesting	Megalitres	0.664

Base year 2024 target 0.057 litres per headcount	Unit	2023	2024	2025
Average Water Usage per Headcount	litres	0.039	0.057	0.056

Water is mainly used for cleaning and personnel hygiene. Base on the successful implementation of rain water harvesting as well as enabling water storage during seasonal dry period, the operating plant in Bukit Panchor initiated the installation of a larger capacity tank in an effort to further reduce water consumption and be ready for water shortage during the dry season. Rain water harvesting implemented in both East and West Malaysia are basically for lavatory/ sanitary usage only therefore is not recycled for reuse. All lavatories have been modified to reduce water usage per single flush.

GHG Emissions Management

MPGB Sustainability Targets	Based year target 2023 Scope 1 & 2 - tCO2e 1,767	Results
	6% GHG reduction by 2026	On track

Our operation GHG emissions are measured and disclosed as follows:-

Scope 1 refers to direct GHG emissions from the activities in our organization including mobile combustion such as petrol and diesel consume by Company's owned forklifts and company owned motor vehicle.

Scope 2 refers to indirect GHG emissions from consumption of electricity. The purchased electricity is primarily used to operate production machinery, facility equipment and office equipment.

GHG Emissions	Unit	2023	2024	2025
Scope1	tCO2e	1,060	977	956
Scope 2	tCO2e	707*	726*	576
Scope 1 & 2	tCO2e	1,767*	1,703*	1,532
Scope 1 Intensity	tCO2e/RM'000	0.0232	0.0223	0.0248
Scope 2 Intensity	tCO2e/RM'000	0.0111*	0.0119*	0.0144
Scope 1 & 2 Intensity	tCO2e/RM'000	0.0343*	0.0342*	0.0392

ENVIRONMENT (CONT'D)

GHG Emissions Management

Note:

a) West Malaysia:- the emission scope is calculated using the emission factor obtained from TNB Annual Report Greenhouse Gas Emission Intensity of CO2 emissions .

  * The figures were reinstated based on the latest TNB emission factor available for year 2023 : 0.758 2024: 0.74 (prov) 2025 :0.74 (prov)

b) East Malaysia :- the emission scope is calculated using the emission factor obtained from the Sarawak Energy Annual Report Greenhouse Gas Emission Intensity of CO2 emissions. Sarawak electricity is generated predominantly from renewable hydro power from a clean source.

  In the year 2025, East Malaysia purchased a Renewable Energy Certificate to offset the scope 2 GHG emissions totaling 500 (2024 : 500) MWh of electricity generation from a Production Asset.

c) Vietnam:- the emission scope is calculated using the emission factor announcement from Vietnam Electricity . For the year 2025, 49% (2024 :47%) of the electricity consume in Master-Pack Vietnam operations are supplied via solar power generation which is installed by the industrial park management.

The increase in both Scope 1 & 2 intensity is due to the decrease in revenue and production volume.

Scope 3

Employee commuting GHG is in accordance to the types of vehicles used by employees and the number of days employees commute to work. Basically , majority of the employees employed live within the radius of 20km from the operating plant. In addition, our foreign workers cycles to work daily as such out GHG of employee commuting is relatively low.

GHG Emissions scope 3	Unit	2024	2025
Employee Commuting	tCO2e	247.09*	230.92
Business Travel	tCo2e		61.32

• Reinstated as company own vehicle reclassified to Energy utilization of petrol

Master-Pack business operations do not produce any Nitrogen Oxides ("NOx") and Sulphur Oxides ("Sox") emissions as our business activities does not involve biomass combustion.

Waste Management

3Rs

The Group has incorporated the 3Rs(Reduce, Reuse and Recycle) principle into its manufacturing process, established energy and resources management system to better utilize the resources in its manufacturing process, aiming to reduce energy consumption, minimize waste production and recycling waste to ensure it does not end up in the landfills.

These commitments are embedded and set forth in our Environment Management System registered with ISO14001. The adoption of this standard underlies our commitment to safeguarding the environment which can be seen from our effort in obtaining the environment permits, pollution prevention, resource reduction of hazardous substances, minimize the energy consumption and greenhouses gas emissions.

All operating sites in Malaysia and Vietnam are fully certified with ISO14001 :2015.

Corrugated cartons manufactured are fully recyclable products. Our 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 inculcating ESG, as it is easily recycled. We continuously work with customers to best design corrugated carton boxes that minimized superfluous material/ over design. In addition, the Group's office and production departments proactively collect all scrap papers, production rejects and waste material for recycling.

ENVIRONMENT (CONT'D)

Waste Management (Cont'd)

3Rs (Cont'd)

	Unit	2023	2024	2025
Paper recycled	MT	1,626	1,532	1,532
Wood recycled	MT	308	353	156
Total Diverted from disposal and recycled	MT	1,934	1,885	1,688

Paper is resold back to a waste collector where ultimately ends up at the paper mills for reprocessing to new paper. Wood is also resold back to the waste collector to be recycled into saw dust pellets used in boilers. The reduction in paper and wood recycled is due to lower production volume in 2025.

Directed to Landfill	Unit	2024	2025
Garbage dispose	MT	137.39	108.76

Garbage directed to the land fill is in accordance to the reports received from the City Council's appointed agents.

	Unit	2024	2025
Scheduled Waste for incineration and recovery	MT	15.67	22.33

The above scheduled waste have been identified, categorized, collected and paid to licensed waste collectors for proper disposal.

SOCIAL

MPGB Sustainability Targets	Target	Results
	80% local job employment	80%
	Employment to women >25%	28%

Workforce Overview

Gender Group by Employee Category		Percentage %		
		2023	2024	2025
Male	Management	58	59	56
Female	Management	42	41	44
Male	Executive	56	55	52
Female	Executive	44	45	48
Male	Non-exempt	55	51	50
Female	Non-exempt	45	49	50
Male	General Worker	88	88	90
Female	General Worker	12	12	10
Age Group by Employee Category		**Percentage %**		
		2023	**2024**	**2025**
Management	Under 30 years	0	0	0
	Between 30-50	41	41	33
	Above 50 years	59	59	67
Executive	Under 30 years	5	4	0
	Between 30-50	67	64	70
	Above 50 years	28	32	30
Non-exempt	Under 30 years	4	6	8
	Between 30-50	69	67	65
	Above 50 years	27	27	27
General Worker	Under 30 years	46	42	41
	Between 30-50	44	47	48
	Above 50 years	10	11	11
Employment Type By Gender		**Percentage %**		
		2023	**2024**	**2025**
Male	Permanent	45	43	46
	Contractual	19	21	20
	above 60 years on contract	3	3	4
	Sub-contractor	6	6	2
Female	Permanent	22	23	23
	Contractual	0	0	0
	above 60 years on contract	3	3	4
	Sub-contractor	1	1	1

SOCIAL (CONT'D)

Total number of employee turnover by employee category	Headcount Number		
	2023	2024	2025
Management	0	1	1
Executive	1	0	5
Non-exempt	8	10	8
General Worker	44	17	44
Total	**53**	**28**	**58**
Male	47	21	47
Female	6	7	11

Even with the minimum wage implementation in February 2025, Sarawak subsidiary had an increase in the turnover of local male general workers due to better opportunities in the employment market.

Board Overview

Directors by gender and Age Group	FY2023%	FY 2024 %	FY 2025%
Male	67	67	71
Female	33	33	29
Under 30 years	0	0	0
Between 30-50	17	17	14
Above 50 years	83	83	86

Target	Results
30% of women on board	Achieved 29% of women on board
Majority of the board consists of Independent Director	Achieved 71% board members consists of Independent Directors
Tenure of Independent Directors does not exceed 9 years tenure	In compliance as Independent Directors tenure did not exceed 9 years

Our Commitment to Human Capital

We believe human capital is fundamental to our success. Our high-performance culture is built on a foundation of mentoring, performance and delivery, guided by our core values of innovation, unity, loyalty, integrity, and professionalism. These values, along with a deep commitment to teamwork, are reflected in our daily work practices.

Non-Discrimination and Equal Opportunities

We adopt a general policy of fairness and non-discrimination, believing in providing equal opportunity for all employees in recruitment, career development, promotion, training and reward, regardless of age, gender, race, religion, sexual orientation, or disability.

Career progression is based solely on merit. Employees who consistently perform well and acquire the correct skills are promoted, irrespective of their service tenure, gender, race, nationality, or disability.

Our commitment to this principle is demonstrated through our workforce:

- Differently-Abled Employees: We employ two full-time staff identified as differently abled, with 29 and 9 years of service, respectively. Both have successfully integrated into our culture and have been promoted through the ranks to supervisory positions.
- Women in Leadership: Challenging industry norms, our Plant Manager position in East Malaysia is held by a female, a role predominantly held by men in most manufacturing companies.
- Succession Planning: We actively practice succession planning, with a pipeline of women executives currently being groomed for promotion to department heads in their respective functions.

Personal development is key to our promotion process. During our half-yearly performance evaluations, we assess employees' participation in programs focused on technical skills, productivity, and leadership to identify candidates for advancement.

SOCIAL (CONT'D)

Equal Pay for Equal Work

Master-Pack adheres to a strict policy of fair compensation. We consistently pay wages and salaries that meet or exceed legal minimum standards, and we promptly adjusted all wages to comply with the Minimum Wage Order 2024, which took effect on 1 February 2025. In addition to base pay, all employees are eligible for an annual bonus.

Our commitment to "Equal Pay for Equal Work" extends to all, including our foreign workers from countries like Bangladesh, Nepal and Indonesia. We ensure they enjoy the same privileges as local employees, including:

- Same public holidays
- Same salary scales
- Same company benefits (e.g., service awards, annual dinners)

This principle is also the standard for all new recruits, whether fresh school leavers or graduates entering the workforce for the first time.

Human Rights and Welfare

The welfare and rights of our employees are paramount. This commitment is regularly validated by independent audits.

- In 2025, our outsourced internal audit reviewed the welfare and benefits for Master-Pack Sdn. Bhd. and reported directly to the Audit Committee that the company was in full compliance with all regulatory requirements on employee rights, welfare, and benefits.
- In 2024, Master-Pack Sarawak underwent an independent audit by SEDEX, an accredited firm, benchmarking our practices against international standards for environment, social, and governance (ESG) criteria. We were found to be in full compliance.
- In 2023, a similar internal audit of Master-Pack Vietnam confirmed our compliance with all local authorities' requirements. Furthermore, our Vietnam team enjoys additional benefits aligned with Group policy, including 5-year service awards, bonuses exceeding the contractual minimum, annual company trips, and gifts for employees' newborns.

All employees are entitled to a comprehensive benefits package that includes:

- Medical benefits
- Insurance coverage for personal accident and group hospitalization
- Birthday gifts
- Uniform and personal protective equipment (PPE)
- Annual and special leave (e.g., hospitalization, compassionate, maternity, paternity)

Empowering Working Parents: We support working parents by providing paid maternity and paternity leave to all eligible employees, in accordance with the Employment Act.

Work-Life Balance and Culture:

- In Malaysia, we observed 17 public holidays in FY2025, while our Vietnam team enjoyed 11 public holidays.
- Effective November 2024, we revised the working week for office employees in Malaysia from 5.5 days to a 5-day work week, a change welcomed by staff as it enhances work-life balance. All working hours remain in compliance with the 45-hour work week stipulated in the Employment Act 2022.
- We respect and accommodate religious practices, adjusting working hours for our Muslim workers during the month of Ramadan.
- Our tradition of recognizing loyalty and contribution continued in 2025 with employee service awards presented at the Annual Dinner for every 5th year of service. Recipients included migrant workers celebrating their 5th and 10-year anniversaries.
- In 2025, we continued our tradition of hosting annual dinners, with events held at our factories for West Malaysian plants and at restaurants for our East Malaysian and Vietnam teams. Photos of these events are available on our company website.

Right to Freedom of Association

We respect the right of all employees to freedom of association, as provided by law. We are committed to maintaining an open and transparent dialogue with our employees to foster a positive and collaborative working environment.

SOCIAL (CONT'D)

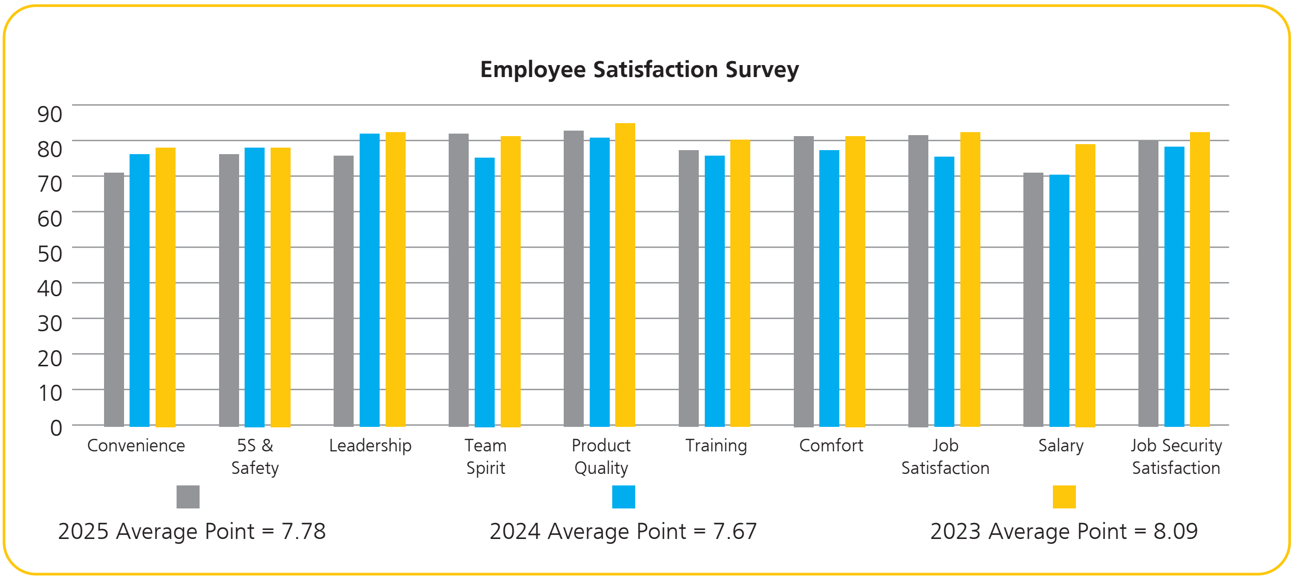
Employee Engagement

We believe a highly engaged workforce is a vital contributor to the Group's success. To foster closer relationships and build team spirit, we regularly hold "town hall" sessions in all the three operational plants and organize team-building activities. These initiatives ensure every employee feels heard, valued, and connected to our shared goals.

These are among some of the events organized and held during the year 2025 in the 3 subsidiaries (event photos are available at www.master.net.my) :-

Date	Event	Activity
19 January 2025	Annual Dinner	Celebrating Tet in Master-Pack Vietnam with employees
8 March 2025	Recognition of Women Day	Recognition of Women Day in Master-Pack Vietnam with women employees
26 March 2025	Hari Raya Town Hall	2-way communication with employees. Distribution of birthday gifts together with pack food and beverage in celebration of Hari Raya Adilfitri in Master-Pack Sdn. Bhd.
May to August 2025	Vegetable Farming	Master-Pack Sdn. Bhd. - vegetable farming harvest is sold back to the employees at below market prices.
24 May 2025	Safety Training	First Aid Program training by government hospital officials in Master-Pack Vietnam
10 June 2025	EPF briefing	Training by EPF officers on benefits and entitlement to employees in Master-Pack Sd, Bhd.
9 & 10 July 2025	Team Building	Team Building for Master-Pack Sarawak Sdn. Bhd.
27 September 2025	Annual Dinner	Celebrated Annual Dinner with employees at the Master-Pack Sdn. Bhd factory premise.
9 October 2025	Annual Dinner	Celebrated Master-Pack Sarawak Sdn. Bhd. Annual Dinner with employees at a restaurant.
15 October 2025	Town Hall	2-way communication with employees. Distribution of birthday gifts together with pack food and beverage in celebrating Deepavali in Master-Pack Sdn. Bhd.
8 December 2025	Safety Training	Activities on safety procedures including briefing by Fire and Rescue Department or BOMBA

We continue to conduct employee satisfaction survey on an annual basis to analyse the employee's responses as well as to make improvements in our efforts to retain a highly committed and productive workforce.



SOCIAL (CONT'D)

Respect of Labour and Human Rights

Master-Pack is committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community with Responsible Business Alliance ("RBA"), which we are a member.

The Master-Pack group's policy in labour and human rights is in compliance with the Employment Act 1955, Amendment 2022, Sarawak Labour Ordinance which follows the International Labour Convention. In Vietnam, the Labor Code is applied. This will apply to all direct employees, migrant workers, contract workers as well as suppliers and subcontractors acting on our behalf.

The Group is committed to fostering an inclusive environment where everyone is treated with respect, trust and dignity. As such the management promotes a conducive working cultural environment; all employees are treated with equal conduct and values and not subject to any harsh or inhumane treatment. We have zero tolerance for discrimination, workplace bullying and harassment and are committed to creating a respectful and harmonious workplace for everyone.

The recruitment practices adopted by the group ensures that all newly recruited employees must be of age 18 years or above. The Group practices a "No Recruitment Fee" in recruiting migrant workers and the company policy are made known at the initial stage of pre-employment. Any other costs such as recruiting fees and related fees incurred at any stage of recruitment process whether by us or our agents in the receiving and sending countries shall not be charged to workers.

We are committed to respecting the labour and human rights of our employees through the following principles, which are clearly stated in the Company's Business Code of Conduct.

FREELY CHOSEN EMPLOYMENT	The Group does not use forced, bonded (including debt bondage), indentured or involuntary prison labour. All employees shall be provided a written employment letter, where applicable in their native language, comprising the terms and conditions of employment. All employees are free to leave work or terminate their contract of service by giving the standard termination notice according to their terms of employment. There are no unreasonable restrictions on workers freedom to enter or exit company premises including workers living quarters. We only hire foreign workers with legal work permits and they have free access to their passports at all times. Employees are free to associate themselves with any group to communicate and share ideas and concerns with management without fear of discrimination, reprisal, intimidation or harassment. Open communication and direct engagements between workers and management are practice during "Town Hall" meetings
YOUNG WORKERS	The Group prohibits the hiring of child labour in all of its company sites. Recruitment procedure requires age verification prior to hiring adhering strictly to the minimum age of eighteen (18) years of age as imposed by local and international regulations.
EQUAL OPPORTUNITIES AND NON-DISCRIMINATION	The group provides equal opportunities to all and endeavours to ensure employment related decisions are based on relevant qualifications, merit, performance, and other job-related factors and in compliance with applicable laws and regulations. We do not discriminate on the basis of gender, race, nationality or ethnicity, religion, age, disability or sexual orientation or marital status unless specific laws or regulations expressively provide for selection according to specific criteria.
WORKING HOURS	Working hours are in accordance with the Employment Act, Labour Ordinance and Labor Law of the state or country in which the business operations reside. Overtime is on voluntary basis. At the end of each wage period, employees are provided with a payslip or statement of wages
WAGES AND BENEFITS	Compensation and benefits paid to employees comply with applicable laws including minimum wages, overtime hours and mandated regulatory contributions. We do not impose wage deduction as a disciplinary measure.
HUMANE TREATMENT	Any type of harassment and violence is prohibited. These actions or behaviours include derogatory comments based on gender, racial or ethnic characteristics, unwelcomed sexual advances, spreading of malicious rumours or by use of emails, voicemails and other forms of communications channels to transmit derogatory, defamatory or discriminatory materials. This applies not only to our own co-workers but also to customers and suppliers as well.
FREEDOM OF ASSOCIATION	It is in our culture to adopt open communication and direct engagement between workers and management as we believe that any issues can be resolved amicably between parties in our environment of respect and trust. Our doors are always open for employees to communicate and share grievances with management regarding working conditions without the fear of reprisal, intimidation or harassment. We also respect the rights of workers to associate freely, seek representation and join workers' council in accordance with the local laws.

SOCIAL (CONT'D)

Number of substantiated complaints concerning human rights violations	2023	2024	2025
Discrimination and harassment incidents reported	0	0	0
Grievance related incidents reported	0	0	0
Child labour incidents	0	0	0
Forced or compulsory labour incidents	0	0	0
Full time employees identify as differently abled employee	2#	2	2

Reinstated

Safety and Health

The Master-Pack Group of Companies are committed to continuously improve in providing safe and healthy work environments, processes and practices to achieve zero work-related injuries or illness to our employees, vendors and visitors

The Board namely the Group Executive Chairman together with the top management takes responsibility for the safe and healthy work environment of the Group.

At Master-Pack the individual subsidiaries have their own Safety & Health Committee to safeguard, manage, discuss and report areas related to Master-Pack's safety and health. These Committee's comprise representatives from management and workers. In compliance with OSHA 2022 (Section 29A) regulations, both Master-Pack Sdn. Bhd. and Master-Pack Sarawak Sdn. Bhd. have employees who had undergone the required training and are duly registered as OSH-Coordinator with DOSH.

The Board reviews the reports from the Safety & Health Committee of each subsidiary implementing a safe, healthy and environmentally friendly work practices on a yearly basis.

It is essential that employees at all levels commit to put into practice as part of their daily work routine safety and health steps put in place.

Some of the ongoing activities during the year are as follows:

- Conduct hazard identification, risk assessment and risk control on a yearly basis and take actions to remedy as necessary (HIRARC) for existing and potential operations;
- Conducting health surveillance and audiometric test;
- KWSP personnel gave a training on employee contribution scheme covering the scope and benefits entitled
- Blood test and medical screening for employees to all employees in Vietnam and migrant workers in Malaysia
- Equip employees with the necessary Personal Protective Equipment and providing training to ensure employees used it correctly;
- Provide information, instruction, and trainings on safety and health workplace hazards and the preventive controls of those hazards
- Training on the usage of firefighting equipment
- First Aid and CPR training
- Emergency evacuation and fire drills were carried at each site annually
- Safety awareness week with quiz, gameplay and briefings on safety measures
- Maintain and inspect firefighting system and equipment as per schedule to ensure in good working condition;
- Investigate occupational accidents to determine root cause and ensure preventive and corrective actions are implemented to prevent reoccurrence.

Number of Health screening	2023 %	2024 %	2025 %
Blood test for Infectious diseases	20	21	25
X-ray of the chest -tuberculosis	20	21	25

SOCIAL (CONT'D)

		2023	2024	2025
Number of injury incidents	Number	8	2	4
Work related number of fatalities	Number	0	0	0
Number of work-related illnesses	Number	0	0	0
Number of work days loss	Days	237	17	148
Incident rate [1]	Rate	32.65	7.09	14.78
Lost Time Incident Rate (LTIF) [2]	Rate	528	40	359
Lost Time Injury Frequency only on site [3]	Rate	2642	201	1797
Employees undergoing health surveillance*		22%	48%	46%

* Only employees who are expose to a long duration of high decibel noise level shall have to undergo health surveillance or audio metric test.

Notes :
Rates are calculated based on the formulas as follows:

[1] Incident Rate	No. of accidents/average no. of employee x1000
[2] Lost Time Incident Rate refers to the number of lost time incident during the reporting period express per total number of hours worked as at the end of the reporting period times a standardized value of 200,000.	No. of lost time incident / total man-hours x 200,000
[3] Lost Time Injury Frequency (refers to the loss of productivity associated with accidents or injury arising out of or in the course of work.)	No. lost time injuries/total man-hours x 1,000,000

In the unfortunate event of an incident occurring at our site, all employees and contractors have a duty to ensure the incident is investigated and in certain circumstances depending on its severity and type of hazard, reported to the Regulator. Our incident reporting and investigation process is not merely meant to meet regulatory reporting but to provide us with the information to analyze the facts relating to the incident. This will then enable the Safety Coordinator to identify the "contributing factors" that lead up to the incident and finally to identify controls to prevent the incident from reoccurring. We remain committed to implementing preventive and corrective actions to improve our safety performance across our operations.

The workplace injuries reported in FY2025 are summarized as follows:-

Severity Injury	Root Cause	Corrective / Preventive Action
Pin from the nailer shoot into his left hand	Putting back the nailer to the working table but accidentally knock a water bottle. Trying to grab the falling water bottle but instead trigger the nailer pin to shoot into hand.	All non-essential items should not be place on the working table. Redesign the working table to ease nailer when not in use.
Severe burns on 1 hand	Did not follow proper work method. Manually straighten scrunched paper with hand when the melted resin was laminating a continuously moving paper roll.	Emergency stop button activated to stopped laminating machine and tool use to straighten the scrunched paper.
Right hand index finger was cut off at the nail tip	Wrong method of work and poor safety consciousness.	Reviewed the safe procedure and method of glue refilling, stick the safety sign at the machine and install emergency stop button at the nearby position.
A cut on his little finger	Improper storage and stacking of small size paper roll.	Reviewed and update the paper roll storage and stacking method for small size paper roll, and review HIRARC of small size paper rolls storage and stacking.

SOCIAL (CONT'D)

Number of employees trained on health and safety	Number of employees		
	2023	2024	2025
Management	16	7	16
Executive	52	49	77
Non-executive/Technical staff	47	50	100
General Worker	157	140	326
Total	**272**	**246**	**519**

Trainings

We believe in investing in training and developing initiatives which give us competitive advantage for growth and success. On a yearly basis, department heads are required to review the training needs of their departments' employees and identify the required training needs to groom and grow our internal talents by setting high standards of expectation and we encourage employees to take personal ownership of their career at Master-Pack.

Our training and development strategies are result- driven and hands-on, in order to meet the needs of business.

The types of training programmes conducted are summarised as follows:-

Types of training	Description
Induction/ Orientation	Induction is conducted by Human Resources personnel by new employee batch and completed within the 1st week of work. Basically, it covers new employee's responsibilities, organization overview, compensation benefits, attendance, leave system application and various quality & environment, anti-corruption and anti-bribery policies, Master-Pack Code of Conduct in place. Orientation for executive level and above is conducted on a one-to-one basis.
On-job training	This is the training prepared by the section supervisors to help the employees learn and gain hands-on knowledge at the work station of that specific production section. The employees are to grasp the technics to handle the machines and perform their allocated daily work routine. Department heads are usually required to conduct internal training for their individual section on the standard operating procedures relating to Quality Management System and Environment Management System.
Technical skills	Technical skills refer to knowledge required to accomplished complex actions; tasks relating to the employee's work function and usually is identified in the Training Needs Analysis.
Mandatory training	Relates to training required to gain the knowledge or update the employee's knowledge on the latest regulations or the changes in the procedures enforced by government authorities.

SOCIAL (CONT'D)

Total hours of training by employee category	Number of Hours		
	2023	2024	2025
Management	740	591	651
Executive	656	376	644
Non-executive/Technical staff	568	446	771
General Worker	1078	943	1,307
Total	**3,043**	**2,356**	**3,373**

Average hours of training per employee category	Number of Hours		
	2023	2024	2025
Management	12	11	9
Executive	5	3	2
Non-executive/Technical staff	7	4	3
General Worker	4	4	2
Total average hours of training per employee	5	4	3

Our training and development programs consists both internal and external trainings, each with its distinct knowledge. Internal training or On-Job training sessions leverage real-life examples, problems, and challenges that participants commonly face in their daily work. These sessions are often shorter in duration, focusing on the daily job or task and are presented in language and terms that participants easily understand and relate to.

External training programs were arranged for employees to enhance the skills essential for their career progression and personal growth. Some of the external trainings attended are :

- Driving operations efficiency: Optimizing scheduled waste management with the global harmonized system
- Chemical handling & scheduled waste management
- 7QC Tools in Problem Solving
- First Aid training
- Personal Data Protection Act 2024
- Advance Compliance & Enforcement for Data Protection Officer
- The new SST Maze
- FMM Certified Quality Engineer
- Certification for Boilerman
- Sustainability Reporting for Malaysian Public-listed Corporations
- Stamp Duty Self-Assessment System
- E-invoicing Implementation treatment for various kinds of business transaction
- FMM Vision Zero Occupational Safety and Health Coordinator
- Industry Lead Body (ILB) in Fire
- Forklift Operators' and Safety Training

During the year 2025 under the company's Education Financial Assistance Program, the company sponsored two employees who completed the full course to be a Certified Quality Engineer and Certified Boilerman.

Community

The Group is very conscious of the need to contribute to the Community at large. As our manufacturing sites are located amongst low-medium income people, we are aware of our social responsibility to contribute to the community in which we operate. Our policy is to offer the local community living within 10km from our plants the first right of refusal to work for our production facilities. This practice has resulted in the stability of the local workforce as well as contributing to the reduction in local employee turnover. We also offer part time jobs to the local community around us when available.

We are aware of our social responsibility to the community and is committed to assisting the community surrounding our operation sites. The targeted recipients are schools or non-profit organizations are located within 20km radius from our business operations sites in Nibong Tebal, Penang and Kuching, Sarawak.

	2023	2024	2025
Total Amount invested in the Malaysian community where the target beneficiaries are external to the listed issuer	RM40,000	RM53,800	RM38,300
The number of beneficiaries in Malaysia who benefitted	50	4,050	2,800
Donation to Vietnam Disaster Management Fund	RM7,647	RM9,362	RM8,842

This year's sponsorship continued for the 2nd year sponsoring writing books for school children, university students RoboCop team challenge, World Mental Health Day, autistic association, a new building fund for a secondary school and a primary school's building improvement and maintenance program.

Vietnam has a regulation which requires annual donation to Vietnam Disaster Management Fund. The fund enables the Vietnamese Government to provide assistance, support and respond to natural disasters emergencies.

GOVERNANCE

Corporate Governance

Master-Pack Group is committed to the principles and best practices of corporate governance as laid out in the Bursa Malaysia Listing Requirements and MCCG. We ensure that the standards of corporate governance are being observed throughout the Group with the objective of enhancing long-term shareholders' value and returns to our stakeholders. The Group believes that good corporate governance is essential to operate any business.

Our policies and standard operating procedures are reviewed and updated regularly to be in line with the latest change in laws and regulations and bench mark to industry best practices to ensure that our corporate governance structure meets the challenges of changing business needs and stakeholders' expectation levels.

Master-Pack corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement of this annual report and the Corporate Governance Report 2025 available in the company website.

Risk Management

Master-Pack Group has implemented an organizational structure with formal and clearly defined lines of responsibility and delegation of authority for risk management.

During the year 2025, the Risk Working Committee led by the General Manager will identify risks, monitor, and implement control actions. The Risk Working Committee will report to the Audit Committee on an annual basis on the findings of the review, assessment and updates the Risk & Opportunity Register.

The Group outsourced its internal audit function to JWC Consulting Sdn. Bhd., an independent professional firm as an internal auditor to provide independent assurance to the Audit Committee that the Group's risk management, governance and internal control processes are operating effectively. For further information on Risk Management, please refer to the section in Statement of Risk Management and Internal Control of the Annual Report FY2025.

Anti-Bribery and Anti-Corruption Policy ("ABC") Whistle Blowing

The Group adopts zero tolerance approach to all forms of bribery and corruption. The ABC policy had been communicated to all our entities to ensure they are aligned within the Group. The ABC policy provides direction and guidance governing both Directors and employees on the way to recognise and deal with any act of corruption and bribery that may arise in the course of daily business activities.

The Master-Pack Group Anti-bribery and Anti-Corruption Policy ("ABC") was first adopted in 2020. In order to have a clearer understanding of this ABC policy in conducting daily business, it is best read together with Master-Pack Code of Business Conduct ("The Code").

The Code covers salient areas pertaining to gifts, entertainment, donations and sponsorships. Master-Pack's ethics in anti-bribery and anti-corruption is also stated in the Supplier Code of Conduct which has to be acknowledge by vendors who have business dealings with Master-Pack Group of companies.

Training for ABC

ABC training is mandatory to all new recruits as part of their induction programme. All employees have undergone ABC training in their own native language at least once during their employment. Training on the Code to employees is conducted in their own language especially for the migrant workers from Bangladesh and Nepalese. During the training, all attendees were briefed on the established whistle-blowing channels made available by the company and the procedures to report a case of potential bribery or corruption, if required.

Employees trained on Anti-Bribery and Code of Ethics	2023* %	2024* %	2025 %
Management	4	1	0
Executive	6	5	2
Non-exempt	18	5	2
General Worker	71	17	33

*Reinstated combining training on Anti-Bribery and Code of Ethics

The Company does not make charitable donations or contributions to political parties. Whilst employees and associated third parties acting in their personal capacity are not restricted to make any personal donations, Master-Pack will not make any reimbursement for these personal political contributions back to its employees or the associated third parties.

In addition, an audit on Anti-Bribery and Anti-Corruption policies and practices was also conducted in 2022 for the whole Group by the out-sourced internal auditor which reports directly to the Audit Committee.

GOVERNANCE (CONT'D)

Anti-Bribery and Anti-Corruption Policy ("ABC") Whistle Blowing (Cont'd)

Corruption Risk Assessment has been 100% carried out across the Group based on present and potential corruption risk. The assessment process considers the potential impact and likelihood of occurrence, effectiveness of controls in place and actions plans taken to mitigate the corruption risk.

The internal audit performed a group wide audit review on the procedures and practices in accordance to the Anti-Bribery and Anti-Corruption policy in 2022. There were no significant findings and all recommendations were duly complied by the management. In addition, the external auditors also provide questionnaires on fraud and risks for the management and internal auditors to complete for their audit assessments.

Confirmed incidents of corruption and action taken	2023	2024	2025
Total number of confirmed incidents of corruption	0	0	0
Number of staff disciplined or dismissed due to non-compliance with ABC policy	0	0	0
Fines or penalties imposed in relation to corruption, bribery and anti-competitive business practices	0	0	0
Amount of political contributions made	0	0	0

Sexual Harassment

The Employment Act had included an article to educate, communicate and provide the channel for reporting sexual harassment in the workplace. The topic of sexual harassment was also included in the training on Company's Code of Conduct communicated to employees during the year.

	2023	2024	2025
Substantiated case on sexual harassment	0	0	0
Number of staff investigated, disciplined or dismissed due to sexual harassment	0	0	0

Code of Business Conduct

The Code was first introduced in 2012 and the latest update 2024 approved by the Board is available in the company's website. The Code which applies to the board and employees of the Group is not only available in English but in both Bahasa Melayu and Vietnamese for the comprehension of the employees. Our Code of Conduct outlines our expectations to all our employees and external stakeholders on our approach in human rights, misconduct, insider information and other matters including the Competition Act while conducting business with the Group.

Master-Pack Code of Business Conduct should be read together with the Anti-Bribery and Anti-Corruption policy as it clearly sets out Master-Pack's policy and practices on daily business conduct and ethics. The Group strictly prohibits any director, employee, company representative and business associates from a taking part in any form of corruption, bribery, extortion, embezzlement or any kind of money laundering activities on the company's behalf.

All directors, department heads and sales personnel are required to sign the declaration annually that they have read and understood the Code of Business Conduct and shall strictly abide to the procedures and guidelines stipulated therein.

Master-Pack Code of Conduct have been updated on July 2024 and is available in the company website https://master.net.my/investor-relations/code-of-business-conduct/

Whistle-blowing Policy and Procedures

In accordance with Open Communication culture, all employees are encouraged to ask and have a duty to report possible violations of the law, the Code and other company guidelines.

The Whistle-blowing policy is designed to support the company's values, ensure employees can raise concerns without fear of reprisals and provide a transparent and confidential process for dealing concerns.

This policy also outlines the reporting channels which include making a report to employee's immediate supervisor, the Group Executive Chairman, the Senior Independent Director and the Group Human Resource Manager. A report can be written or via email or via the whistle-blowing disclosures form as set out in the Company website.

GOVERNANCE (CONT'D)

All grievance shall be treated with strict confidentiality and the employee shall be safeguarded from unwarranted retaliations. There is no repercussion or punitive action against the employee for reporting grievances.

Master-Pack Whistle-blowing policy have been updated on July 2024 and is available in the Company website https://master.net.my/investor-relations/whistle-blowing-policy/

Data Privacy and Security

The management understands the importance of data privacy and security which entail the proper use and handling of data with sensitive information. This data includes personal, financial information including customer plans, drawings and any sensitive information that is provided during the course of business. The Company is bound by Non-Disclosure Agreements from various customers and duly respect that information provided shall be kept secured and confidential.

It is important to build trust and accountability with customers, business partners and employees who expect their data to be kept private and that correct measures for protecting these private data have been implemented.

Our key internal controls to protect data privacy are as follows:-

- Protect our technology resources and assets with latest encryption, firewalls, antivirus and anti-malware software
- Use physical and security measures to protect the personal data
- Require all employees to understand and abide by the Master-Pack Code of Conduct
- Provide training and awareness on the risks of cyber crimes
- Sign Non-disclosure Agreements with customers, suppliers and contractors.
- Wi-Fi configurations limited to only authorize access
- Online access to company servers are limited – employees are generally not allowed to log in to company servers whilst working from home.

The company have continued to upgrade the servers and backup system for data safekeeping. In addition, the company have also installed the latest data protection software and comprehensive anti-virus solutions as part of the company's data security measures. Based on ongoing monitoring, there are no complaints concerning breaches of customer privacy and losses of customer/employee data incidents reported for the past 3 years.

Personal Data Protection Act (revised 2024)

In compliance with the Personal Data Protection Act (revise 2024), the Company has updated the Personal Data Protection Notice which is available in the Company website https://master.net.my/investor-relations/personal-data-protection-notice/. Training was also provided to all department heads on 11 October 2025 and a Data Protection Officer was appointed and registered with Jabatan Perlindungan Data Peribadi for public listed company as well as the two Malaysian subsidiaries.

Investor Relation

We are committed to provide accurate information and disclosures in transparent and timely manner to all our shareholders. We continue to work on timely delivery of the Annual Report and provide sufficient notice to shareholders to attend the Annual General Meeting.

The release of Master-Pack's the Annual Report are as follows:-

Annual Report	Date of Release	Bursa Securities Deadline for the release	No. of days in advance
2024	25 April 2025	30 April 2025	5 days
2023	23 April 2024	30 April 2024	7 days
2022	19 April 2023	30 April 2023	11 days

The release of the Notice of Annual General Meeting is as follow:-

Date of Annual General Meeting	Date of Notice	At least 28 days' notice from the date of the AGM	Notice Period given
31st AGM -24 June 2025	25 April 2025	28 days	60 days
30th AGM -23 May 2024	23 April 2024	28 days	30 days
29th AGM -22 June 2023	23 May 2023	28 days	31 days

MASTER-PACK GROUP BERHAD

BMLR Transition Period

Date & Time: 2026-04-13_12:00:53

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti- Corruption	Percentage of employees who have received training on anti-corruption by employee category -Management	Percentage	0	-	Internal
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	2	-	Internal
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Non-executive/ Technical staff	Percentage	2	-	Internal
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	33	-	Internal
Anti- Corruption	Percentage of operations assessed for corruption- related risks	Percentage	100	-	Internal
Anti- Corruption	Confirmed incidence of corruption and action taken	Number	0	-	Internal
Community/ Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	38,300	-	Internal
Community / Society	Total number of beneficiaries of the investment in communities	Number	2,800	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - Management under 30	Percentage	0	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - Management between 30-50	Percentage	33	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_12:00:53

Page 1 of 5

MASTER-PACK GROUP BERHAD

BMLR Transition Period

Date & Time: 2026-04-13_12:00:53

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of employees by gender and age group for each employee category - Management above 50	Percentage	67	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - Executive under 30	Percentage	0	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - Executive between 30-50	Percentage	70	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - Executive above 50	Percentage	30	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - Non-exempt under 30	Percentage	8	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - Non-exempt between 30-50	Percentage	65	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - Non- exempt above 50	Percentage	27	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - General Worker under 30	Percentage	41	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - General Worker between 30-50	Percentage	48	-	Internal
Diversity	Percentage of employees by gender and age group for each employee category - General Woker above 50	Percentage	11	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_12:00:53

MASTER-PACK GROUP BERHAD

BMLR Transition Period

Date & Time: 2026-04-13_12:00:53

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Gender Group by employee category - Management Male	Percentage	56	-	Internal
Diversity	Gender Group by employee category - Management Female	Percentage	44	-	Internal
Diversity	Gender Group by employee category - Executive Male	Percentage	52	-	Internal
Diversity	Gender Group by employee category - Executive Female	Percentage	48	-	Internal
Diversity	Gender Group by employee category - Non-exempt Male	Percentage	50	-	Internal
Diversity	Gender Group by employee category -Non-exempt Female	Percentage	50	-	Internal
Diversity	Gender Group by employee category - General Worker Male	Percentage	90	-	Internal
Diversity	Gender Group by employee category -General Worker Female	Percentage	10	-	Internal
Diversity	Percentage of directors by gender and age group - Male	Percentage	71	-	Internal
Diversity	Percentage of directors by gender and age group - Female	Percentage	29	-	Internal
Diversity	Percentage of directors by gender and age group - under 30	Percentage	0	-	Internal
Diversity	Percentage of directors by gender and age group - between 30-50	Percentage	14	-	Internal
Diversity	Percentage of directors by gender and age group - above 50	Percentage	86	-	Internal
Energy Management	Total energy consumption	Megawatt	1418	-	Internal
Health and Safety	Number of work-related fatalities	Number	0	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_12:00:53

Page 3 of 5

MASTER-PACK GROUP BERHAD

BMLR Transition Period

Date & Time: 2026-04-13_12:00:53

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and Safety	Loss Time Incident Rate ("LTIR")	Rate	359	-	Internal
Health and Safety	Number of Employees Trained on Health and Safety Standards	Number	519	-	Internal
Labour practices and standards	Total hours of training by employee category - Management	Hours	651	-	Internal
Labour practices and standards	Total hours of training by employee category - Executive	Hours	644	-	Internal
Labour practices and standards	Total hours of training by employee category - Non-executive/ Technical staff	Hours	771	-	Internal
Labour practices and standards	Total hours of training by employee category - General Worker	Hours	1,307	-	Internal
Labour practices and standards	Percentage of employee that are contractors or temporary staff	Percentage	3	-	Internal
Labour practices and standards	Total number of employees turnover by employee category - Management	Number	1	-	Internal
Labour practices and standards	Total number of employees turnover by employee category - Executive	Number	5	-	Internal
Labour practices and standards	Total number of employees turnover by employee category - Non-exempt	Number	8	-	Internal
Labour practices and standards	Total number of employees turnover by employee category - General Worker	Number	44	-	Internal
Labour practices and standards	Number of substantiated compliants concerning Human Rights violations	Number	0	-	Internal
Supply Chain and Management	Proportion of spending on local suppliers	Percentage	63	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_12:00:53

Page 4 of 5

MASTER-PACK GROUP BERHAD

BMLR Transition Period

Date & Time: 2026-04-13_12:00:53

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Data privacy and security	Number of substantiated compliants concerning breaches of customer privacy and losses of customer data	Number	0	-	Internal
Water	Total volume of water used	Megalitres	14.59	-	Internal
Emissions Management	Scope 1 Emissions	Metric Tonnes CO2e	956	-	Internal
Emissions Management	Scope 2 Emissions	Metric Tonnes CO2e	576	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_12:00:53

Page 5 of 5

The Board of Directors ("the Board") of Master-Pack Group Berhad is highly committed to maintain a sound and effective system of risk management and internal control to provide a platform for achieving the Group's business objectives. The Board is pleased to present the following Statement of Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2025.

This statement is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Practice 10.2 of the Malaysian Code of Corporate Governance 2021. In preparing this Statement, guidance has been drawn from the Statement of Risk Management and Internal Control; Guidelines for Directors of Listed Issuers, a publication endorsed by Bursa Securities.

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound and effective system of risk management and internal control for Master-Pack Group Berhad group of companies ("the Group"). The Group's risk management and internal control system is designed to meet the Group's needs in order to manage the risks associated with financial, operational, environmental, governance and regulatory compliance on a continuous and systematic basis.

The Board recognizes that the risk management framework and internal control system are designed to manage the Group's risk within tolerable, acceptable limit or "acceptable risk appetite", rather than completely eliminate the risk of failure to achieve the business objectives of the Group. The system provides reasonable but not absolute assurance of the effectiveness against material misstatement of management, financial defalcations, financial losses or fraud.

During the year 2025, the Audit Committee ("AC") and the Sustainability Committee ("SC") have been entrusted with the responsibility of assisting the Board in discharging its fiduciary duties in relation to the management of risks and internal controls.

The AC comprising two independent directors and a non-independent director assist the Board in assessing and reviewing the adequacy, effectiveness and integrity of the Group's internal control system arising from business activities relating to the financial, operational and governance aspects of the Group. The AC assisted by a Risks Working Committee which in November 2024 comprehensively conducts evaluation of all risks except sustainability risks and records the identified risks in the Risks and Opportunity Register which details the impacts and likelihood of such risks on the business, and corresponding action plans were put in place to manage and mitigate such risks.

The SC comprising two independent directors, a non-independent director and two executive directors oversee the risk and opportunities management related to sustainability matters of the Group. The primary responsibilities of the SC are to assist the Board in identifying risks and its accompanying internal controls relating to sustainability matters as well as the adherence to risks mitigation strategies and sustainability efforts undertaken by the Group. The SC together with the Executive Director and General Manager provide the overall direction, lead the strategic decision making and review sustainability implementation, performance and risk management in an integrated manner.

However, in November 2025, the Sustainability And Risk Management Committee ("SRMC") was established, merging the responsibilities and duties of the Risk Working Committee and SC. The SRMC duties are primarily responsible to assist the Board in identifying risks and opportunities and its accompanying internal controls of business, operations and sustainability including the strategies, development, implementation and monitoring of sustainability matters. The restructuring improves governance and clarity as procedures are integrated together.

The SRMC comprise the Group Executive Chairman, Executive Directors, Operations Managers, Group Financial Controller, Sustainability Executive and Senior Management Employees. The 2026 Risks and Opportunities register reported to the Audit Committee comprehensively identified, analysed, and evaluated all business, operational and sustainability risks and opportunities.

Notwithstanding the delegated responsibilities, the Board acknowledges its ultimate responsibility for the establishment and oversight of the Group's risk management and internal control system to safeguard the Group's assets, shareholders' investment and stakeholders' interest.

RISK GOVERNANCE STRUCTURE (UPDATED)

This Risk Governance Structure sets out the risk management governance, guidelines, processes and control responsibilities in association with the Group's business and operational requirements in order to maintain a sound control environment.

Board of Directors

- Provide oversight to ensure the maintenance of a sound and effective system of risk management and internal control
- Approve risk management policy, framework and governance structures
- Review Audit Committee Reports and Internal Audit reports on risks management and internal controls

Audit Committee

- Audit Committee provides oversight on risk management and internal control matters pertaining to financial, operating, integrity, governance and sustainability risks

Sustainability and Risk Management Committee

- Oversees Risk Management and Sustainability in an integrated manner

Out-sourced Internal Auditors

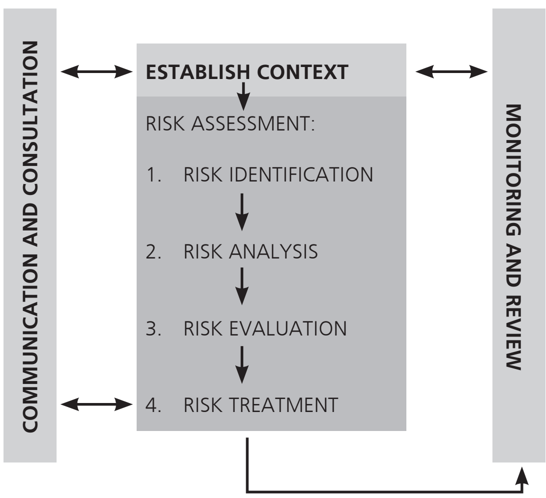
Performs audits to assess the adequacy and effectiveness of the Group's risk management and internal control system

Department Heads/ Risk Owners in various departments

- Identify potential and emerging risks face in performance of work. Manage identified risk within defines parameters
- Reports and discuss issues in meetings and appropriate mitigating controls/ action to be taken
- Manage identified risks on a day-to day basis, as guided by standard operating procedures

The Risk Management Process outline below is the methodical approach for identifying, analysing, evaluating and responding to risks and opportunities encountered during the Group's business operations.

RISK MANAGEMENT PROCESS



The assessment process considered and assessed the potential impact and likelihood of occurrence, effectiveness of controls in place and action plans taken to manage the risks to the desired level. The department heads are delegated with the responsibility to manage identified risks within the defined parameters.

RISK GOVERNANCE STRUCTURE (UPDATED) (CONT'D)

The Risk Working Committee reported to the Audit Committee on 27 November 2024, highlighting the revisions and additions in the risks and opportunity register to address new areas of concern and potential risk for the financial year 2025.

The updated Risk and Opportunities Register incorporating identified risks and opportunities of business, operations and sustainability for the year 2026 prepared by SRMC was communicated to the Audit Committee Chairman on 21 November 2025 including a summary on the risk profile prioritization and the controls which was later presented to the Board for further deliberation.

KEY INTERNAL CONTROLS PROCESSES

The key processes of the Group's Internal Control include the following elements:

CONTROL ENVIRONMENT

1. **Organisational Structures and Define Roles on Reporting**

   Board and Executive Committees

   Various Committees such as Audit Committee, Nominating Committee, Remuneration Committee and Sustainability Committee had been established by the Board to assist the Board in its fiduciary duties. The objective, duties and responsibilities of these Committees are clearly defined in the Terms of Reference of each committee. In November 2025, the Sustainability And Risk Management Committee was established, merging the responsibilities and duties of the Risk Working Committee and Sustainability Committee to improve governance.

   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.

   Limits of Authority and Financial Authority Limits

   Clear organisational structures and organization charts with formally defined lines of responsibility and delegation of authority adequately segregated reporting lines that act as a control mechanism in terms of reporting and accountability.

   The Executive Director communicates and oversees the implementation of decisions, operational policies and procedures and manages the day-to-day affairs of the Group. The Executive Director is not a member of the Board. The Executive Chairman has oversight over the entire performance of the Group.

   Financial authority limits are stated in policies and standard operating procedures. Financial commitments are implemented in accordance with authority limits.

2. **Strategic Business Planning Process**

   Business planning and budgeting are undertaken annually by subsidiaries to establish plans and targets against which performance is monitored. The consolidated annual budget is tabled annually and approved by the Board. Actual performances against targets are monitored on a regular basis at various management meetings at subsidiaries and holding company levels.

3. **Performance Monitoring**

   The Executive Directors and senior management conduct regular visits to the production floor of the various plants in Malaysia, overseas subsidiary, vendor sites and customer's offices to gain a better understanding and to facilitate informed decision-making.

   The Executive Committee (EXCO) comprising Executive Chairman, Executive Director, General Manager and Senior Heads of Department 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. EXCO holds meetings on a monthly basis where the financial and operational performance of key subsidiaries are reported, discussed and when applicable, the appropriate corrective action taken promptly.

   The operating subsidiaries also meet the high expectation of MNC customers' audits or third-party audits by fulfilling their vendor profile criteria in ethical, environment and international regulatory practices in order to supply Master-Pack products.

CONTROL ENVIRONMENT (CONT'D)

4. Internal, External Audit Functions and Certification Audits

The internal audits have been out-sourced to a professional firm to perform audits on the Group's operations and reports directly to the Audit Committee. During the financial year under review, the risk based internal audit plan covering identified areas were approved by the AC. Follow-up procedures were established to monitor and ensure the recommendations of the internal audit are implemented. For details of internal audit activities during the year please refer to Audit Committee Report.

Based on the work performed in 2025, there have been no significant material internal control issues which have resulted in material losses to the Company.

The External Auditors provide assurance in the form of their annual statutory audit of the financial statement and report to the Audit Committee that for the financial year 2025, there were no discrepancies or areas of improvement identified in their Audit Review Memorandum issued in March 2026. The External Auditors have provided assurance that they have complied with ethical requirements regarding independence in the audit of Master-Pack Group to the Audit Committee.

5. Quality Control and Assurance

The Group is committed to providing products and services that always meet and exceed the business objectives and customer requirements where possible.

The standard operating procedures practiced by the Group are in compliance with ISO 9001:2015 Quality Management System ("QMS") and ISO 14001:2015 Environment Management System ("EMS"). Annual audits are conducted internally as well as externally by certified bodies to ensure compliance with all requirements. The certification serves as an assurance that operations are being managed based on internationally recognised standards.

All subsidiaries of the Group have ISO 9001:2015 Quality Management System ("QMS") and ISO 14001:2015 Environment Management System ("EMS").

6. Integrity and ethical values

The updated Master-Pack Code of Business Conduct ("CODE") had been reviewed by the Board in 2024. The CODE encompasses acceptable standard practices and act as a guide to the ethical behaviour of Directors, Management and employees. On a yearly basis, the Board of Directors, Management and employees with interactions with third parties sign a letter acknowledging their individual commitment to uphold the CODE as well as adhering to the Anti-Bribery and Anti-Corruption Policy of the Group. Conflict of Interest declaration, if any, are also tabled for discussion in the Audit Committee quarterly meetings.

The Supplier Code of Conduct (updated 2025) where the expected standards of integrity from our suppliers, contractors and service providers are expected to comply when doing business with the Group. Vendors are also required to comply to Master-Pack environment, social and governance standards and are evaluated based on a Self-assessment supplier questionnaire.

In addition, there is an Anti-Bribery and Anti-Corruption Policy that enables the Group to communicate with all subsidiaries, providing guidance through the policy on ethical standards adopted by the Group to be complied by Directors, Management and employees.

Whistleblowing Policy and procedures are available in the Company's website providing the methods for internal and external stakeholders to raise bona fide concerns relating to potential breaches of regulations as well as misconduct without fear of reprisals. There was no whistleblowing cases reported for the year 2025.

7. Policies and Standard Operating Procedure

A financial system as well as a standard operating procedures are in place to capture all financial transactions and generate monthly management financial reports for performance tracking, review and decision making.

There are other formalised and documented policies, standard operating procedures and work instructions on various functions beyond the scope defined by the QMS and EMS international guidelines such as human resources and management information system standard operating procedures. These standard operating procedures are established and implemented as an operational guide and controls to ensure compliance to applicable laws and regulations, and are subjected to review as and when necessary.

CONTROL ENVIRONMENT (CONT'D)

8. Financial Performance Review

The Quarterly Financial Statements and annual financial results are reviewed by the AC before being tabled for approval by the Board prior to being release via the Bursa link to regulators and stakeholders. The contents of the Annual Report together with the audited financial statement are also reviewed at AC and Board level prior to publication.

9. Coverage and safeguarding of major assets

Sufficient insurance coverage is in place to enable major assets to be adequately covered against mishaps, calamities and theft that may result in material losses to the Group. The insurance coverage is reviewed at regular intervals to ensure its adequacy vis-à-vis the Group's risk appetite. At the same time, physical security measures are taken to safeguard these major assets.

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 2025 pursuant to AAPG 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants and Malaysian Code of Corporate Governance 2021*. 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 Section 7 of the *Statement on Risk Management and Internal Control: 2025 Guidelines for Directors of Listed issuers* to be set out, nor is factually inaccurate.

CONCLUSION

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*.

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

This statement is made in accordance with a resolution of the Board of Directors dated 27 March 2026.

OTHER INFORMATION

UTILISATION OF PROCEEDS

During the financial year, there were no proceeds raised by the Company from any corporate proposal.

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 except for penalty interest from Value Added Tax Audit and Mandatory Tax Deduction Audit amounting to RM12,106.54.

There are no penalties imposed on the Master-Pack Group of companies by any regulatory body relating environment, social and governance.

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 2025, or entered into since the end of the previous financial year.

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 2025.

TERMS OF REFERENCE ("TOR")

The term of reference of the Audit Committee can be obtained from the Company's website at https://master.net.my/investor-relations/audit-committees-terms-of-reference/

COMPOSITION OF THE AUDIT COMMITTEE

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

Name	Status of Directorship	Meeting Attendance
Encik Radhi bin Mohamad (Chairman of Audit Committee)	Independent & Non-Executive Director (Resigned 31 December 2025)	5/5
Mr. Dharmik Rajkumar Sheth	Independent & Non-Executive Director	5/5
Mr. Chew Hock Lin	Non-Independent & Non-Executive Director	5/5

Composition Compliance

The current Audit Committee consists of three (3) members, two whom are Independent Non-Executive Directors and one Non-Independent Non-Executive. None of the appointed members is an alternate Director. This complies to Listing requirement 15.09(1)(a) and (b) that members of the Audit Committee must composed of not fewer than 3 members and all audit members must be non-executive directors, with a majority of them being independent directors. In addition, the current composition adheres to Practice 1.4 of MCCG, as the Chairman of the Board does not serve as a member of the Audit Committee or any other Committees.

The current qualifications of the Audit Committee members also comply to Paragraph 15.09(1)(c)(i) of the Listing Requirement which mandates that at least one member of the Audit Committee must be a MIA member, of which two of the current Audit Committee members are members of MIA. During the year 2025, Audit Committee is chaired by Encik Radhi bin Mohamad distinct from the Chairman of the Board, again aligns with provisions of Practice 9.1 MCCG.

Overall, current composition of the Audit Committee not only meets the requirements of the Listing Requirement but also aligns with MCCG, indicating the commitment to corporate governance practices.

AUDIT COMMITTEE SUMMARY OF WORK

The performance of the Audit Committee for the year 2025 was assessed by the Nominating Committee in accordance to main listing requirement 15.20. Based on the results of the aforesaid evaluations, the Board has found that the Audit Committee had discharged its functions and carried out its duties as set out in the TOR.

Minutes of the Audit Committee Meeting were distributed to each Board member and the Chairman of the Audit Committee highlighted key issues in the minutes of the Audit Committee meeting which were duly noted by the Board.

During the year ended 31 December 2025, the Audit Committee's five scheduled meetings were held on 28 February, 28 March, 23 May, 13 August and 21 November 2025. The following duties were performed to discharge its functions:

Financial results

- Reviewed the annual audited financial statements of the Company / Group prior to Bursa announcement and the unaudited quarterly results of the Group on the scheduled meetings, and thereafter, submitting them to the Board for approval;

- Reviewed and recommended the Audit Committee Report and the Statement of Risk Management and Internal Control pursuant to paragraph 15.26(b) of the Listing Requirements for inclusion in the Annual report to the Board for approval;

- 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;

Financial results (Cont'd)

- No matter was highlighted by the external auditors in the Audit Review Memorandum on 27 February and 27 March 2026 pertaining to the 2025 financial statements and was duly noted.

- Reviewed the nature of recurring related party transactions as well as identified any new related party transactions 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 on 28 February 2025 without the presence of any executive Board members / management staff;

- Discussed and approved the risk- based and rotational approach Internal Audit Plan presented by the internal auditors JWC Consulting Sdn. Bhd. for execution in the current financial year;

- Reviewed and discussed the findings and recommendations as reported by the internal auditors. There were twelve audit findings for the audits field work carried out during the year. These findings do not pose any material weaknesses in the internal control system of the group and have been rectified by the management;

- Reviewed the implementation status of recommendations for outstanding audit findings to ensure all key risks and controls issues are addressed based on the Internal Audit follow-up reports;

- Discussed and reviewed the adequacy and effectiveness of the Group's internal control system to provide reasonable assurance on the Group's system of internal control with the internal auditors with the objective to minimise potential occurrence of fraud and material misstatement or error.

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 on 21 November 2025 without the presence of any executive Board members / management staff;

- Reviewed and evaluated the external auditor's audit plan on 21 November 2025, audit strategy and scope of audits relating to the Company/Group;

- Reviewed and recommended increment in audit fee of the company and its subsidiaries for the financial year 2025 to the Board;

- Reviewed the provision on non-audit fee services by the external auditors include the review of the Statement on Risk Management and Internal Control;

- Discussed with the external auditors the adequacy and effectives on the Group's system of internal control base on their field audit and noted the review report of the external auditors to the Board as mentioned in the Statement on Risk Management and Internal Control of the annual report;

- The external auditors have provided assurance that they have complied with the ethical requirements regarding independence with respect to the audit of the Company / Group;

- Reviewed and noted the external Audit Review Memorandum key audit matters presented on 27 February and 27 March 2026 by the external auditors;

- Evaluated and discussed the results of the annual assessment on the suitability and the independence of the external auditors in accordance to the Company's External Auditors Performance and Independence Evaluation form.

Risk Management and Internal Control

On 21 November 2025, the Sustainability And Risk Management Committee ("SRMC") presented the Risks and Opportunity Register to the Audit Committee. The register comprehensively identified, analysed, and evaluated all business, operational and sustainability risks and opportunities. The register details the impacts and likelihood of identified risks / opportunities and action plans or controls put in place to manage and mitigate such risks and opportunities.

The SRMC highlighted to the Audit Committee the revisions and additions in the Risks and Opportunity Register to address new areas of concern and potential risk and opportunities for the financial year 2026.

The Risk & Opportunity Register Summary report prepared by the SRMC was then tabled by the Audit Committee Chairman at the Board Meeting for Board's review, deliberations and approval.

Conflict of Interest and Potential Conflict Of Interest

The Audit Committee has evaluated and monitored any COI and potential COI on a quarterly basis and reported to the board that there were no COI and potential COI identified. In addition, also reviewed the Conflict of Interest Policy.

INTERNAL AUDIT FUNCTION

During the financial year ended 31 December 2025, the Company has engaged the services of an independent professional consulting firm, JWC Consulting Sdn. Bhd., to carry out the internal audit functions of the Group in order to assist the Audit Committee in discharging its duties and responsibilities particularly in ensuring that a sound system of internal controls is in place.

For the financial year under review, the internal audit's scope covered: -

- Human Resources Management – Human resource planning, reporting and authority structure, recruitment, transfer and termination, appraisal and reward systems, training and development, payroll administration, personnel records, employee discipline, employee benefits and employee health and safety.

- Data Security - Network security, data security application/program security, user password security, training and briefing of data security, customer / supplier database and relation management.

- Procurement - Purchase planning, sourcing of supply, managing and processing of purchases, incoming quality control, supplier selection and performance review and supplier database and relation management.

- Management Information Systems -Information resource planning, IT strategy and change management, information system operations, information security control, business continuity/Disaster recovery plan, network support, application system implementation and maintenance, database implementation and support, hardware sourcing and support, software sourcing, licensing and support and IT asset management.

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 risk based and rotational approach 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;

    - 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 on 13 August 2025 and 27 February 2026 for the calendar year 2025 for its deliberations.

Based on the Internal Auditors' report for the financial year ended 31 December 2025, 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 weaknesses identified in all the internal audit reports.

The cost incurred for the internal audit function in respect of the financial year is RM22,425.

The Board of Directors of Master-Pack Group Berhad, sets this statement to provide shareholders and investors with an overview of the corporate governance ("CG") practices of the Company under the leadership of the Board during the year 2025.

The 2025 Annual Report and the CG Report are available for reference at https://master.net.my/wp-content/uploads/MPGB-AR2025.pdf, https://master.net.my/wp-content/uploads/MPGB-CGReport2025.pdf and Bursa Malaysia Berhad's website https://www.bursamalaysia.com

This overview is prepared in accordance with Practice Note 9 of the Main Market Listing Requirements and the key CG principles in the 4th edition of the Malaysian Code of Corporate Governance ("MCCG") issued by Securities Commission. This CG Overview Statement is to be read with the CG report based on a prescribed format as outlined in paragraph 15.25 (2) of the Main Market Listing Requirement. In order to achieve a clearer understanding of the Group's governance framework and practices, this CG Overview Statement should also be read in tandem with other statements in this Annual Report, namely, the Statement on Risk Management and Internal Control, Audit Committee Report, Sustainability Statement and Management Discussion and Analysis.

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 maintaining a high standard of integrity, transparency, accountability and professionalism as key fundamentals in managing the business operations of the Master-Pack Group of companies.

Master-Pack Group continues its focus to consistently deliver and create value for its diverse stakeholder groups. The Group remains resilient in driving sustainable business growth amidst uncertain geopolitical and economic environment.

The Board governance approach is to have:

- ✓ the right people, processes and structures to drive and manage the Group's business.
- ✓ tone from the top which sets exemplary practice of good governance to be applied throughout the Group.
- ✓ Meet stakeholder expectation of sound corporate governance which is Master-Pack's commitment to its diverse stakeholders.

The Board has continuously dedicated effort in ensuring that the Group's corporate governance framework is aligned with the best practices, where possible and reflects the evolving packaging market dynamics as well as stakeholder expectations.

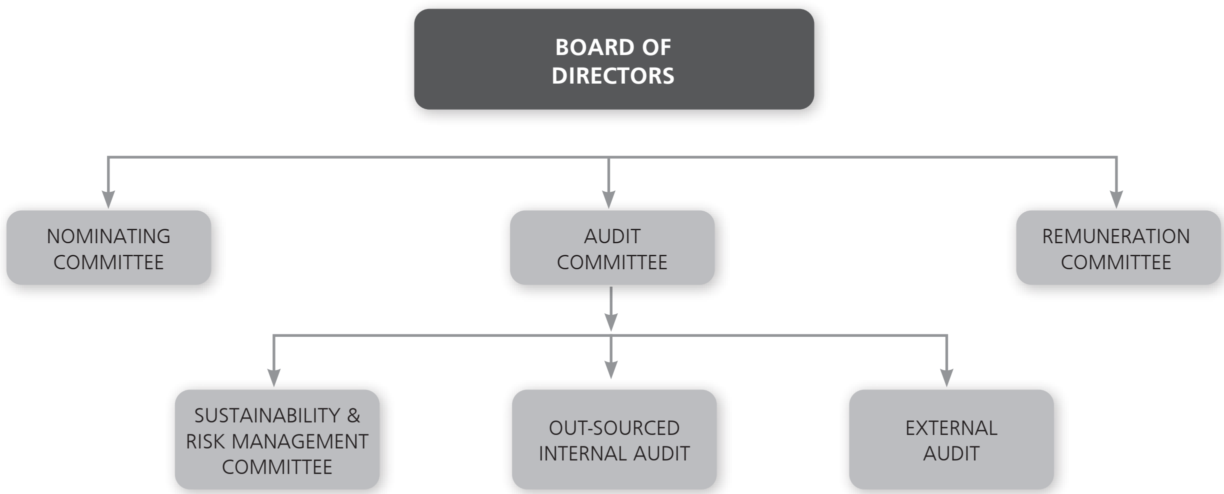
The Group recognises the importance of providing corporate governance disclosures that describes the Group's practices to secure the confidence of stakeholders in the vision, mission and the overall strategic direction of the Group.

Main key areas of Corporate Governance meeting the standards :

a. Meeting the criteria that majority of the Board are Independent Non-Executive Directors.
b. None of our Independent Director's tenure of service exceed nine (9) years in line with MCCG Practice 5.3.
c. Strengthening the Board composition skillset matrix with new Board members.
d. Enhance the governance structure i.e. merging business, operational and sustainability risk and opportunities management under the responsibility of the Sustainability and Risk Management Committee or "SRMC". SRMC shall be responsible to strategize, focus, implement and monitor the economic, environment including climate change, social and governance material risks and opportunities of the Group.

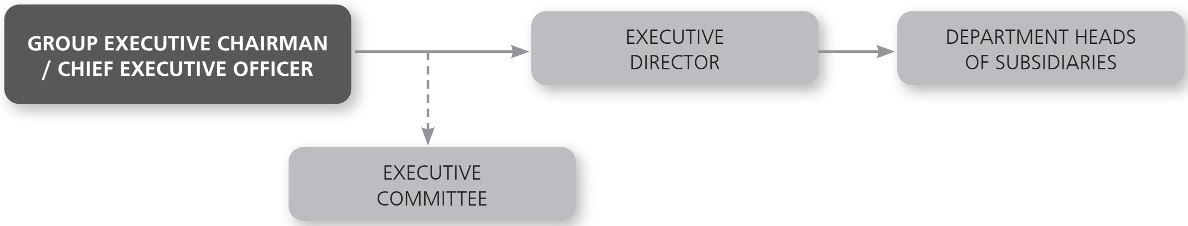
PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Board Governance



PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Management Governance



Board's role and responsibilities

The Board is committed in ensuring the Group's vision, mission, values, culture and standards are set from the top and embedded throughout the group. The Group Executive Chairman and management play an integral role in this, by promoting positive behavior, setting exemplary high standards in practice and encouraging commonly held values of integrity, respect and responsibility in the group.

The Board exercise all powers conferred on it by the Board Charter where applicable, in accordance with the Companies Act 2016 and any other applicable legislation.

The Board Charter provides guidance to the Board in the discharge of its duties and functions which set out, amongst others, the roles and responsibilities of the Board to ensure that each Board member acting on behalf of the Company is aware of his fiduciary duties and responsibilities, the legislation and regulations affecting his duties and the principles and practices of good corporate governance which apply to the Group.

The Board Charter updated on 28 February 2025 is available on the Company's website https://master.net.my/corporate-governance/

The Board's responsibilities to oversee the overall management of Master-Pack Group of companies and has assumed the following core responsibilities in discharging its fiduciary and leadership functions during the year under review:

a. Set the vision and mission for the Company;
b. Established good corporate governance and culture for the Group;
c. Ensure that the Group adheres to high standards of ethics and corporate behavior including transparency in the conduct of business. In this regard, the Directors are required to comply with the Master-Pack Group Code of Business Conduct which amongst others includes the declaration of any potential conflict of interest with directors' responsibilities as a Board Member and to refrain from voting on such transaction with the Group;
d. Reviewed and adopt strategic plan for the Group taking into consideration long-term value creation which includes strategies on economic, environmental, social and governance consideration underpinning sustainability;
e. Oversight on both the financial and non-financial performance of the Group's business which includes climate change, health and safety, human rights and receives reports periodically to evaluate whether the business is being properly managed;
f. Reviewed the updated Board Charter and determining which issues required full Board deliberations and which issues can be delegated to relevant Board Committees as stated in each Committee's Terms of Reference;
g. Reviewed and updated the Terms of Reference of the Remuneration Committee;
h. Restructuring Board Committees from four (4) to three (3) and realigning the responsibilities to ensure each committee's effectiveness to address specific issues by considering recommendations of the respective Board Committees. However, the responsibility of decisions on all matters ultimately lies with the Board as a whole;
i. Identified principal risks and ensure the implementation of appropriate internal control systems to manage these risks;
j. Set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks including understanding the sustainability issues relevant to the Group's business including climate related risks and opportunities;
k. Reviewed the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
l. Proper segregations of duties and responsibilities between the Board and the Management;
m. Ensure that the financial statements of the Group and the Company are fairly stated and conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
n. Reviewed the succession planning including appointing, training, fixing the compensation, and, where appropriate, recruiting and replacing Management;

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board's role and responsibilities (Cont'd)

o. Reviewed the annual evaluation of the Board, its Committees and each individual director to ensure orderly succession;
p. Reviewed the Code of Business Conduct and Whistle-blowing policy to be in compliance with the latest regulation. Annually, members of the Board and Management signed an acknowledgement to strictly abide by the procedures and guidelines stipulated in the Master-Pack Group Code of Business Conduct;
q. Reviewed the Personal Data Protection Act (2024 Amendments) and the Supplier Code of Conduct applicable to suppliers that have business dealing with Master-Pack.

The Board recognises the importance of separation of authority between the Group Chairman / CEO and Executive Director to promote accountability and facilitate division of responsibilities. This segregation of duties between the Group Chairman and Executive Director ensures an appropriate balance of role, responsibility and accountability at the Board level. The Chairman is responsible for providing leadership to the Board in overseeing Management and the Group's overall strategic functions, whereas the day-to-day management of the Group's business affairs is delegated to the Executive Director. The Executive Director is not a Board member and has no relationship to any Board members or major shareholder of the company. As such there is clearly defined role and separation of duties of the management and the board. This approach not only safeguards the interest of our stakeholders but also facilitates effective governance within the organisation.

Composition of the Board

	EXECUTIVE DIRECTOR
1	Dato' Seri Syed Mohamad bin Syed Murtaza - Chairman
	INDEPENDENT NON-EXECUTIVE DIRECTORS
2	Mr. Dharmik Rajkumar Sheth
3	Encik Radhi bin Mohamad (resigned 31 December 2025)
4	Puan Fazlina binti Yahaya
5	Mdm. Khor San Leng
6	Prof. Dato' Dr GP Doraisamy A/L Govindasamy (appointed 31 October 2025)
7	Mr. Ong Sheik Yoong (appointed 3 February 2026)
	NON-INDEPENDENT NON-EXECUTIVE DIRECTOR
8	Mr. Chew Hock Lin

In view of a majority 71 % (5/7) of Independent Directors on our Board, the balance of power and authority of the Board are not compromised by the combined roles of Executive Chairman and CEO held by Dato' Seri Syed Mohamad bin Syed Murtaza.

The Board members come from varied educational background and each member holds different professional qualifications hence contributing to the Board a diverse knowledge and expertise. The size and composition of the Board are adequate to provide a diversity of views to facilitate effective decision making and provide appropriate balance of executive, independent and non-independent directors. The biographical details of all the Directors are in the company website https://master.net.my/board-of-directors/.

Board Meetings

The Chairman of the Board is not the Chairman or a member of the Audit Committee, Nominating Committee, Sustainability Committee and Remuneration Committee. The Chairman of the Board does not attend any of the Audit Committee, Nominating Committee, Sustainability Committee meetings nor did he attend by invitation. The Executive Director/ Chairman did not attend the remuneration meetings pertaining to his remuneration package neither did he participate in any way on the agenda in determining his remuneration during the Board Meetings.

The deliberations of the Board are not impaired in anyway as there is check and balance as well as objectivity in reviews and decisions. The Chairman of the Board or alternatively a Chairman will be elected amongst the newly established SRMC members as recommended in the National Sustainability Reporting Framework and reports to the Audit Committee on the risk and opportunities of the Group.

The Chairman of the Board is responsible for instilling good corporate governance practices, leadership and effectiveness during the Board meetings. The duties of the Chairman during the year include managing Board meetings with the assistance of the Company Secretary to set the Board agenda for each pre-scheduled Board meetings. Board meetings are held separately from Committee meetings.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Meetings (Cont'd)

The Company Secretary emails notices of committee and Board meetings and updates the Board members on the circulars received from Bursa Malaysia Securities Berhad and Securities Commission promptly. The Company Secretary attends all Board and Committee meetings except Sustainability Committee meetings and ensures that meetings are properly convened, proceedings including resolutions are properly and accurately recorded.

Materials for the Board meetings comprising agenda, minutes of meeting, quarterly unaudited financial statements, annual budget and reviews the financial results compared to budget, risk assessment and its accompanying internal controls, internal and external audit report, recurrent related party transactions, progress report on key sustainability matters, circulars by Bursa Malaysia and Securities Commission, revision of group policies to be aligned with regulatory updates etc. are distributed to the Board members at least 5 to 7 working days before the scheduled meetings. This gives the Board members adequate time to go through the Board meeting materials.

In addition, minutes of meeting are prepared and circulated to members within 14 days after the meeting for their perusal that the minutes reflect the accurate deliberations and decisions of the Board and Committee meetings held. Decisions of the Board are also obtained via circular resolutions, where appropriate.

The meetings calendar which provides the pre-scheduled dates for meetings of the Board, Committee meetings and Annual General Meeting was circulated to Directors on 21 November 2025 for the ensuing year to enable the Directors to plan ahead and co-ordinate their respective schedules.

The Chairman of the Board leads the meeting pace and discussion in an effective manner. He facilitates the Board Meetings to ensure no individual member dominates discussion and that all Board members are able to put forward their views. He also acts as a conduit ensuring smooth discussions between the senior management and the Non-executive Board members.

The Directors may also interact directly with the Management, Company Secretary, external and internal auditors to request further explanation, information or updates on any aspect of the Company's operations or business concerns. In addition, independent professional advice may be obtained at the Company's expense on specific issues to enable the Board to discharge its duties in relation to matters being deliberated.

Board and Board Committee Attendance

The attendance record of the Directors at the Board and Committees as shown below indicates the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. Six (6) Board Members serve 1 public listed company except one (1) director that serve 3 listed companies enabling all directors to have sufficient time to meet their obligations and duties.

		MEETING ATTENDANCE (attended / held)			
	Board Meetings	Audit Committee	Remuneration Committee	Sustainability Committee	Nominating Committee
CEO /EXECUTIVE DIRECTOR					
Dato' Seri Syed Mohamad bin Syed Murtaza	5/5				
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR					
Chew Hock Lin redesignated	5/5	5/5	3/3	5/5	3/3
INDEPENDENT NON-EXECUTIVE DIRECTORS					
Mr. Dharmik Rajkumar Sheth	5/5	5/5	3/3	5/5	3/3
Encik Radhi bin Mohamad	5/5	5/5	3/3	5/5	
Puan Fazlina binti Yahaya	5/5				3/3
Mdm. Khor San Leng	5/5				

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board and Board Committee Attendance (Cont'd)

Gender Diversity

The Board has taken cognizance of the MCCG recommendation of having at least 30% women directors on the Board including a formal policy on gender diversity. As at 31 March 2026, the existing Board composition of 2 out of 7 board members or 29% compared to the recommended 30% of women directors' criteria on Board.

The Company practices an unspoken corporate culture of emphasizing on the competencies of an employee rather than gender. The corporate culture also practices equal opportunities and non-discrimination. In the pipeline on succession planning, there are an equal number of female senior executives being groomed for the position of head of department of their respective functions.

The skillsets matrix of the current Board members as at 31 March 2026 are as follows:

	NAME OF DIRECTOR	Dato' Seri Syed Mohamad bin Syed Murtaza	Chew Hock Lin	Dharmik Rajkumar Sheth	Khor San Leng	Fazlina binti Yahaya	Prof Dato' Dr. Doraisamy	Ong Sheik Yoong
	DIRECTORATE	Non-Independent Executive Director	Non-Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
1.	Strategy & Entrepreneurship	Expert recognise Authority	Advance Applied Theory	Expert recognise Authority	Intermediate Practicable Interpretation	Intermediate Practicable Interpretation	Expert recognise Authority	Expert recognise Authority
2.	Industry Experience-Packaging	Power House Industry Leader	Intermediate Practicable Interpretation	Intermediate Practicable Interpretation	Advance Applied Theory	Fundamental Awareness	Advance Applied Theory	Expert recognise Authority
3.	Public sector or Government Body Experience	Advance Applied Theory	Fundamental Awareness	Expert recognise Authority	Advance Applied Theory	Expert recognise Authority	Expert recognise Authority	Expert recognise Authority
4.	Regional / Gobal Exposure	Expert recognise Authority	Intermediate Practicable Interpretation	Expert recognise Authority	Advance Applied Theory	Intermediate Practicable Interpretation	Power House Industry Leader	Expert recognise Authority
5.	Finance Accounting	Expert recognise Authority	Expert recognise Authority	Expert recognise Authority	Advance Applied Theory	Intermediate Practicable Interpretation	Intermediate Practicable Interpretation	Power House Industry Leader
6.	Auditing	Advance Applied Theory	Expert recognise Authority	Advance Applied Theory	Expert recognise Authority	Intermediate Practicable Interpretation	Intermediate Practicable Interpretation	Power House Industry Leader
7.	Tax regime-Malaysian/ Dverseas	Advance Applied Theory	Advance Applied Theory	Advance Applied Theory	Advance Applied Theory	Intermediate Practicable Interpretation	Expert recognise Authority	Expert recognise Authority
8.	IFRS accounting standards	Advance Applied Theory	Advance Applied Theory	Advance Applied Theory	Advance Applied Theory	Intermediate Practicable Interpretation	Intermediate Practicable Interpretation	Power House Industry Leader
9.	Governance. Risk Management and Internal Control	Expert recognise Authority	Expert recognise Authority	Expert recognise Authority	Advance Applied Theory	Intermediate Practicable Interpretation	Power House Industry Leader	Power House Industry Leader

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board and Board Committee Attendance (Cont'd)

Gender Diversity (Cont'd)

	NAME OF DIRECTOR	Dato' Seri Syed Mohamad bin Syed Murtaza	Chew Hock Lin	Dharmik Rajkumar Sheth	Khor San Leng	Fazlina binti Yahaya	Prof Dato' Dr. Doraisamy	Ong Sheik Yoong
	DIRECTORATE	Non-Independent Executive Director	Non-Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
10.	Human Capital and Talent	Advance Applied Theory	Advance Applied Theory	Expert recognise Authority	Advance Applied Theory	Advance Applied Theory	Power House Industry Leader	Expert recognise Authority
11.	Information Technologyand Digital Strategy	Advance Applied Theory	Intermediate Practicable Interpretation	Power House Industry Leader	Advance Applied Theory	Intermediate Practicable Interpretation	Expert recognise Authority	Expert recognise Authority
12.	Legal and Regulatory	Advance Applied Theory	Advance Applied Theory	Advance Applied Theory	Advance Applied Theory	Intermediate Practicable Interpretation	Expert recognise Authority	Expert recognise Authority
13.	Sales & marketing	Power House Industry Leader	Intermediate Practicable Interpretation	Power House Industry Leader	Advance Applied Theory	Intermediate Practicable Interpretation	Power House Industry Leader	Advance Applied Theory
14.	Production & Quality Assurance	Power House Industry Leader	Intermediate Practicable Interpretation	Advance Applied Theory	Advance Applied Theory	Advance Applied Theory	Power House Industry Leader	Advance Applied Theory
15.	ESG or Sustainability	Advance Applied Theory	Intermediate Practicable Interpretation	Expert recognise Authority	Advance Applied Theory	Intermediate Practicable Interpretation	Power House Industry Leader	Power House Industry Leader

The latest skillset matrix of the current Board members as shown above is strengthen with the new comers to the Board bringing fresh talent and expertise.

Board Committees

Composition of Board Committees

The current composition of Board Committees members are as follows:

INDEPENDENT NON-EXECUTIVE DIRECTORS	Audit Committee	Remuneration Committee	Nominating Committee
Encik Radhi bin Mohamad	Chairman (resigned 31 December 2025)	Member (resigned 31 December 2025)	
Mr. Ong Sheik Yoong	Chairman(appointed 3 February 2026)		
Mr. Dharmik Rajkumar Sheth	Member	Member	Chairman
Puan Fazlina binti Yahaya		Member (appointed 3 February 2026)	Member
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR			
Mr. Chew Hock Lin	Member	Chairman	Member

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Composition of Board Committees (Cont'd)

During 2025, the Board has delegated specific responsibilities to four Board Committees, namely the Audit Committee, Remuneration Committee, Sustainability Committee and Nominating Committee. These Board Committees have clearly defined roles and responsibilities as set out in their respective Terms Of Reference.

The Terms Of Reference of the Audit Committee (updated 31 March 2023), Nominating Committee (updated 31 March 2023), Remuneration Committee (updated 21 November 2025), Sustainability and Risk Management Committee (updated 27 February 2026), Fit and Proper Policy (30 June 2022), the Business Code of Conduct & Whistle-blowing Policy (updated July 2024), the Diversity Policy (31 March 2023) and Conflict of Interest Policy (27 February 2026) are available in the Company's website.

Nominating Committee (NC) Activities

The NC is responsible for assessing the suitability of any proposed candidate as a Board member and to submit their recommendations to the Board.

In evaluating the suitability of candidates, the NC considers the following criteria:

- skills, knowledge, expertise and experience;
- professionalism;
- integrity;
- gender diversity;
- time commitment to at least attend not less than half the board meetings as well as competing time commitments if the candidate also holds other directorship;
- consideration as to the representation of the interest groups;
- assess the desirable numbers to balance Board membership, with due consideration to the structure, development and succession planning;
- in the case of candidates for the position of independent non-executive directors, the Committee should also evaluate the candidate's ability to discharge such responsibilities as expected from independent non-executive directors.

The process of selection and appointment of a new Independent Director are set out below:-

a. Search
   Identify the criteria that the potential candidate should possess; age group, gender, ethnicity, qualifications, experience, professionalism, personal attributes, skills and integrity. Different approaches and resources maybe used to search for the most suitable candidate.

b. Selection
   A curriculum vitae shall be obtained from the potential candidate and a verification check made in compliance with the Company's Fit and Proper policy. NC shall look into the background, skill sets, career experience and professional qualifications of a candidate to determine whether he or she has the right skill sets which will complement the Board Skill Matrix or fill the gaps of the of Board Skill Matrix identified by the board in order to contribute to the board as a whole. His or her past achievements and expertise to determine whether he or she can enhance the quality and robustness of the decisions-making process of the Board are considered.

   Where necessary, short-listed candidates will be interviewed by the NC to assess suitability and to ensure that the candidates are aware of the expectations, time and level of commitment required especially in the case of Independent Director.

c. Nomination
   Recommend to the Board the successful candidate.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nominating Committee (NC) Activities (Cont'd)

d. Appointment

The profile of the Board of Directors are available https://master.net.my/board-of-directors/

On 2 September 2025, the NC assessed Prof. Dato' Dr. GP Doraisamy A/L Govindasamy, to be a new member of the Board. His experience and expertise in the legal field and sustainability strengthen the skillsets of the Board. Again, on 22 December 2025, an additional candidate profile was assessed to replace a Board seat requiring MIA qualification became vacant at the resignation of Encik Radhi bin Mohamad.

Based on the recommendation by the NC, the two potential candidates' profiles were approved for appointment in the board meeting or via circular resolution including the appropriate date for the appointment subject to their consent to act as a Director and execution of the Declaration by Person before Appointment as Director in compliance with Section 201 of the Companies Act. 2016. The announcement to Bursa was made accordingly at the appropriate dates. Board also approved the appointments to relevant committees, where appropriate.

In accordance with the Company's Constitution, the directors appointed during the year will have to stand for election at the next AGM.

Review on performance of the Individual Directors

The Board has established a Directors' Fit and Proper Policy to ensure that any individuals to be appointed as Directors and the existing Board members of Master-Pack Group possess the character as well as integrity, experience, competency and commitment to be able to discharge their duties and responsibilities required of the position. The Directors' Fit and Proper Policy is available on the Company's website at https://master.net.my/investor-relations/directors-fit-and-proper-policy/ . The Policy serves as a guide for the Board and NC in their review and assessment of candidates that are to be appointed to the Board as well as Directors who are seeking for re-election.

One month prior to the Nominating Committee Meeting held, NC prepared a peer evaluation form to assess the contribution profile each individual Board member's contribution to the Board in terms of personality and working relationship with peers, company secretary and management, bringing his/ her knowledge and experience to the agenda discussed at the quarterly meetings, devotes sufficient time to prepare for the Board meeting, able to voice his/ her opinion in non-confrontational and comprehensive manner and effectively communicates with the shareholders at the annual general meetings.

On 22 December 2025, the duly completed evaluation forms received from all directors were then compiled and summarized by the Company Secretary and tabled before the Nominating Committee for discussion and consideration.

The Constitution of Master-Pack Group Berhad provides 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 Constitution further provides that each director of the Company shall retire at least once every three years but shall be eligible for re-election.

The Board and NC having assessed the performance and contribution of the retiring Directors, collectively agreed that they meet the criteria regarding character, experience, integrity, competence and time commitment to effectively discharge their duties and responsibilities as Directors as prescribed under Paragraph 2.20A of MMLR and Directors' Fit and Proper Policy. The Board is satisfied with their performance during the financial year and concluded that their continued service would benefit the Company and its stakeholders. Hence, the Board has recommended their re-election for shareholders' approval at the 32nd AGM. The ordinary resolutions to approve their re-election will be voted individually. The details of the Directors seeking for re-election are disclosed in the Profile of the Board of Directors.

Review on the Board Committees

In line with Practice 6.1 of MCCG, the Board, via the NC, performed an internal Board effectiveness evaluation of its own performance, comprising the Board as a whole, the Board Committees, each individual Director as well as the independence of Independent Directors for FY2025.

The Nominating Committee has prepared evaluation forms for Board and Board Committees covering the Board structure, Board operations, Board roles and responsibilities, Board Chairman's role and responsibilities and the performance of the Board Committees based on peer-ratings.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nominating Committee (NC) Activities (Cont'd)

Results of Evaluations on Board Committees

The NC was satisfied that the size and composition of Board are optimum with appropriate mix of knowledge, skills, attributes and core competencies during the year under review. The Director's peer review indicated that all the Directors are efficient in their respective roles and function and discharge their duties and responsibilities satisfactorily in accordance with the Board Charter and the respective Board Committee's Terms of Reference.

The Chairman of the Board was also found to have fulfilled his role and responsibilities in leading the board as well as setting the tone from the top in determining the strategic objectives, policies, values, culture and standard practices for the Group.

The evaluation form for the Performance of the Audit Committee as a whole assesses the understanding of the Audit Committee Terms Of Reference and the ability to objectively & responsibly perform their duties.

The results of the evaluation have shown that with the help of the external auditors and the out-sourced internal auditors; the Audit Committee was able to give the Board the assurance on risk management and internal control. NC also concluded that the Audit Committee as a whole and its members have carried out their duties as laid out by the Audit Committee Terms Of Reference.

Review on Trainings attended

The Board recognises the importance of attending and participating in training and development activities in order to broaden their perspectives and to keep abreast the developments in the market place, new statutory and regulatory requirements which are required to fulfill their responsibilities.

Both Prof. Dato' Dr. GP Doraisamy A/L Govindasamy and Mr. Ong Sheik Yoong have been given an induction of the Group as well as a familiarization tour of the operations located in Nibong Tebal, Pulau Pinang.

All seven directors have completed the mandated training of MAP Part I and II.

During the year under the review, the Directors have attended relevant development and training programs according to their individual needs and enhanced their ability in discharging their duties and responsibilities.

The list of trainings attended by the directors (available at https://master.net.my/investor-relations/directors-training/ is reviewed and encouragements given to directors to attend topics where they require to further update their knowledge.

NC was satisfied that all Board members have devoted sufficient time to update their knowledge and skills including the latest change of the regulatory and statutory and professional requirements.

Remuneration Committee

The Remuneration Committee ('RC") is responsible for recommending to the Board a remuneration framework and package for the Executive Directors. There is no gender inequality in terms of remuneration package.

The annual performance review among others takes into consideration the demands, business complexity, the heavier responsibilities due to changes in both the Malaysian and Vietnam regulation, managing the company's business performance to achieve the budget targets, the challenge to adapt process to the economic, environment, social and governance in compliance with Listing Requirements, the achievement in implementing business strategy, action plans to meet the challenges faced in a volatile business environment. The annual performance review of the top management also noted that a subsidiary's director retired in 2025 on reaching the statutory retirement age of 60 years old.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee (Cont'd)

Directors Remuneration – The Company

Company ('000) Amount in nearest thousand and not in bands of RM50K							
	Director Fee	Allowance	Salary	Bonus	BIK	Other Emoluments	Total
Dato' Seri Syed Mohamad bin Syed Murtaza – Executive Director	48					5	53
Chew Hock Lin – Non- Executive Non-Independent Director	56					5	61
Radhi bin Mohamad – Independent Director	50					5	55
Dharmik Rajkumar Sheth – Independent Director	60					5	65
Fazlina binti Yahaya – Independent Director	36					5	41
Khor San Leng – Independent Director	31					5	36
Prof. Dato' Dr. GP Doraisamy A/L Govindasamy – Independent Director	5					1	6

Directors Remuneration – The Group

Company ('000) Amount in nearest thousand and not in bands of RM50K							
	Director Fee	Allowance	Salary	Bonus	BIK	Other Emoluments	Total
Dato' Seri Syed Mohamad bin Syed Murtaza – Executive Director	48		2,261	1,507		372	4,188
Chew Hock Lin – Non- Executive Non-Independent Director	56					5	61
Radhi bin Mohamad – Independent Director	50					5	55
Dharmik Rajkumar Sheth – Independent Director	60					5	65
Fazlina binti Yahaya – Independent Director	36					5	41
Khor San Leng – Independent Director	31					5	36
Prof. Dato' Dr. GP Doraisamy A/L Govindasamy – Independent Director	5					1	6

The RC also deliberated on the level of remuneration to be received by each Non-Executive Director. Generally, the extent of responsibilities undertaken by the respective Non-Executive Director determine the level of remuneration entitled.

The remuneration for Non-Executive Directors is based on a standard range of fixed fee, with the Chairman of each sub-committee receiving a higher amount in recognition of his/her additional responsibilities. A meeting allowance is paid for attendance at meetings of the Board and Board Committees as well as general meetings. A Directors and Officers Insurance Policy essentially covering the acts of the Directors and Officers are renewed on a yearly basis.

On 13 August, 21 November and 22 December 2025, discussions were held by members of the RC to restructure the Remuneration Package and Performance Incentive for the Executive Chairman as well as review the remuneration package for the Non-executive Directors and senior management. The Executive Director/Chairman did not attend the remuneration meetings pertaining to his remuneration package neither did he participate in any way on the agenda in determining his remuneration during the Board Meetings. The Executive Director/Chairman is not a member of the RC.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

The current Audit Committee comprises three members, majority of whom are Independent Non-Executive Directors. The primary objective is to assist the Board to review the adequacy and integrity of the Group's financial administration and reporting, internal control and risk management systems. The Audit Committee performs its functions and duties pursuant to its Terms of Reference.

Encik Radhi bin Mohamad is the Chairman of the Audit Committee during the year 2025. As such the Chairman of the Audit Committee is not the Chairman of the Board which is held by Dato' Seri Syed Mohamad bin Syed Murtaza. The Company had not appointed any officer, adviser, auditor, executive or transacting party of prescribed transactions of the group as a member of the Audit Committee and the practice of a cooling period of three years has been incorporated in the updated Audit Committee Terms of Reference before they can be invited to be appointed as Independent Non-Executive Director or an Audit Committee Member.

Collectively the Audit Committee members possess a wide range of necessary skills including the attributes of financial literacy to discharge their duties.

The Board through the Audit Committee maintains an appropriate, formal and transparent relationship with the Group's out-sourced internal and external auditors. The Audit Committee undertook an annual assessment on the suitability and independence of the auditors, namely Crowe Malaysia PLT to ensure their independence is not compromised. Being satisfied with Crowe's performance, technical competency and audit independence as well as fulfillment of criteria as set out in paragraph 15.21 of the Listing Requirements, the Audit Committee recommended the re-appointment of Crowe Malaysia PLT, who has consented to act as external auditors for the next financial year. For the financial year under review, Crowe Malaysia PLT had visited Branch of Chuan Viet Audit & Consulting Co., Ltd in Hanoi, Vietnam and reviewed the audit work done by the auditors for Master-Pack Vietnam Co., Ltd.

The Board via the Nominating Committee had deliberated on the performance of the Audit Committee and each of its members as required by paragraph 15.20 of the Main Market Listing Requirements. At the recommendation from the Nominating Committee, the Board was satisfied that members of the Audit Committee were able to perform their duties according to the Audit Committee Terms Of Reference.

A summary of activities is set out in the Audit Committee report which includes the Internal Audit function during the year 2025.

Business Operational Risk Management and Internal Controls Framework

The Board of Directors of Master-Pack Group Berhad affirms its responsibility for maintaining a sound and effective system of risk management and sustainability framework and internal control system of the Group. The Group's system of risk management and internal control is designed to meet the Group's needs in order to manage the risks associated with financial, operational, environment, social, governance and regulatory compliance on a continuous and systematic basis.

In the year 2025, the Audit Committee is assisted by a Risk Working Committee comprising heads of Department led by the Executive Director. The Risk Working Committee comprehensively conducts an evaluation of business and operational risks except sustainability risks and records the identified risks in the Risks and Opportunity Register which details the impacts and likelihood of such risks and action plans put in place to manage and mitigate such risks. The accompanying internal controls in place to manage, mitigate or avoid each identified risks were also tabulated in the Risk and Opportunity Register.

During the year 2025, the Risk Working Committee identified, assessed the key business operational risk material matters and monitored efficacy of risk management process, internal controls and measures taken. Comparison of actual vs previous year results were duly analyzed and where applicable improvements were made.

However, in November 2025, the SRMC was established, merging the responsibilities and duties of the Risk Working Committee and Sustainability Committee. The SRMC duties are primarily responsible to assist the Board in identifying risks and opportunities and its accompanying internal controls of business, operations and sustainability including the strategies, development, implementation and monitoring of sustainability matters. The restructuring improves governance and clarity as procedures are integrated together. In November 2025, the Risk and Opportunity register for the financial year 2026 encompassing sustainability, business and operational risk management was tabled to the Audit Committee for review and subsequently reported at the Board for deliberation.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Business Operational Risk Management and Internal Controls Framework (Cont'd)

The Groups' internal control is embedded in the daily operational routine of processes and procedures. The standard operating procedures practice is in compliance with ISO 9001:2015 Quality Management System ("QMS") and ISO 14001:2015 Environment Management Systems ("EMS") which are audited by SIRIM on a yearly basis. The company also meets the high expectation of MNC customers by fulfilling their vendor profile criteria in ethical, environment and international regulatory practices in order to supply the customers Master-Pack products.

The adequacy and effectiveness of the internal controls are performed by the out-sourced internal auditors, external auditors and third-party auditors from SIRIM. The Internal Auditors report directly to the Audit Committee.

The Board is of the view that the system of internal control appears to be working adequately. Based on the work done by the Internal Auditors, there were no material weaknesses in the system of internal control that may affect the integrity of our financial statements.

The Statement of Risk Management and Internal Controls provide an overview on the state of risk management and internal control system within the Group. The details of the Risk Management and Internal Control are set out on page 45 to 49 of the Annual Report.

Code of Business Conduct ("COC")

The Board acknowledges its role in setting and practicing the ethical standards and values across the different levels of the Group. As such, the Master-Pack Code of Business Conduct was formalized and translated from English to Bahasa Melayu and Vietnamese for the employees to comprehend in their native language.

The COC serves as a policy to provide direction and guidance governing both Directors and employees in their day-to-day professional conduct and decision-making process. The COC is an extensive policy that provides guidance on matters from labour standards to corruption and money laundering. This Code has been communicated to all Directors and employees to ensure they uphold and are aligned with Master-Pack ethical standards.

Directors and key management employees shall make a voluntary declaration to strictly abide by the procedures and guidelines set in the COC on a yearly basis.

During the financial year 2025, there was no misconduct cases being reported. The Code of Business Conduct and Ethics is available on the Company's website at https://master.net.my/investor-relations/code-of-business-conduct/ .

Anti-bribery and Anti-corruption Policy

The Board has put in place an Anti-bribery and Anti-corruption Policy that outlines the Group's commitment to conduct business ethically as well as complying with all applicable laws, including compliance with the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018).

The Group emphasizes its position in taking a zero-tolerance approach to corruption and bribery, and the Group is committed to conducting all of its business in an honest and ethical manner.

The Anti-bribery and Anti-corruption Policy must be read in tandem with the COC as it covers salient areas pertaining to gifts, entertainment, donations and sponsorships. Master-Pack's ethics in anti-bribery and Anti-corruption is also stated in the Supplier Code of Conduct which has to be acknowledged by vendors who have business dealings with Master-Pack Group of companies.

The Company does not make charitable donations or contributions to political parties. Whilst employees and associated third parties acting in their personal capacity are not restricted to make any personal donations, Master-Pack will not make any reimbursement for these personal political contributions back to its employees or the associated third parties.

Anti-bribery and Anti-corruption training were conducted to employees of the Group in the year 2022 followed by Code of Conduct training in the year 2023. All new employees undergoing induction shall also be provided training on anti-bribery and anti-corruption policy including Code of Conduct for employees who are required to liaise with third parties.

Anti-bribery and Anti-corruption policy is available https://master.net.my/investor-relations/anti-bribery-anti-corruption-policy/ .

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Whistleblowing Policy and Procedures

The Board has adopted a Whistle-blowing Policy and Procedures to allow employees and other stakeholders to report legitimate ethical concerns. The Group's Whistle-blowing Policy and Procedures outline the reporting channels for Directors, employees and external stakeholders who have a business relationship with the Group to report suspected wrongdoings that may adversely impact the Group. The whistleblowing reporting channels include making a report directly to the employees' immediate superior or to the designated officers of the Group Executive Chairman or the Senior Independent Director.

A report can be made in writing or via email or by the whistleblowing disclosure form available in the Company website https://master.net.my/investor-relations/whistle-blowing-policy/ .

Alternatively, employees may make report via the designated mail box for suggestions. The Group treats all reports in a confidential manner and at the same time the whistleblower shall be accorded with the protection of confidentiality of identity to the extent reasonably practicable and protection against any adverse and detrimental actions and retaliations of all forms. Any whistleblowing cases, findings and appropriate course of action will be reported to the Board. For financial year 2025, there were no whistleblowing cases reported via the established reporting channels.

Personal Data Protection Act (revised 2024)

In compliance with the Personal Data Protection Act (revise 2024), the Company has updated the Personal Data Protection Notice which is available in the Company website https://master.net.my/investor-relations/personal-data-protection-notice/. Training was also provided to all department heads on 11 October 2025 and a Data Protection Officer was appointed and registered with Jabatan Perlindungan Data Peribadi.

Sustainability

During the year 2025, the Board assisted by Sustainability Committee takes responsibility for the sustainability risks and material matters including the accompanying controls in the Group. The Sustainability Committee continuously align economic, environmental, social and governance ("EESG") initiatives with the strategic direction of the Group in order to create long term and sustainable value for its shareholders and other stakeholders.

The Sustainability Committee comprising Mr. Dharmik Rajkumar Sheth, Encik Radhi bin Mohamad and Mr. Chew Hock Lin assisted by Executive Director, Managing Director and Sustainability Executive are entrusted with the responsibility of overseeing risk management relating to sustainability matters in the Group.

A few of the sustainability initiatives implemented during 2025 are as follow:-

a. the installation and successful commissioning of solar roof at the plant at Nibong Tebal.
b. A larger capacity rainwater harvesting project in Nibong Tebal plant.
c. Keeping records of the tonnage of garbage dispose to the landfill.
d. Records on GHG of employee commuting.

A comprehensive account of the Group's sustainability initiatives and practices are set out in the Sustainability Statement on pages 15 to 44 of this Annual Report.

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDER

Communication with Stakeholders

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 https://master.net.my/investor-relations/announcements/ 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 Constitution, any shareholder may appoint up to a maximum of 2 proxies to attend and vote on his/her behalf in any General Meeting. The notes to the Notice of AGM also provide information to the shareholders regarding the details of the AGM, their entitlement to attend the AGM and their rights to appoint 2 proxies.

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDER

Communication with Stakeholders (Cont'd)

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 including the resolutions to be voted. Matters reserved for shareholders' approval were as tabulated in the Notice of Annual General Meeting circulated to the shareholders.

Upon the resignation of Encik Radhi bin Mohamad, Prof. Dato' Dr. GP Doraisamy A/L Govindasamy has been assigned as the Senior Independent & Non-Executive Director, to whom concerns in relation to the Company may be conveyed at the email SrIndependentDir@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.

Conduct of General Meetings

Master-Pack Group Berhad's AGM acts as a principal forum for interactions with shareholders. The 31st Notice of AGM to be held on 24th June 2025,was dispatched and advertised in the News Straits Times newspaper on 21st of April 2025, more than 28 days before the AGM as recommended by MCCG best practice of at least 28 days.

Despite the recommendation of Practice 13.3 that the Company should leverage on technology to facilitate voting including voting in absentia and remote shareholders' participation at the General Meeting, the Board has assessed and made comparisons to the fully virtual 27th Annual General Meeting and was of the opinion that it is not necessary to have fully virtual meetings as it is deemed not cost effective.

The full Board attended the 31st Annual General Meeting held on 24th June 2025. Also in attendance were the internal, external auditors, company secretaries, scrutineers and poll registrar.

The shareholders attending the AGM had their identification check against the Register of Depositors prior to be allowed to attend the AGM physically.

The Chairman of the Board welcomed all shareholders and the meeting proceeded in an orderly manner. The meeting was presided over by the Chairman and the proceedings were carried out by the Company Secretary. The Company Secretary confirmed the presence of the requisite quorum. She then explained to all shareholders in attendance the polling method and procedure of the AGM meeting.

The Chairman briefed the shareholders on the Group's financial and non-financial performance for the financial year which provides shareholders with clear understanding of the company's achievements as well as forecast outlook of the current year.

Pre-submission of questions are allowed from the date the shareholder receives the Notice of AGM until 24 June 2025 to the provided Company Secretary's email. Shareholders may also pose their questions during the AGM itself. This provides shareholders with sufficient time and opportunity to pose questions in support of meaningful engagement between the board, senior management and shareholders.

The engagement of shareholders with the Board and senior management are interactive as answers to their questions are provided on the spot by the Chairman. There is no limit to questions that may be asked by shareholders.

The AGM was carried out smoothly and all resolutions were voted electronically and duly approved by the shareholders. An independent external party is appointed as scrutineer to verify the results of the electronic poll voting process and results of the polls were announced immediately before ending of the physical annual general meeting.

Minutes of the 31st Annual General Meeting held on 24 June 2025 was published in the Company's website https://master.net.my/investor-relations/announcements/ within the prescribed of 30 business days as recommended.

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDER

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. In compliance with the Bursa Main Listing Requirements, the quarterly financial statements were announced to the public via the Bursa Link and the company's website not later than 2 months after the end of each quarter of the financial year.

The Board has also entrusted the AC which consists of members who possess the required and relevant financial expertise to review the Group's financial reports to ensure conformity with applicable MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016 before the financial statements are recommended to the Board for consideration and approval for release to the public.

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 and these are reflected in the Audited Financial Statements, as set out in pages 70 to 122 of the 2025 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, 2016 and Bursa Securities Listing Requirements. (Refer also to write-up on "Financial Reporting" above.)

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. There were two meetings held without the presence of the Executive Directors and the management.

In addition, the external auditors also attended 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 recommends for their re-appointment to the Board. The Audit Committee takes into consideration the importance of the external auditor's independence and objectivity and therefore adopts a strong view that all non-audit services shall be limited and approved, only when necessary. This is to ensure that the independence of the external auditors is not in any way impaired. The Group audit fee and non-audit fee paid to External Auditors for the financial year 2025 amounts to RM175,000 and RM3,000 respectively.

Compliance Statement

Save as disclosed above, the Board is satisfied that throughout the financial year ended 31 December 2025, the Company has applied the principles and recommendations of the corporate governance set out in the Code, where necessary and appropriate.

The Corporate Governance report can be viewed in the Company's website, https://master.net.my/investor-relations/announcements/. This statement was approved by the Board of Directors on 27 March 2026.

FINANCIAL STATEMENTS

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2025. All values shown in this report are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the financial year	4,802	5,348

Dividends

During the financial year, the Company declared and paid first interim single tier dividend of 8 sen per share amounting to RM4,370,000 in respect of the financial year ended 31 December 2025.

The directors do not recommend the payment of any final dividend in respect of the current financial year.

Reserves and provisions

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

Issue of shares or debentures

The Company did not issue any shares or debentures during the financial year.

Share options

The Company did not grant any share options during the financial year.

Bad and doubtful debts

Before the financial statements were prepared, 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 provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision 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 provision for doubtful debts inadequate to any substantial extent.

Current assets

Before the financial statements were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected so to realise.

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

Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group or 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 which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability which has arisen since the end of the financial year.

No contingent or other liability 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 affect the ability of the Group or the Company to meet their obligations 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 the financial statements which would render any amount stated in the financial statements misleading.

Items of an unusual nature

The results of the operations of the Group and the Company during 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 or the Company for the financial year in which this report is made.

Directors

The names of directors who served during the financial year and up to the date of this report are as follows:

Dato' Seri Syed Mohamad Bin Syed Murtaza	
Chew Hock Lin	
Dharmik Rajkumar Sheth	
Radhi Bin Mohamad	(resigned on 31.12.2025)
Fazlina Binti Yahaya	
Khor San Leng	
Prof Dato' Dr Doraisamy A/L Govindasamy	(appointed on 31.10.2025)
Ong Sheik Yoong	(appointed on 3.2.2026)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:

Sim Poh Lai	
Ting Kee Hoe	
Khor Chai Seang	(retired on 2.2.2025)

Directors' interests

According to the register of directors' shareholdings, 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 has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) (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.

Directors' remuneration

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

	From the Company RM'000	From subsidiaries RM'000	Total RM'000
Fees	286	0	286
Other short-term employee benefits	31	4,135	4,166
	317	4,135	4,452

Indemnity and insurance for directors and officers

There was no indemnity given to any director or officer of the Group or the Company during the financial year. The directors and officers of the Group and the Company are covered under a group insurance policy maintained by the holding company. During the financial year, the total amount of insurance effected for the directors and officers of the Group and the Company was RM3,000,000.

Subsidiaries

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 7 to the financial statements.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM175,000 and RM62,000 respectively.

Signed in accordance with a resolution of the directors dated 27 March 2026.

Dato' Seri Syed Mohamad Bin Syed Murtaza

Dharmik Rajkumar Sheth

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 79 to 122 give a true and fair view of the financial position of the Group and the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed in accordance with a resolution of the directors dated 27 March 2026.

Dato' Seri Syed Mohamad Bin Syed Murtaza **Dharmik Rajkumar Sheth**

STATUTORY DECLARATION

I, Dato' Seri 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 79 to 122 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Dato' Seri Syed Mohamad Bin Syed Murtaza at George Town in the State of Penang on this 27 March 2026.

Dato' Seri Syed Mohamad Bin Syed Murtaza

Before me

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Master-Pack Group Berhad, which comprise the statements of financial position as at 31 December 2025 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 notes to the financial statements, including material accounting policy information, as set out on pages 79 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2025, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*

<u>Valuation of inventories (Refer to Notes 3 and 10 to the financial statements)</u>
 	
The Group carries significant inventories. Management periodically reviews the inventories for potential write-downs by considering their aging profile, estimation of market price fluctuations and net realisable value. These reviews involve judgements and estimation uncertainty in forming expectations about future consumptions, sales and demands.
	Our audit procedures included, among others:
	• Obtaining an understanding of:
	  • the Group's inventory management process;
	  • how the Group identifies and assesses inventory write-downs; and
	  • how the Group makes the accounting estimates for inventory write-downs.
	• Reviewing the ageing analysis of inventories and testing the reliability thereof.
	• Examining the perpetual records for inventory movements and to identify slow moving aged items.
	• Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories.
	• Reviewing the net realisable value of major inventories.
	• Evaluating the reasonableness and adequacy of the resulting inventory write-downs recognised.

Key audit matter	*How our audit addressed the key audit matter*

Impairment of receivables (Refer to Notes 3 and 11 to the financial statements)
 	
The Group carries significant receivables and is subject to major credit risk exposure. The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions.
	Our audit procedures included, among others:
	• Obtaining an understanding of:
	  • the Group's control over the receivable collection process;
	  • how the Group identifies and assesses the impairment of receivables; and
	  • how the Group makes the accounting estimates for impairment.
	• Reviewing the ageing analysis and past due status of receivables and testing the reliability thereof.
	• Reviewing the subsequent cash collections for major receivables and overdue amounts.
	• Making inquiries of management regarding the action plans to recover overdue amounts.
	• Reviewing the computation of historical observed default rates and adjustment for forward-looking estimates used to develop the provision matrix.
	• Evaluating the reasonableness and adequacy of the resulting loss allowance recognised.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report (but does not include the financial statements of the Group and the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after that date.

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and request that a correction be made. If the directors refuse to make the correction, we shall take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom our auditors' report is prepared.

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that we have not acted as auditors of a subsidiary, Master-Pack Vietnam Co., Ltd.

Other matters

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Eddy Chan Wai Hun
02182/10/2027 J
Chartered Accountant

Date: 27 March 2026

Penang

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
Non-current assets			
Property, plant and equipment	4	49,620	50,937
Investment properties	5	18,314	14,640
Right-of-use assets	6	4,717	6,531
Goodwill on consolidation		196	196
Other investments	8	239	232
Deferred tax assets	9	5	10
		73,091	72,546
Current assets			
Inventories	10	10,114	14,776
Receivables	11	20,147	28,622
Prepayments	12	1,604	749
Current tax assets		1,773	1,154
Cash and cash equivalents	13	87,520	88,450
		121,158	133,751
Current liabilities			
Payables	14	14,047	18,281
Dividend payable		0	2,185
Loans and borrowings	15	3,261	2,643
Hire purchase payables	16	255	323
Lease liabilities	17	302	432
Current tax liabilities		27	211
		17,892	24,075
Net current assets		103,266	109,676
Non-current liabilities			
Deferred tax liabilities	9	5,842	6,666
Hire purchase payables	16	0	257
Lease liabilities	17	388	606
		6,230	7,529
Net assets		170,127	174,693
Equity			
Share capital	18	55,339	55,339
Legal reserve		9,464	9,144
Revaluation surplus		18,631	19,414
Currency translation reserve		(6,855)	(1,857)
Retained profits		93,548	92,653
Total equity		170,127	174,693

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
Revenue	19	101,763	154,945
Impairment gains on financial assets	20	15	43
Other income		3,888	2,766
Changes in inventories of work-in-progress and finished goods		(417)	(147)
Purchase of finished goods		(2,956)	(6,869)
Raw materials and consumables used		(58,404)	(82,883)
Depreciation of property, plant and equipment	4	(3,878)	(4,141)
Depreciation of right-of-use assets	6	(1,066)	(1,111)
Employee benefits expense	21	(17,843)	(20,134)
Loss on derecognition of financial assets measured at amortised cost		0	(5)
Finance costs		(267)	(298)
Other expenses		(14,474)	(19,963)
Profit before tax	22	6,361	22,203
Tax expense	23	(1,559)	(4,010)
Profit for the financial year		4,802	18,193
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
- Currency translation differences for foreign operation		(4,998)	(2,970)
Total other comprehensive income for the financial year		(4,998)	(2,970)
Comprehensive income for the financial year		(196)	15,223
Earnings per share:	24		
- Basic (sen)		8.79	33.31
- Diluted (sen)		8.79	33.31

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Non-distributable				Distributable	
	Share capital RM'000	Legal reserve* RM'000	Revaluation surplus RM'000	Currency translation reserve RM'000	Retained profits RM'000	Total equity RM'000
Balance at 1 January 2024	55,339	7,426	20,214	1,113	85,210	169,302
Dividends (representing total transactions with owners) (Note 25)	0	0	0	0	(9,832)	(9,832)
Profit for the financial year	0	0	0	0	18,193	18,193
Currency translation differences for foreign operation (representing other comprehensive income for the financial year)	0	0	0	(2,970)	0	(2,970)
Comprehensive income for the financial year	0	0	0	(2,970)	18,193	15,223
Transfer of legal reserve	0	1,718	0	0	(1,718)	0
Transfer of revaluation surplus	0	0	(800)	0	800	0
Balance at 31 December 2024	55,339	9,144	19,414	(1,857)	92,653	174,693

* *This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of Vietnam.*

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

		Non-distributable			Distributable	
	Share capital RM'000	**Legal reserve* RM'000**	**Revaluation surplus RM'000**	**Currency translation reserve RM'000**	**Retained profits RM'000**	**Total equity RM'000**
Balance at 1 January 2025	55,339	9,144	19,414	(1,857)	92,653	174,693
Dividends (representing total transactions with owners) (Note 25)	0	0	0	0	(4,370)	(4,370)
Profit for the financial year	0	0	0	0	4,802	4,802
Currency translation differences for foreign operation (representing other comprehensive income for the financial year)	0	0	0	(4,998)	0	(4,998)
Comprehensive income for the financial year	0	0	0	(4,998)	4,802	(196)
Transfer of legal reserve	0	320	0	0	(320)	0
Transfer of revaluation surplus	0	0	(783)	0	783	0
Balance at 31 December 2025	55,339	9,464	18,631	(6,855)	93,548	170,127

* *This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of Vietnam.*

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from operating activities			
Profit before tax		6,361	22,203
Adjustments for:			
Depreciation		4,944	5,252
Dividend income		(15)	(18)
Fair value gains on financial instruments		(592)	(136)
Impairment gains on financial assets		(15)	(43)
Interest expense		267	298
Interest income		(1,860)	(1,227)
Loss/(Gain) on disposal of property, plant and equipment		2	(37)
Loss on derecognition of financial assets		0	5
Property, plant and equipment written off		3	1
Unrealised loss on foreign exchange		1,145	0
Operating profit before working capital changes		10,240	26,298
Changes in:			
Inventories		4,662	(2,653)
Receivables		8,490	4,669
Prepayments		(777)	844
Payables		(4,234)	29
Cash generated from operations		18,381	29,187
Dividends received		15	18
Interest and fund distributions received		2,445	1,402
Tax paid		(3,669)	(4,620)
Tax refunded		488	0
Net cash from operating activities		17,660	25,987
Cash flows from investing activities			
Acquisition of investment properties		(3,674)	0
Acquisition of property, plant and equipment	26	(2,378)	(2,555)
Proceeds from disposal of property, plant and equipment		524	52
Net cash used in investing activities		(5,528)	(2,503)
Cash flows from investing activities			
Dividends paid		(6,555)	(7,647)
Interest paid		(267)	(298)
Net increase in short-term loans and borrowings	26	618	431
Payment of lease liabilities	26	(429)	(489)
Placement of term deposits pledged as security		(75)	(79)
Repayment of hire purchase obligations	26	(325)	(304)
Net cash used in financing activities		(7,033)	(8,386)
Currency translation differences		(6,104)	(3,007)
Net (decrease)/increase in cash and cash equivalents		(1,005)	12,091
Cash and cash equivalents brought forward		85,326	73,235
Cash and cash equivalents carried forward	26	84,321	85,326

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
Non-current assets			
Property, plant and equipment	4	13	15
Investment properties	5	3,640	3,640
Investments in subsidiaries	7	46,168	46,168
Other investments	8	239	232
Receivables	11	11,368	11,368
		61,428	61,423
Current assets			
Receivables	11	19	20
Dividend receivable		0	2,320
Cash and cash equivalents	13	5,996	4,867
		6,015	7,207
Current liabilities			
Payables	14	90	79
Dividend payable		0	2,185
Current tax liabilities		18	9
		108	2,273
Net current assets		5,907	4,934
Non-current liabilities			
Deferred tax liabilities	9	125	125
Net assets		67,210	66,232
Equity			
Share capital	18	55,339	55,339
Retained profits		11,871	10,893
Total equity		67,210	66,232

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
Revenue	19	6,208	41,331
Other income		139	119
Depreciation of property, plant and equipment	4	(9)	(11)
Employee benefits expense	21	(407)	(390)
Other expenses		(540)	(454)
Profit before tax	22	5,391	40,595
Tax expense	23	(43)	(37)
Profit for the financial year		5,348	40,558
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		5,348	40,558

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Share capital RM'000	(Accumulated losses)/ Retained profits RM'000	Total equity RM'000
Balance at 1 January 2024	55,339	(19,833)	35,506
Dividends (representing total transactions with owners) (Note 25)	0	(9,832)	(9,832)
Profit (representing comprehensive income) for the financial year	0	40,558	40,558
Balance at 31 December 2024	55,339	10,893	66,232
Dividends (representing total transactions with owners) (Note 25)	0	(4,370)	(4,370)
Profit (representing comprehensive income) for the financial year	0	5,348	5,348
Balance at 31 December 2025	55,339	11,871	67,210

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from operating activities			
Profit before tax		5,391	40,595
Adjustments for:			
Depreciation		9	11
Dividend income		(6,105)	941,248)
Fair value (gains)/losses on financial instruments		(7)	39
Interest income		(72)	(72)
Property, plant and equipment written off		1	0
Operating loss before working capital changes		(783)	(675)
Changes in:			
Receivables		1	2
Payables		11	13
Cash absorbed by operations		(771)	(660)
Dividends received		8,425	9,528
Interest received		72	72
Tax paid		(39)	(37)
Tax refunded		5	0
Net cash from operating activities		7,692	8,903
Cash flows from investing activity			
Acquisition of property, plant and equipment	26	(8)	(12)
Net cash used in investing activity		(8)	(12)
Cash flows from financing activity			
Dividends paid		(6,555)	(7,647)
Net cash used in financing activity		(6,555)	(7,647)
Net increase in cash and cash equivalents		1,129	1,244
Cash and cash equivalents brought forward		4,867	3,623
Cash and cash equivalents carried forward	26	5,996	4,867

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

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 7.

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

The consolidated financial statements set out on pages 79 to 83 together with the notes thereto cover the Company and its subsidiaries ("Group"). The separate financial statements of the Company set out on pages 84 to 87 together with the notes thereto cover the Company solely.

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

The financial statements were authorised for issue in accordance with a resolution of the directors dated 27 March 2026.

2. 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 material accounting policy information, and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 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 121 *Lack of Exchangeability*	1 January 2025

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

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 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026

2. 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
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

Except for the adoption of MFRS 18, management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18, which will replace MFRS 101 *Presentation of Financial Statements* upon its adoption, aims to provide better information about entities' financial performance and enhance financial reporting quality. The key changes introduced by MFRS 18 are:

- classification of income and expenses into five categories (i.e. operating, investing, financing, income taxes and discontinued operations);
- presentation of two defined subtotals (i.e. operating profit or loss and profit or loss before financing and income taxes) in the statement of profit or loss;
- disclosures about management-defined performance measures; and
- new principles for aggregation and disaggregation of information.

The Group and the Company will initially apply the new requirements of MFRS 18 in the financial year ending 31 December 2027.

3. Material accounting policy information

3.1 Critical accounting estimates and judgements

Key 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:

Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 10).

3. Material accounting policy information (cont'd)

3.1 Critical accounting estimates and judgements (cont'd)

***Key sources of estimation uncertainty* (cont'd)**

Impairment of receivables

The Group and the Company recognise loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 11).

Critical judgements made in applying accounting policies

In the process of applying the accounting policies of the Group and the Company, management is also not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

3.2 Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

Business combinations are accounted for 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. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

3. Material accounting policy information (cont'd)

3.3 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.

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.

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment losses, if any.

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.

Freehold land and capital work-in-progress are not depreciated. 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%
Solar photovoltaic system	10%
Plant and machinery	10% - 33%
Tools and equipment	10% - 33%
Furniture, fittings and office equipment	10% - 50%
Motor vehicles	17% - 25%

3.5 Investment properties

Investment property is property held (by the owner or the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both. Investment property 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.

3. Material accounting policy information (cont'd)

3.6 Right-of-use assets and lease liabilities

(a) Short-term leases and leases of low-value assets

The Company applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Company recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use assets

Right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

3.7 Investments in subsidiaries

As required by the Companies Act 2016, 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.

3.8 Inventories

Inventories 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.

3.9 Financial instruments

(a) Financial assets

<u>Financial assets through profit or loss</u>

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes include interest income.

<u>Financial assets at amortised cost</u>

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

3. Material accounting policy information (cont'd)

3.9 Financial instruments (cont'd)

(b) Financial liabilities

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

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

(d) Financial guarantee contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4. Property, plant and equipment

Group

	Freehold land RM'000	Buildings RM'000	Solar photovoltaic system RM'000	Plant and machinery RM'000	Plant and machinery* RM'000	Tools and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Motor vehicles* RM'000	Capital work-in-progress RM'000	Total RM'000
Cost/Valuation											
Balance at 1 January 2024	18,450	18,600	0	50,178	3,351	1,094	3,130	1,437	82	712	97,034
Additions	0	246	0	17	0	14	86	941	0	1,251	2,555
Disposals/Write-offs	0	0	0	(200)	0	(6)	(104)	(173)	0	0	(483)
Currency translation differences	0	0	0	(4)	0	0	(18)	(8)	0	0	(30)
Balance at 31 December 2024	18,450	18,846	0	49,991	3,351	1,102	3,094	2,197	82	1,963	99,076
Representing:											
- Cost	0	246	0	49,991	3,351	1,102	3,094	2,197	82	1,963	62,026
- Valuation	18,450	18,600	0	0	0	0	0	0	0	0	37,050
	18,450	18,846	0	49,991	3,351	1,102	3,094	2,197	82	1,963	99,076
Balance at 1 January 2025	18,450	18,846	0	49,991	3,351	1,102	3,094	2,197	82	1,963	99,076
Additions	0	0	1,791	290	0	5	75	0	0	139	2,300
Transfer from right-of-use assets	0	0	0	1,532	0	0	0	0	0	0	1,532
Disposals/Write-offs	0	0	0	(1,232)	0	0	(28)	(736)	0	0	(1,996)
Currency translation differences	0	0	0	(9)	0	0	(32)	(77)	0	0	(118)
Balance at 31 December 2025	18,450	18,846	1,791	50,572	3,351	1,107	3,109	1,384	82	2,102	100,794
Representing:											
- Cost	0	246	1,791	50,572	3,351	1,107	3,109	1,384	82	2,102	63,744
- Valuation	18,450	18,600	0	0	0	0	0	0	0	0	37,050
	18,450	18,846	1,791	50,572	3,351	1,107	3,109	1,384	82	2,102	100,794

4. Property, plant and equipment (cont'd)

Group

	Freehold land RM'000	Buildings RM'000	Solar photovoltaic system RM'000	Plant and machinery RM'000	Plant and machinery* RM'000	Tools and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Motor vehicles* RM'000	Capital work-in-progress RM'000	Total RM'000
Depreciation and impairment losses											
Balance at 1 January 2024											
- Accumulated depreciation	0	0	0	37,783	1,651	1,005	2,833	1,141	56	0	44,469
- Accumulated impairment losses	0	0	0	26	0	0	0	0	0	0	26
	0	0	0	37,809	1,651	1,005	2,833	1,141	56	0	44,495
Depreciation	0	1,104	0	2,266	335	36	129	271	0	0	4,141
Disposals/Write-offs	0	0	0	(199)	0	(6)	(104)	(158)	0	0	(467)
Currency translation differences	0	0	0	(4)	0	0	(17)	(9)	0	0	(30)
Balance at 31 December 2024											
- Accumulated depreciation	0	1,104	0	39,846	1,986	1,035	2,841	1,245	56	0	48,113
- Accumulated impairment losses	0	0	0	26	0	0	0	0	0	0	26
	0	1,104	0	39,872	1,986	1,035	2,841	1,245	56	0	48,139
Depreciation	0	1,076	45	2,063	323	33	136	192	10	0	3,878
Transfer from right-of-use assets	0	0	0	677	0	0	0	0	0	0	677
Disposals/Write-offs	0	0	0	(1,229)	0	0	(28)	(210)	0	0	(1,467)
Currency translation differences	0	0	0	(7)	0	0	(31)	(15)	0	0	(53)
Reclassifications	0	0	0	0	0	0	0	(16)	16	0	0
Balance at 31 December 2025											
- Accumulated depreciation	0	2,180	45	41,350	2,309	1,068	2,918	1,196	82	0	51,148
- Accumulated impairment losses	0	0	0	26	0	0	0	0	0	0	26
	0	2,180	45	41,376	2,309	1,068	2,918	1,196	82	0	51,174

4. Property, plant and equipment (cont'd)

Group

	Freehold land RM'000	Buildings RM'000	Solar photovoltaic system RM'000	Plant and machinery RM'000	Plant and machinery* RM'000	Tools and equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Motor vehicles* RM'000	Capital work-in-progress RM'000	Total RM'000
Carrying amount											
Balance at 1 January 2024	18,450	18,600	0	12,369	1,700	89	297	296	26	712	52,539
Balance at 31 December 2024	18,450	17,742	0	10,119	1,365	67	253	952	26	1,963	50,937
Balance at 31 December 2025	18,450	16,666	1,746	9,196	1,042	39	191	188	0	2,102	49,620

* Subject to operating leases

4. Property, plant and equipment (cont'd)

The freehold land and buildings were revalued to fair values on 31 December 2023 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. The fair values were categorised within Level 2 of the fair value hierarchy. 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:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Freehold land	1,904	1,904
Buildings	7,680	8,133
	9,584	10,037

The freehold land and buildings have been pledged as security for credit facilities granted to the Group.

The carrying amounts of plant and machinery acquired under hire purchase financing which remained outstanding as at the end of the reporting period was RM855,000 (2024 : RM1,007,000).

The Group leases certain plant and machinery, motor vehicles and a small portion of its buildings under operating leases for 1 to 5 years. The undiscounted lease payments to be received are as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Within 1 year	581	521
1 to 2 years	208	216
2 to 3 years	0	148
	789	885

4. Property, plant and equipment (cont'd)

Company

	Furniture, fittings and office equipment RM'000
Cost	
Balance at 1 January 2024	626
Additions	12
Disposals/Write-offs	(10)
Balance at 31 December 2024	628
Additions	8
Write-offs	(8)
Balance at 31 December 2025	628
Accumulated depreciation	
Balance at 1 January 2024	612
Depreciation	11
Disposals/Write-offs	(10)
Balance at 31 December 2024	613
Depreciation	9
Write-offs	(7)
Balance at 31 December 2025	615
Carrying amount	
Balance at 1 January 2024	14
Balance at 31 December 2024	15
Balance at 31 December 2025	13

5. Investment properties

Group

	Freehold land RM'000	Buildings RM'000	Office lots RM'000	Total RM'000
Fair value				
Balance at 1 January 2024	3,400	7,600	3,640	14,640
Fair value gains/(losses)	50	(50)	0	0
Balance at 31 December 2024	3,450	7,550	3,640	14,640
Additions	2,887	787	0	3,674
Fair value gains/(losses)	100	(100)	0	0
Balance at 31 December 2025	6,437	8,237	3,640	18,314

Company

	Office lots RM'000
Fair value	
Balance at 1 January 2024 / 31 December 2024 / 31 December 2025	3,640

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. The fair values were categorised within Level 2 of the fair value hierarchy. For investment properties purchased during the financial year, the arm's length costs were reasonable approximations of fair values.

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Freehold land	3,550	3,450	0	0
Buildings	7,450	7,550	0	0
Office lots	2,280	2,280	2,280	2,280
	13,280	13,280	2,280	2,280

The Group and the Company lease some investment properties under operating leases for 1 to 3 years. The undiscounted lease payments to be received are as follows:

	2025 RM'000	2024 RM'000
Within 1 year	169	59
1 to 2 years	156	14
2 to 3 years	166	0
3 to 4 years	14	0
	505	73

6. Right-of-use assets

Group

	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Total RM'000
Balance at 1 January 2024	4,985	1,270	1,161	7,416
Additions	0	281	0	281
Depreciation	(443)	(514)	(154)	(1,111)
Currency translation differences	0	(55)	0	(55)
Balance at 31 December 2024	4,542	982	1,007	6,531
Remeasurement of lease liabilities	0	205	0	205
Depreciation	(444)	(470)	(152)	(1,066)
Transfer to property, plant and equipment	0	0	(855)	(855)
Currency translation differences	0	(98)	0	(98)
Balance at 31 December 2025	4,098	619	0	4,717

The Group acquired the right to use the leasehold land as a principal place of business for 43 years since 1992. It also leases the buildings for business operations for 3 years.

The leasehold land has been pledged as security for credit facilities granted to the Group.

7. Investments in subsidiaries

Company

	2025 RM'000	2024 RM'000
Unquoted shares - at cost	51,168	51,168
Impairment losses	(5,000)	(5,000)
	46,168	46,168

Impairment losses have been recognised for investment in a loss-making subsidiary.

The details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest 2025	Effective ownership interest 2024	Principal activity
Master-Pack Sdn. Bhd.	Malaysia	100%	100%	Manufacture of corrugated cartons, wooden packaging and distribution of packaging materials
Master-Pack (Sarawak) Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of corrugated cartons

7. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest 2025	Effective ownership interest 2024	Principal activity
Master-Pack Marine Products Sdn. Bhd.	Malaysia	100%	100%	Property letting
Master-Pack Vietnam Co., Ltd.	Vietnam	*100%	*100%	Manufacture and sale of wooden packaging boxes

** Interest held through Master-Pack Sdn. Bhd.*

8. Other investments

Group and Company

	2025 RM'000	2024 RM'000
Quoted shares - at fair value	239	232

9. Deferred tax assets and deferred tax liabilities

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Balance at 1 January	(6,656)	(6,752)	(125)	(125)
Deferred tax income relating to origination and reversal of temporary differences recognised in profit or loss	837	95	1	1
Deferred tax liabilities (under)/over provided in prior year	(7)	1	(1)	(1)
Currency translation differences	(11)	0	0	0
Balance at 31 December	(5,837)	(6,656)	(125)	(125)
Disclosed as:				
- Deferred tax assets	5	10	0	0
- Deferred tax liabilities	(5,842)	(6,666)	(125)	(125)
	(5,837)	(6,656)	(125)	(125)

9. Deferred tax assets and deferred tax liabilities (cont'd)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
- Property, plant and equipment	(5,781)	(5,920)	(1)	(1)
- Investment properties	(169)	(169)	(124)	(124)
- Right-of-use assets	(1,028)	(1,331)	0	0
- Inventories	235	235	0	0
- Financial instruments	354	177	0	0
- Lease liabilities	138	352	0	0
- Unused capital allowances	414	0	0	0
	(5,837)	(6,656)	(125)	(125)

Save as disclosed above, as at 31 December 2025, deferred tax liabilities and deferred tax assets have also effectively been recognised and offset against each other by the Group to the extent of RM1,138,000 (2024 : RM1,123,000). No further deferred tax assets have been recognised for the following excess of unused capital allowances and tax losses over taxable temporary differences:

	Group	
	2025	2024
	RM'000	RM'000
Unused capital allowances	4,054	4,055
Unused tax losses	15,496	15,496
Taxable temporary differences of investment properties	(4,742)	(4,679)
	14,808	14,872

The unused capital allowances have no expiry date, whereas the unused tax losses can be carried forward until the year of assessment 2028.

10. Inventories

Group

	2025	2024
	RM'000	RM'000
Raw materials	6,979	9,680
Work-in-progress	289	422
Finished goods	1,080	1,455
Goods-in-transit	1,766	3,219
	10,114	14,776

The amount of inventories recognised as an expense in cost of sales was RM79,515,000 (2024: RM111,373,000).

11. Receivables

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Amount due from subsidiary	0	0	27,868	27,868
Loss allowance	0	0	(16,500)	(16,500)
	0	0	11,368	11,368
Current assets				
Trade receivables	19,226	26,230	0	0
Loss allowance	(46)	(61)	0	0
	19,180	26,169	0	0
Other receivables	626	2,116	2	3
Deposits	341	337	17	17
	20,147	28,622	19	20
Total receivables	20,147	28,622	11,387	11,388

Trade receivables

The credit terms of trade receivables range from 30 to 90 days.

Amount due from subsidiary

The amount due from subsidiary is unsecured, interest free and repayable on demand.

12. Prepayments

Group

	2025	2024
	RM'000	RM'000
Prepayments for acquisition of:		
- Property, plant and equipment	78	0
- Operating expenses	1,526	749
	1,604	749

13. Cash and cash equivalents

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances:				
- Interest earning	31,339	0	3,753	0
- Non-interest earning	7,753	46,309	2,243	4,867
	39,092	46,309	5,996	4,867
Term deposits with licensed banks	31,226	29,524	0	0
Short-term funds - at fair value	17,202	12,617	0	0
	87,520	88,450	5,996	4,867

Short-term funds represent highly liquid investments in money market funds managed by financial institutions that invest in low-risk instruments and are readily redeemable with insignificant risk of changes in value.

The effective interest rates of interest earning bank balances and term deposits as at 31 December 2025 ranged from 2.05% to 7.50% (2024 : 2.50% to 5.40%) per annum. The term deposits have maturity periods ranging from 3 to 12 (2024 : 3 to 12) months.

Certain term deposits totalling RM3,199,000 (2024 : RM3,124,000) have been pledged as security for credit facilities granted to the Group. Accordingly, they are not freely available for use.

14. Payables

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Trade payables	3,565	5,214	0	0
Other payables	7,037	743	4	3
Deposits	116	86	16	16
Accruals	3,329	12,238	70	60
	14,047	18,281	90	79

The credit terms of trade and other payables range from 30 to 90 days.

15. Loans and borrowings

Group

	2025	2024
	RM'000	RM'000
Banker acceptances	576	454
Trust receipts	2,685	2,189
	3,261	2,643

Loans and borrowings are secured against certain property, plant and equipment (Note 4), investment properties (Note 5), right-of-use assets (Note 6) and term deposits (Note 13).

The effective interest rates of loans and borrowings as at 31 December 2025 ranged from 4.44% to 6.77% (2024 : 4.77% to 6.82%) per annum.

16. Hire purchase payables

Group

	2025 RM'000	2024 RM'000
Current	255	323
Non-current	0	257
	255	580

Hire purchase payables are secured against certain property, plant and equipment (Note 4).

The effective interest rates of hire purchase payables as at 31 December 2025 was 5.97% (2024 : 5.97%) per annum.

17. Lease liabilities

Group

	2025 RM'000	2024 RM'000
Current	302	432
Non-current	388	606
	690	1,038

The incremental borrowing rates applied to lease liabilities as at 31 December 2025 ranged from 7.50% to 8.60% (2024 : 5.00% to 11.00%) per annum.

18. Share capital

	2025 RM'000	2024 RM'000
Issued and fully paid		
54,620,150 ordinary shares with no par value	55,339	55,339

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company.

19. Revenue

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
Recognised at a point in time				
Sale of goods	101,645	154,844	0	0
Revenue from other sources				
Dividend income	15	18	6,105	41,248
Operating lease income	103	83	103	83
	118	101	6,208	41,331
	101,763	154,945	6,208	41,331

Revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market.

	Group	
	2025	2024
	RM'000	RM'000
Malaysia	78,293	94,843
Vietnam	21,776	58,164
Others	1,694	1,938
	101,763	154,945

Information about other disaggregation of revenue from contracts with customers has not been disclosed as the Group generates the revenue principally from selling corrugated cartons and packaging materials.

Revenue from sale of goods is recognised at a point in time when goods have been delivered and accepted by customers.

There is no significant financing component in the revenue from contracts with customers as the sales are made on the normal credit terms not exceeding 12 months. There were no variable elements in the sales consideration and no warranties were given to the customers.

Revenue from other sources

Dividend income is recognised when the right to receive dividend payment is established.

Operating lease income is accounted for on a straight line basis over the lease term of an ongoing lease.

20. Impairment gains on financial assets

Group

	2025 RM'000	2024 RM'000
Trade receivables from contracts with customers	15	43

21. Employee benefits expense (including directors' remuneration)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company:				
- Fees	286	275	286	275
- Other short-term employee benefits	4,166	5,981	31	21
	4,452	6,256	317	296
Directors of subsidiaries:				
- Fees	18	18	0	0
- Other short-term employee benefits	2,102	2,745	0	0
- Defined contribution plans	93	119	0	0
	2,213	2,882	0	0
Other employees:				
- Short-term employee benefits	10,336	10,057	90	94
- Defined contribution plans	842	939	0	0
	11,178	10,996	90	94
	17,843	20,134	407	390

22. Profit before tax

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Audit fees				
- Current year	175	168	62	58
- Prior year	0	4	0	6
- Non-audit fees	3	2	3	2
Direct operating expenditure for investment properties:				
- Generating rental income	44	39	44	39
- Not generating rental income	151	177	0	0

22. Profit before tax (cont'd)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fair value losses on other investments mandatorily measured at fair value through profit or loss	0	39	0	39
Interest expense for financial liabilities not measured at fair value through profit or loss				
- Loans and borrowings	165	163	0	0
- Hire purchase payables	24	43	0	0
Interest expense for lease liabilities	78	92	0	0
Lease expense relating to:				
- Short-term leases	271	163	0	0
- Leases of low-value assets (other than short-term leases)	12	10	0	0
	283	173	0	0
Loss on disposal of property, plant and equipment	2	0	0	0
Loss on foreign exchange:				
- Realised	426	407	0	0
- Unrealised	1,145	0	0	0
Property, plant and equipment written off	3	1	1	0
and crediting:				
Fair value gains on financial instruments mandatorily measured at fair value through profit or loss:				
- Other investments	7	0	7	0
- Short-term funds	585	175	0	0
Gain on disposal of property, plant and equipment	0	37	0	0
Interest income for financial assets measured at amortised cost	1,860	1,227	72	72
Operating lease income from:				
- Investment properties	103	83	103	83
- Others	783	783	0	0

23. Tax expense

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Tax based on results for the year:				
- Current tax	2,452	3,796	54	47
- Deferred tax	(837)	(95)	(1)	(1)
	1,615	3,701	53	46
Tax (over)/under provided in prior year:				
- Current tax	(63)	310	(11)	(10)
- Deferred tax	7	(1)	1	1
	1,559	4,010	43	37

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:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax	6,361	22,203	5,391	40,595
Tax at applicable tax rate of 24%	1,527	5,329	1,294	9,743
Non-deductible expenses	397	246	226	203
Non-taxable income	(178)	(212)	(1,467)	(9,900)
Effect of differential tax rates	(116)	(1,635)	0	0
Decrease in unrecognised deferred tax assets	(15)	(27)	0	0
Tax under/(over) provided in prior year	(56)	309	(10)	(9)
Tax expense	1,559	4,010	43	37

24. Earnings per share

Group

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

	2025	2024
Profit for the financial year (RM'000)	4,802	18,193
Weighted average number of shares in issue ('000)	54,620	54,620
Basic earnings per share (sen)	8.79	33.31

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.

25. Dividends

Group and Company

	2025 RM'000	2024 RM'000
Based on 54,620,150 ordinary shares:		
- In respect of the financial year ended 31 December 2024:		
- First interim single tier dividend of 8 sen per share	0	4,370
- Second interim single tier dividend of 6 sen per share	0	3,277
- Third interim single tier dividend of 4 sen per share		2,185
- In respect of the financial year ended 31 December 2025:		
- First interim single tier dividend of 8 sen per share	4,370	0
	4,370	9,832

26. Notes to consolidated statement of cash flows

Acquisition of property, plant and equipment

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost of property, plant and equipment acquired (Note 4)	2,300	2,555	8	12
Cost prepaid in current year (Note 12)	78	0	0	0
Net cash disbursed	2,378	2,555	8	12

Group

Short-term loans and borrowings

	2025 RM'000	2024 RM'000
Balance at 1 January	2,643	2,212
Net cash flow changes	618	431
Balance at 31 December (Note 15)	3,261	2,643

Hire purchase payables

	2025 RM'000	2024 RM'000
Balance at 1 January	580	884
Repayments	(325)	(304)
Balance at 31 December (Note 16)	255	580

26. Notes to consolidated statement of cash flows (cont'd)

Group

Lease liabilities

	2025 RM'000	2024 RM'000
Balance at 1 January	1,038	1,312
Acquisition of right-of-use assets	0	281
Remeasurement from reassessment or lease modifications	205	0
Payments	(429)	(489)
Currency translation differences	(124)	(66)
Balance at 31 December (Note 17)	690	1,038

The total cash outflow for leases is as follows:

	2025 RM'000	2024 RM'000
Operating activities		
Lease expense recognised in profit or loss (Note 22)	283	173
Financing activities		
Interest portion of lease liabilities (Note 22)	78	92
Principal portion of lease liabilities	429	489
	790	754

Cash and cash equivalents

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and cash equivalents (Note 13)	87,520	88,450	5,996	4,867
Term deposits pledged to licensed banks	(3,199)	(3,124)	0	0
Available cash	84,321	85,326	5,996	4,867

27. Related party disclosures

Transactions with related parties during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Key management personnel compensation				
- Short-term employee benefits	6,699	9,216	317	296
- Defined contribution plans	107	119	0	0
	6,806	9,335	317	296

27. Related party disclosures (cont'd)

Transactions with related parties during the financial year are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Dividends declared from subsidiaries	0	0	6,090	41,230
Subscription for shares in subsidiaries	0	0	0	31,000

28. Segment reporting

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 cartons and packaging materials.

Geographical information

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from where the customers are originated.

Majority of the segment assets and liabilities of the Group are derived from Malaysia. Hence, no additional disclosure is made on geographical breakdown/details of the segment assets and liabilities of the Group.

Revenue information based on the geographical location of customers are presented in Note 19.

Major customers

For the financial year ended 31 December 2025, there was 1 (2024 : 1) major group of customers that contributed 10% or more of the Group's total revenue and the total revenue generated from this major group amounted to RM32,857,000 (2024 : RM85,660,000).

29. Contractual commitments

Group

	2025	2024
	RM'000	RM'000
Acquisition of property, plant and equipment	828	2,597

30. Financial instruments

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.

30.1 Financial risk management policies

Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit risk concentration profile

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 31 December 2025, there was 2 (2024 : 1) major group of customers that individually accounted for 10% or more of the Group's trade receivables and the total outstanding balance due from this major group amounted to RM5,754,000 (2024 : RM11,266,000). The credit risk concentration profile by geographical areas of trade receivables is as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Malaysia	17,347	19,429
Vietnam	1,614	6,523
Others	265	278
	19,226	26,230

(ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM4,114,000 (2024 : RM3,359,000), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

30. Financial instruments (cont'd)

30.1 Financial risk management policies (cont'd)

Credit risk (cont'd)

(iii) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

Trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates).

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

Allowance for impairment losses

The changes in the loss allowance are as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Balance at 1 January	61	104
Impairment gains	(15)	(43)
Balance at 31 December	46	61

The following table details the credit exposure and loss allowances recognised for trade receivables. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

30. Financial instruments (cont'd)

30.1 Financial risk management policies (cont'd)

Credit risk (cont'd)

(iii) Assessment of impairment losses (cont'd)

Trade receivables (cont'd)

Allowance for impairment losses (cont'd)

Group

	Gross amount RM'000	Lifetime collective allowance RM'000	Carrying amount RM'000
2025			
Not past due	14,281	(17)	14,264
1 to 30 days past due	3,225	(11)	3,214
31 to 60 days past due	1,446	(10)	1,436
61 to 90 days past due	242	(8)	234
More than 90 days past due	32	0	32
	19,226	(46)	19,180
2024			
Not past due	19,449	(18)	19,431
1 to 30 days past due	4,617	(13)	4,604
31 to 60 days past due	1,347	(9)	1,338
61 to 90 days past due	424	(8)	416
More than 90 days past due	393	(13)	380
	26,230	(61)	26,169

The average credit loss rates were based on the payment profile of revenue over a period of 36 (2024 : 36) months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Other receivables and amount due from subsidiary (non-trade)

The Company apply the general approach to measuring expected credit losses for its other receivables. Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company measure the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

Allowance for impairment losses

The loss allowance for amount due from subsidiary is as follows:

	RM'000
Company	
Balance at 1 January 2024 / 31 December 2024 / 31 December 2025	16,500

30. Financial instruments (cont'd)

30.1 Financial risk management policies (cont'd)

Credit risk (cont'd)

(iii) Assessment of impairment losses (cont'd)

Other receivables and amount due from subsidiary (non-trade) (cont'd)

Allowance for impairment losses (cont'd)

The above loss allowance is in respect of individually assessed credit-impaired other receivables.

No expected credit loss is recognised on the remaining other receivables and amounts due from fellow subsidiaries as it is negligible.

Term deposits with licensed banks, cash and bank balances

The Group and the Company considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

Financial guarantee contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- the subsidiary is unlikely to repay its obligation to the bank in full; or
- the subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash and the availability of funding through standby credit facilities.

30. Financial instruments (cont'd)

30.1 Financial risk management policies (cont'd)

Liquidity risk (cont'd)

Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group	Effective interest rate %	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	1 to 5 years RM'000
2025					
Non-derivative financial liabilities					
Payables	-	14,047	14,047	14,047	0
Loans and borrowings	4.44 - 6.77	3,261	3,261	3,261	0
Hire purchase payables	5.97	255	261	261	0
Lease liabilities	7.50 - 8.60	690	757	346	411
		18,253	18,326	17,915	411
2024					
Non-derivative financial liabilities					
Payables	-	18,281	18,281	18,281	0
Dividend payable	-	2,185	2,185	2,185	0
Loans and borrowings	4.77 - 6.82	2,643	2,643	2,643	0
Hire purchase payables	5.97	580	609	348	261
Lease liabilities	5.00 - 11.00	1,038	1,157	494	663
		24,727	24,875	23,951	924

Company	Effective interest rate %	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000
2025				
Non-derivative financial liabilities				
Payables	-	90	90	90
Financial guarantee contracts #	-	4,114	4,114	4,114
		4,204	4,204	4,204
2024				
Non-derivative financial liabilities				
Payables	-	79	79	79
Dividend payable	-	2,185	2,185	2,185
Financial guarantee contracts #	-	3,359	3,359	3,359
		5,623	5,623	5,623

\# *The contractual undiscounted cash flows represent the outstanding bank facilities of subsidiaries at the end of the reporting period. The financial guarantees are not recognised as their fair values are not material.*

30. Financial instruments (cont'd)

30.1 Financial risk management policies (cont'd)

Liquidity risk (cont'd)

Currency risk

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The major functional currencies within the Group are Ringgit Malaysia ("RM") and Vietnamese Dong ("VND"), whereas the major foreign currency transacted is US Dollar ("USD"). The gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:

	Group Denominated in USD	
	2025 RM'000	2024 RM'000
Receivables	1,766	4,735
Cash and cash equivalents	15,169	13,699
Payables	(514)	(1,403)
	16,421	17,031

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:

(i) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.

(ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

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:

	Group Profit/(Loss)	
	2025 RM'000	2024 RM'000
Appreciation of USD against RM by 3% (2024 : 5%)	374	647
Depreciation of USD against RM by 3% (2024 : 5%)	(374)	(647)

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely interest earning bank balances, term deposits, loans and borrowings, hire purchase payables and lease liabilities, all of which are fixed rate instruments.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing.

30. Financial instruments (cont'd)

30.1 Financial risk management policies (cont'd)

Interest rate risk (cont'd)

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss.

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.

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 to changes in FBMKLCI that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group and Company Profit/(Loss)	
	2025	**2024**
	RM'000	**RM'000**
Increase in FBMKLCI by 3% (2024 : 3%)	7	7
Decrease in FBMKLCI by 3% (2024 : 3%)	(7)	(7)

30.2 Capital risk management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, interest bearing debts less available cash. Capital includes equity attributable to the owners of the Group. The debt-to-equity ratio of the Group at the end of the reporting period are as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Loans and borrowings (Note 15)	(3,261)	(2,643)
Hire purchase payables (Note 16)	(255)	(580)
Lease liabilities (Note 17)	(690)	(1,038)
Total interest-bearing debts	(4,206)	(4,261)
Available cash (Note 26)	84,321	85,326
Net cash	80,115	81,065
Total equity	170,127	174,693
Debt-to-equity ratio (times)	*	*

* *Not applicable as the Company is in net cash position*

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

30. Financial instruments (cont'd)

30.3 Classification of financial instruments

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Fair value through profit or loss				
Other investments (Note 8)	239	232	239	232
Short-term funds (Note 13)	17,202	12,617	0	0
	17,441	12,849	239	232
Amortised cost				
Receivables (Note 11)	20,147	28,622	11,387	11,388
Dividend receivable	0	0	0	2,320
Term deposits with licensed banks (Note 13)	31,226	29,524	0	0
Cash and bank balances (Note 13)	39,092	46,309	5,996	4,867
	90,465	104,455	17,383	18,575
Financial liabilities				
Amortised cost				
Payables (Note 14)	14,047	18,281	90	79
Dividend payable	0	2,185	0	2,185
Loans and borrowings (Note 15)	3,261	2,643	0	0
Hire purchase payables (Note 16)	255	580	0	0
	17,563	23,689	90	2,264

30.4 Gains or losses arising from financial instruments

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net gains/(losses) on:				
- Financial assets at fair value through profit or loss	592	136	7	(39)
- Financial assets at amortised costs	429	913	72	72
- Financial liabilities at amortised costs	(314)	(261)	0	0

30. Financial instruments (cont'd)

30.5 Fair value information

Other than those disclosed below, the fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms. The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

	Fair value of financial instruments carried at fair value				
Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
2025					
Financial assets					
Quoted investments	239	0	0	239	239
Short-term funds	17,202	0	0	17,202	17,202
2024					
Financial assets					
Quoted investments	232	0	0	232	232
Short-term funds	12,617	0	0	12,617	12,617
Company					
2025					
Financial assets					
Quoted investments	239	0	0	239	239
2024					
Financial assets					
Quoted investments	232	0	0	232	232

Fair value of financial instruments carried at fair value

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets.

The fair values of short-term funds are directly measured using their unadjusted market values quoted by financial institutions.

30. Financial instruments (cont'd)

30.5 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value				
Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
2025					
Financial liabilities					
Hire purchase payables	0	255	0	255	255
2024					
Financial liabilities					
Hire purchase payables	0	580	0	580	580

Fair value of financial instruments not carried at fair value

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.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

		Group	
		2025	**2024**
Total Income	**Remarks**	**(RM'000)**	**(RM'000)**
Revenue		101,763	154,945
Other income		1,433	1,364
Interest income		1,862	1,227
Others (please specify in the remarks column)	Fair value gains on financial instruments - short-term funds	585	175
Others (please specify in the remarks column)	Fair value gains on financial instruments - other investments	8	0
Others (please specify in the remarks column)	Fair value gains on financial assets	15	38
Total		**105,666**	**157,749**
Total Assets		**194,249**	**206,296**

(b) Business Activities

		Group	
		2025	**2024**
Shariah Non-Compliant Activities	**Remarks**	**(RM'000)**	**(RM'000)**
Liquor and liquor-related activities		112	79
Pork and pork-related activities		123	111
Gain from investment in conventional instruments		585	175
Total		**820**	**365**

(c) Component of Financial Position

(i) Cash Component

		Group	
		2025	**2024**
Islamic Account/Instruments	**Remarks**	**(RM'000)**	**(RM'000)**
Cash at bank (exclude cash in hand)		12,682	4,123
Cash in hand		28	31
Total		**12,710**	**4,154**
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		22,822	30,143
Short-term funds		17,202	12,617
Deposits with licensed bank		3,198	3,124
Deposits with bank in foreign jurisdiction: non-interest-bearing	Vietnam	3,560	12,012
Deposits with bank in foreign jurisdiction: interest-bearing	Vietnam	28,028	26,400
Total		**74,810**	**84,296**

(c) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	**Remarks**	**Group 2025 (RM'000)**	**Group 2024 (RM'000)**
Current			
Non-Current			
Total		0	0

Conventional Borrowing	**Remarks**	**Group 2025 (RM'000)**	**Group 2024 (RM'000)**
Current			
Non-Current			
Banker's acceptances		576	454
Trust receipt		2,685	2,189
Total		3,261	2,643

GROUP PROPERTIES
AS AT 31 DECEMBER 2025

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	30	L:RM14,100,000 B:RM8,097,000	31-Dec-23
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	25	L:RM4,350,000 B:RM4,783,000	31-Dec-23
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	Leasehold land Expiring in 2035	33	L:RM4,098,000 B:RM3,786,000	31-Dec-23
	Investment Properties								
4	Lot 10056 to 10063 Mukim of Parit Buntar Daerah Krian, Perak.	Industrial Land & Factory Building	85,225 sq ft	133,322 sq ft	Rental for investment purposes	Freehold	28	L:RM3,550,000 B:RM7,450,000	31-Dec-25
5	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 purpose	Freehold	30	B:RM3,640,000	31-Dec-25
6	GRN 268166 Lot 64175 Bandar Nilai Utama, Seremban Negeri Sembilan	Industrial Land & Factory Building	6,000 sq ft	15,769 sq ft	Rental for investment purposes	Freehold	1	B:RM3,674,000	31-Dec-25

L : Land
B : Building

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2026

DISTRIBUTION OF SHAREHOLDER AS AT 31 MARCH 2026

No. of Holders	Holdings	Total Holdings	%
336	Less Than 100	13,753	0.02
362	100 - 1,000	198,167	0.36
1,202	1,001 - 10,000	3,876,675	7.10
195	10,001 – 100,000	5,285,805	9.68
18	100,001 and below 5% of issued shares	10,575,850	19.37
2	5% and above of issued shares	34,669,900	63.47
2,115	TOTAL	54,620,150	100

DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2026

Name of Director	Direct interest	%	Deemed interest	%
Dato' Seri Syed Mohamad Bin Syed Murtaza	-	-	-	-
Chew Hock Lin	-	-	-	-
Dharmik Rajkumar Sheth	-	-	-	-
Khor San Leng	-	-	-	-
Fazlina Binti Yahaya	-	-	-	-
Prof. Dato Dr. Doraisamy A/L Govindasamy	-	-	-	-
Ong Sheik Yoong	-	-	-	-

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 31 MARCH 2026

Name of Substantial Shareholders	Direct interest	%	Deemed interest	%
Yayasan Bumiputera Pulau Pinang Berhad	17,800,000	32.59	-	-
ITS Konsortium Sdn Bhd	16,869,900	30.89		
Muhibah Engineering (M) Berhad	68,100	0.12	16,869,900[1]	30.89
Mac Ngan Boon @ Mac Yin Boon	-	-	16,938,000[1]	31.01

Note:
[1] Deemed interest by virtue of Section 8 of the Companies Act, 2016.

LIST OF TOP 30 SHAREHOLDERS

NO	NAME OF SHAREHOLDERS	SHAREHOLDINGS	%
1	YAYASAN BUMIPUTRA PULAU PINANG BHD.	17,800,000	32.59
2	ITS KONSORTIUM SDN. BHD.	16,869,900	30.89
3	CH'NG ENG SEONG	1,500,000	2.75
4	UNIVERSAL CAPITAL RESOURCES SDN. BHD.	1,292,700	2.37
5	CHONG WEE BENG	1,221,600	2.24
6	TRANSASIA ASSETS SDN. BHD.	1,221,300	2.24
7	AMINAH BINTI MOHD TAIB	1,144,000	2.09
8	KHOR TENG TONG HOLDINGS SDN. BHD	1,127,000	2.06
9	NORIYATI BINTI HASSAN	979,300	1.79
10	ELEBEST ENGINEERING SDN. BHD.	300,000	0.55
11	YEO KHEE HUAT	276,600	0.51
12	LEE KOK HIN	255,100	0.47
13	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. FOR LEW MON CHING	205,500	0.38
14	AMINAH BINTI MOHD TAIB	186,300	0.34
15	SIM POH LAI	161,800	0.30
16	ALVINA CHUA MEI NA	158,500	0.29
17	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN.BHD. FOR EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. (RETAIL CLIENTS)	152,900	0.28
18	LOW TIONG LEK	143,050	0.26
19	CARTABAN NOMINEES (ASING) SDN. BHD. FOR THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	140,200	0.26
20	LIM KHUAN ENG	110,000	0.20
21	ZAINUL ABIDEEN BIN FAZLE ABBAS	100,000	0.18
22	CHAN PHENG HOCK	94,800	0.17
23	LIN REE PHEIN	92,000	0.17
24	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. FOR KENNETH KOH BENG HOCK	90,000	0.16
25	APEX NOMINEES (TEMPATAN) SDN.BHD. FOR CHOOI HOI CHOY	80,000	0.15
26	LIM BUN CHOON	74,000	0.14
27	CHAN HENG KOON	72,000	0.13
28	WOU BOON KEAT	71,000	0.13
29	CIMSEC NOMINEES (TEMPATAN) SDN. BHD.- CIMB FOR NG HOCK CHYE	68,700	0.13
30	MUHIBBAH ENGINEERING BERHAD	68,100	0.12

This page is intentionally left blank.

www.master.net.my

MASTER-PACK GROUP BERHAD
199401011341 (297020-W)

1574, Jalan Bukit Panchor,
14300 Nibong Tebal, S.P.S. Penang.

(04)-593 1550 **(04)-593 9034**