Daibochi Plastic And Packaging Industry Bhd. (12994-W)

annual report 2014

Contents

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty Second Annual General Meeting ("AGM") of the Company will be held at Bunga Orkid I, 9th Floor, Ramada Plaza Melaka, Jalan Bendahara, 75100 Melaka on Monday, June 8, 2015 at 11.30 a.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive the audited financial statements for the year ended December 31, 2014 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note on Agenda 1)

2. To approve Directors' fees for the year ended December 31, 2014 amounting to RM116,000 (2013: RM137,000). (Resolution 1)

3. To re-elect Mr. Lim Soo Koon who is retiring under Article 103 of the Company's Articles of Association. (Resolution 2)

4. To re-elect Ms. Caroline Ang Choo Bee who is retiring under Article 103 of the Company's Articles of Association. (Resolution 3)

5. To re-appoint retiring Auditors, Messrs SJ Grant Thornton as Auditors of the Company for the financial year ending December 31, 2015 and to authorise the Directors to fix their remuneration. (Resolution 4)

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions:

6. **Ordinary Resolution**
   Retention of Mr. P. James Edwin A/L Louis Pushparatnam as Independent Director

   "THAT Mr. P. James Edwin A/L Louis Pushparatnam who has served as an Independent Director for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM pursuant to the Malaysian Code on Corporate Governance 2012." (Resolution 5)

7. **Ordinary Resolution**
   Authority to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965

   "THAT, subject to the provisions of Section 132D of the Companies Act, 1965, and the approval of the relevant authorities, the Directors be and are hereby authorised from time to time to issue and allot ordinary shares in the Company upon such terms and conditions and at such times as may be determined by the Directors to be in the interest of the Company provided always that the aggregate number of shares to be issued pursuant to this resolution shall not exceed ten percent (10%) of the issued share capital for the time being of the Company." (Resolution 6)

8. **Ordinary Resolution**
   Proposed Renewal of Share Buy-Back Authority

   "THAT, subject always to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and any other relevant authority, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM1 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company PROVIDED THAT:

(a) the total aggregate number of ordinary shares of RM1 each in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Malaysia as at the point of purchase, subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirements of Bursa Malaysia;

(b) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the Company's latest audited retained earnings and/or share premium account;

(c) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

(i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND THAT, the Directors of the Company be and are hereby authorised to cancel all the shares or any part thereof so purchased or to retain all the shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Malaysia and/or subsequently cancelled), or to retain part of the shares so purchased as treasury shares and cancel the remainder, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Malaysia and any other relevant authorities for the time being in force.

AND THAT, the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations and/or amendments, as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company." (Resolution 7)

9. To transact any other business for which due notice shall have been given.

By order of the Board

Ms. Tan Gaik Hong, MIA 4621
Secretary
Melaka
Dated: April 30, 2015

NOTES:

1. For the purpose of determining a member who shall be entitled to attend this 42nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 67(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at May 28, 2015. Only a depositor whose name appears on the Record of Depositors as at May 28, 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

2. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

4. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing. If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its officer or duly authorised attorney.

7. The instrument appointing a proxy must be deposited at the Registered Office of the Company, Kompleks Daibochi Plastic, Lot 3 & 7 Air Keroh Industrial Estate, Phase IV, 75450 Melaka not less than forty-eight (48) hours before the time appointed for holding the meeting.

EXPLANATORY NOTE ON AGENDA 1

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

EXPLANATORY NOTES ON ORDINARY BUSINESS

Resolution 3

The independence of Ms. Caroline Ang Choo Bee ("Ms. Caroline Ang") who has served as an Independent Non-Executive Director of the Company has been assessed by the Nomination Committee. Having considered this assessment, the Board is satisfied that Ms. Caroline Ang brings independent and objective judgment to Board deliberations to ensure sufficient check and balance and high standards of corporate governance in the Company. The Board, with the abstention of Ms. Caroline Ang, unanimously recommends that shareholders vote in favour of the re-election.

EXPLANATORY NOTES ON SPECIAL BUSINESS

(i) Resolution 5

The proposed ordinary resolution 5, if passed, will allow Mr. P. James Edwin A/L Louis Pushparatnam ("Mr. James Edwin") to be retained and to continue acting as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company in line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012.

Having considered the Nomination Committee's assessment, the Board is confident and firmly believes that Mr. James Edwin's length of service on the Board has not in any way interfered with his independent judgment and ability to act in the best interest of the Company. Mr. James Edwin has exercised due care and diligence in carrying out his fiduciary duties. He understands the Company's business, provides constructive views and ensures effective check and balance at Board meetings. He maintains a professional relationship with Board members and continues to exercise independent and objective judgment on all Board deliberations. The Board, with the abstention of Mr. James Edwin, strongly recommends retaining Mr. James Edwin as an Independent Non-Executive Director of the Company. Please refer to page 18 of the Annual Report for the detailed justifications.

(ii) Resolution 6

The proposed Resolution 6, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, to allot and issue ordinary shares from the unissued capital of the Company pursuant to Section 132D of the Companies Act, 1965.

As at the date of the Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on May 29, 2014 which will lapse at the conclusion of the forthcoming AGM.

The Board continues to consider opportunities to broaden the operating base and earnings potential of the Company. If any of the expansion proposals involves the issuance of new shares, the Directors would have to convene a general meeting to approve the issuance of new shares.

In order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares, it is considered appropriate that the Directors be empowered, as proposed in Resolution 6, to allot and issue shares in the Company, up to an amount not exceeding in aggregate ten percent (10%) of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

(iii) Resolution 7

The proposed Ordinary Resolution 7, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share capital of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next AGM. Please refer to the Statement to Shareholders dated April 30, 2015 for further information.

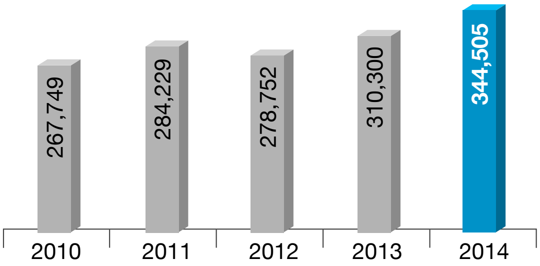
Statement Accompanying Notice of Annual General Meeting

(pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia)

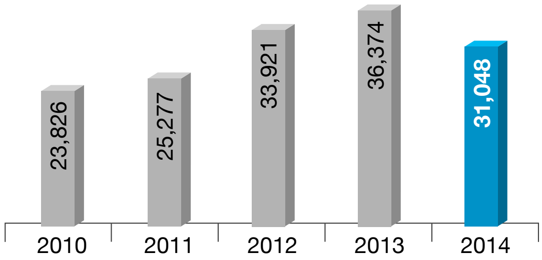
As at the date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming AGM.

Financial Highlights

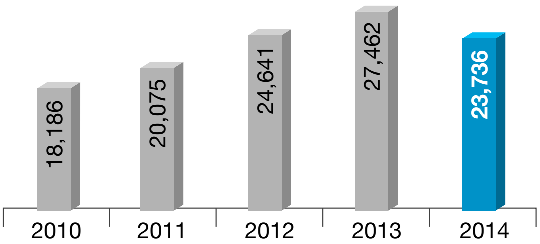
Turnover (RM'000)



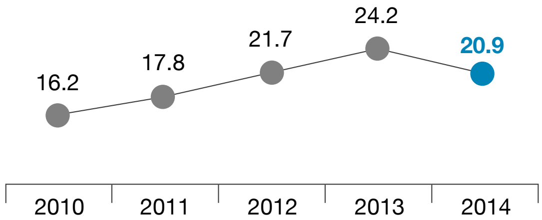
Profit Before Tax (RM'000)



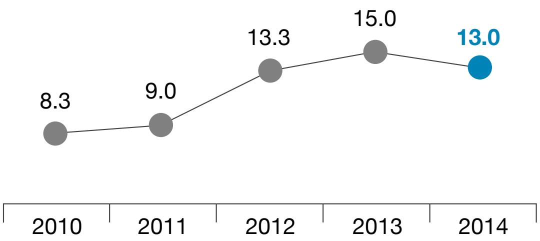
Net Profit (RM'000)



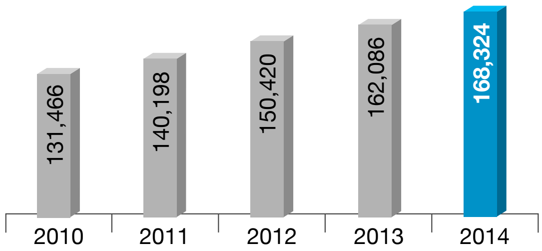
Earnings Per Share (Sen)*



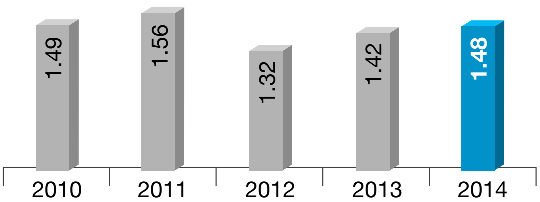
Gross Dividend Per Share (Sen)*



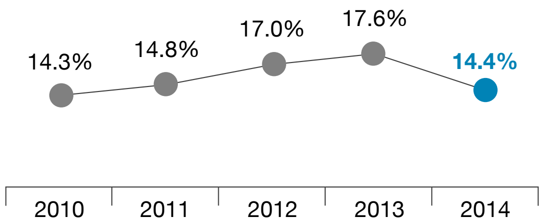
Shareholders' Equity (RM'000)



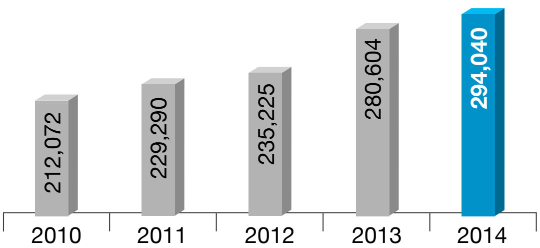
Net Tangible Assets Per Share (Sen)*



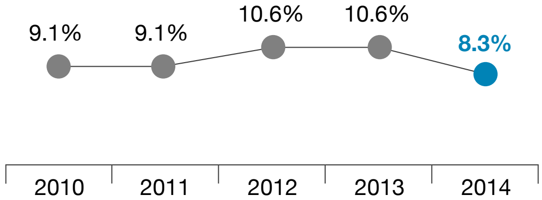
Return on Average Equity



Total Assets (RM'000)



Return on Average Assets



* The comparative figures have been adjusted to take into account the issuance of 1-for-2 bonus issue in the financial year ended December 31, 2012.

Corporate Information

BOARD OF DIRECTORS

P. James Edwin A/L Louis Pushparatnam
Chairman and Independent Non-Executive Director

Lim Soo Koon
Managing Director

Y.Bhg. Datuk Wira Wong Soon Lim
Executive Director

Low Chan Tian
Executive Director

Low Geoff Jin Wei
Executive Director

Heng Fu Joe
Independent Non-Executive Director

Caroline Ang Choo Bee
Independent Non-Executive Director

COMPANY SECRETARY

Ms. Tan Gaik Hong, MIA 4621

WEBSITE

www.daibochiplastic.com

CERTIFICATES

ISO 9001:2008
EN ISO 9001:2008
BS EN ISO 9001:2008
MS ISO 9001:2008
ISO 14001:2004
EN ISO 14001:2004
BS EN ISO 14001:2004
MS ISO 14001:2004
FSSC 22000

REGISTERED OFFICE

Kompleks Daibochi Plastic
Lot 3 & 7, Air Keroh Industrial Estate
Phase IV, 75450 Melaka
Tel No. : 06-2312746
Fax No. : 06-2328988

REGISTRARS

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower,
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : 03-22643883
Fax No. : 03-22821886

AUDITORS

SJ Grant Thornton
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail, 50250 Kuala Lumpur
Wilayah Persekutuan
Tel No. : 03-26924022
Fax No. : 03-26915229

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Bhd

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Sector : Industrial Products
Stock Name : Daiboci
Stock Code : 8125

Board Of Directors

<u>*Seated from left to right*</u>

Mr. Lim Soo Koon *(Managing Director)*,
Mr. P. James Edwin A/L Louis Pushparatnam *(Chairman and Independent Non-Executive Director)*,
Datuk Wira Wong Soon Lim *(Executive Director)*

<u>*Standing from left to right*</u>

Ms. Caroline Ang Choo Bee *(Independent Non-Executive Director)*,
Mr. Low Chan Tian *(Executive Director)*,
Mr. Heng Fu Joe *(Independent Non-Executive Director)*,
Mr. Low Geoff Jin Wei *(Executive Director)*,
Ms. Tan Gaik Hong *(Company Secretary)*

Profile Of Directors

P. James Edwin A/L Louis Pushparatnam, Malaysian, aged 59 was appointed to the Board of Daibochi on February 20, 2003. He is an Independent Non-Executive Director and Chairman of the Board. He is also the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee.

Mr. James holds a degree in Bachelor of Science (Honours) in Civil Engineering from Leeds University, England and has worked as a civil engineer in the Government. He later practised as a consultant engineer before joining a reputable housing development company in Kuala Lumpur. He also holds a Bachelor of Law (Honours) degree from the University of London. He was called to the English Bar at Lincoln's Inn in 1990 and the Malaysian Bar in 1991. In that same year, he started his own practice as an advocate & solicitor of the High Court of Malaya. He is a past president of the Malaysian Institute of Arbitrators and sits on the panel of the Malaysian Mediation Centre.

He has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. He does not hold directorship in any other public listed companies. In the past ten (10) years, Mr. James has not been convicted of any offence.

Mr. James attended all the six (6) Board of Directors' meetings held during the financial year ended December 31, 2014.

Lim Soo Koon, Malaysian, aged 53 was appointed to the position of Managing Director on February 1, 2005. He is also a member of the Remuneration Committee.

He holds a degree in Bachelor of Science Industrial Engineering and Management from Oklahoma State University. He also holds a Master of Business Administration degree from Oklahoma State University. He joined the Company in 1995 and was the General Manager of the Company from 1999 before his appointment as Managing Director in February 2005. He has a wide range of experience in management, finance, marketing and business development.

Mr. Lim has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. He does not hold directorship in any other public listed companies. He has not been convicted of any offence in the past ten (10) years.

He attended all the six (6) Board of Directors' meetings held during the financial year ended December 31, 2014.

Y. Bhg. Datuk Wira Wong Soon Lim, Malaysian, aged 61 was appointed to the Board of Daibochi on October 16, 1981. He is an Executive Director.

He is an accountant by training and is a member of the Malaysian Association of the Institute of Chartered Secretaries and Administrators. He has extensive experience and knowledge in the field of accounting, finance, consultancy, corporate finance, manufacturing and property development.

Datuk Wira Wong has no family relationship with any Directors/substantial shareholders of Daibochi and he has no conflict of interest with the Company. He does not hold directorship in any other public listed companies. In the past ten (10) years, he has not been convicted of any offence.

He attended all the six (6) Board of Directors' meetings held during the financial year ended December 31, 2014.

Low Chan Tian, Malaysian, aged 59 was appointed to the Board of Daibochi on July 26, 1995 as an Alternate Director to the late Datuk Low Kiok Boo, a founder shareholder of Daibochi until March 28, 1998 when the late Datuk Low Kiok Boo retired from the Board. Mr. Low Chan Tian rejoined the Board when he was appointed as an Executive Director on March 30, 1999.

He graduated from the University of Western Australia with a Bachelor of Engineering degree. He has wide experience in manufacturing, property development, business and finance.

Mr. Low is the father of Mr. Low Geoff Jin Wei who is an Executive Director of Daibochi and he has no conflict of interest with the Company. He does not hold directorship in any other public listed companies. He has not been convicted of any offence in the past ten (10) years.

Mr. Low attended all the six (6) Board of Directors' meetings held during the financial year ended December 31, 2014.

Low Geoff Jin Wei, Australian, aged 32 was appointed to the Board of Daibochi on October 5, 2010 as an Executive Director.

He graduated from the University of Sydney, NSW, Australia with a Bachelor of Commerce (Major in Finance & Marketing). Prior to this, Mr. Low was the Managing Director/Project Director of GlassKote (Malaysia) Sdn Bhd from 2005 to September 2010.

Mr. Low is the son of Mr. Low Chan Tian who is an Executive Director and a substantial shareholder of the Company and he has no conflict of interest with the Company. He does not hold directorship in any other public listed companies. He has not been convicted of any offence in the past ten (10) years.

He attended all the six (6) Board of Directors' meetings held during the financial year ended December 31, 2014.

Heng Fu Joe, Malaysian, aged 34 was appointed to the Board of Daibochi on August 2, 2010. He is an Independent Non-Executive Director. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee.

He is a Chartered Accountant of the Malaysian Institute of Accountants, a fellow member of the Institute of Chartered Accountants Australia, a Chartered member of the Institute of Internal Auditors Malaysia, a CPA and an Approved Auditor with the Kampuchea Institute of Certified Public Accountants and Auditors, Cambodia. His past experience includes being the Manager of RSM Bird Cameron in Australia and a Finance Analyst of Goldman Sachs International in London, United Kingdom. He is currently a Partner of Baker Tilly, Malaysia.

He has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. He does not hold directorship in any other public listed companies. In the past ten (10) years, he has not been convicted of any offence.

He attended all the six (6) Board of Directors' meetings held during the financial year ended December 31, 2014.

Caroline Ang Choo Bee, Malaysian, aged 46 was appointed to the Board of Daibochi on July 16, 2012. She is an Independent Non-Executive Director and also a member of the Audit Committee.

She is a Chartered Accountant of the Malaysian Institute of Accountants, a Fellow of The Association of Chartered Certified Accountants, United Kingdom and an associate member of The Malaysian Institute of Chartered Secretaries and Administrators.

After obtaining the ACCA qualification, she gained extensive experience while being attached to the Audit and Corporate Recovery and Insolvency departments of Ernst & Young, Kuala Lumpur. She gained further experience in finance and business while holding the position of Accountant in Honeywell Engineering Sdn Bhd, a fully owned subsidiary of Honeywell Inc, a Fortune 100 Public Listed Company in the USA.

Ms. Caroline Ang also gained experience in the global shared services sector when she held the position of Senior Accountant in the Global Credit and Treasury Services Department of Honeywell Inc, based in Malaysia. She is currently a partner of CW Integrated Consultancy Services, a management firm in Kuala Lumpur.

She has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. She does not hold directorship in any other public listed companies. She has not been convicted of any offence in the past ten (10) years.

Ms. Caroline Ang attended all the six (6) Board of Directors' meetings held during the financial year ended December 31, 2014.

Corporate Governance Statement

The Board of Directors of Daibochi Plastic And Packaging Industry Bhd ("the Board") fully appreciates the importance of adopting high standards of corporate governance within the Group to enhance business efficacy and corporate accountability with the objective of realizing long-term value for all shareholders and stakeholders. Towards achieving this, the Board ensures that the highest levels of business integrity, professionalism and ethical conduct are observed and practised throughout the Group.

The Board is fully committed towards achieving compliance with the principles and recommendations of the Malaysian Code on Corporate Governance 2012 ("the Code") and Bursa Malaysia's Main Market Listing Requirements ("MMLR"). The Board is pleased to report that it had continued to practise good corporate governance by upholding the principles of integrity, professionalism, transparency and accountability in its management of the affairs of the Group during the financial year ended December 31, 2014.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1. Roles and Responsibilities of the Board

1.1 The Company is steered by an experienced, dynamic and well balanced Board comprising of competent professionals with diverse expertise and skills from a wide range of business, financial, engineering, legal and property development backgrounds that add value to the Group. The Board provides effective leadership by setting appropriate values and strategic directions to ensure that the objectives of the Group are achieved.

1.2 The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions to ensure that it acts in the best interest of the Group. In this regard, the Board has defined matters reserved for the Board's decision, whilst those not specifically reserved for the Board and which are necessary for the day to day management of the Company are delegated to the Managing Director and the senior management team. Key matters reserved for the Board's approval include the overall strategic direction of the Group, annual operating and capital expenditure budget, dividend policy, expansion of core business, structure and capital e.g. issuance of new securities and ensuring that there is a sound system of internal control and risk management in place.

1.3 The roles and responsibilities of the Board are as follows:

(a) Reviewing and adopting a strategic plan for the Company which covers the core business of the Group;
(b) Overseeing the conduct of the Company's business to determine whether the business is being properly managed;
(c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
(d) Maintaining an effective communications policy that enables both the Board and management to communicate effectively with shareholders and the general public to ensure that timely and equal dissemination of relevant information are provided to them;
(e) Succession planning to ensure that candidates of sufficient calibre are appointed, taking into account the current and future needs of the Company; and
(f) Reviewing the adequacy and integrity of the Group's internal control and management information systems for compliance with applicable laws, regulations, rules, directives and guidelines.

1.4 The Board has established three (3) Board Committees namely, the Audit Committee, Nomination Committee and Remuneration Committee, all of which operate within clearly defined terms of reference to assist the Board in the execution of its duties and responsibilities. These Committees deliberate on particular issues and report their findings and recommendations to the Board. The ultimate responsibility for all decisions lies with the entire Board.

2. Board Conduct

2.1 Board Charter

The Company has a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter serves as a source of reference and primary induction literature to facilitate the effective discharge of the Board's duties in ensuring that the Company's strategic intent and mission of being the "Preferred Supplier Of Our Customers" and vision to achieve superiority in services and supplies of flexible packaging materials are achieved. This Board Charter shall be periodically reviewed, as and when necessary. A copy of the Board Charter is available on the Company's corporate website at www.daibochiplastic.com.

2.2 Code of Ethics, Code of Conduct and Whistle-blowing policy

2.2.1 The Directors observe ethical values based on a Code of Ethics which is in accordance with the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. The Code of Ethics is based on principles of sincerity, integrity, accountability and social responsibility.

2.2.2 The Company's Code of Conduct governs the standards of ethics and good conduct expected of Directors and employees respectively, premised on the principles of honesty and integrity. The five principles making up the Code of Conduct are as follows:

- Daibochi complies with laws, rules and regulations;
- Daibochi conducts its business with honesty and integrity;
- Daibochi treats its employees fairly, with dignity and respect;
- Daibochi's employees act in the best interest of the Company; and
- Daibochi conducts its business in an environmentally responsible manner.

The Board shall review the Code of Conduct, as and when deemed necessary, to ensure that it remains consistent with Daibochi's commitment to establish a corporate culture with ethical values that permeates throughout the Company. A summary of the Code of Conduct is available on the Company's website at www.daibochiplastic.com.

2.2.3 The Board has also established a Whistle-blowing policy to provide an avenue for employees and stakeholders to report genuine concerns about unethical behaviour and improper conduct within the Company without fear of reprisal should they act in good faith when reporting such concerns. Employees and stakeholders who reasonably and in good faith believe that malpractices exist within the Company are able to report their concerns to the Audit Committee Chairman or the Independent Non-Executive Director. The Whistle-blowing policy is available on the Company's website at www.daibochiplastic.com.

2.3 Related Party Transaction

The Board, through its Audit Committee, reviews related party transactions as and when the need arises. A Director who has an interest in a transaction must abstain from deliberating and voting on the relevant resolution, in respect of such transaction at the meeting of the Board and at the General Meeting convened to consider the said matter.

2.4 Insider Trading

Directors and principal officers of the Company who have access to material/inside information which has not been disclosed to Bursa Malaysia and the investing public are prohibited from dealing in the Company's securities while in possession of this information. The Company Secretary will advise the Directors and principal officers on trading restrictions i.e. dealings during open and closed periods in accordance with the MMLR.

3. Strategies promoting sustainability

The Board is responsible for and ensures that the Company's strategies and policies promote sustainability by providing innovative products for our customers and keeping up with ethical, governance, ecological, economic and social concerns. Please refer to the Group's Corporate Social Responsibility Statement on pages 25 to 27 for details of the Group's sustainability activities focusing on environment, social and governance matters for the year under review.

4. Access to information and advice

4.1 In the furtherance of their duties, Directors have access to all information pertaining to the Group as well as to seek clarification from the management, Company Secretary and independent professional advisors at the Company's expense, if necessary.

4.2 Board meetings are structured with a pre-set agenda. The agenda and the Board papers are circulated to Directors on a timely basis to ensure that they are fully apprised of matters arising to enable them to effectively discharge their responsibilities. Any additional information requested by Directors will be made available. The Board also has a formal schedule of matters reserved to it for deliberation and decision such as the approval of annual and interim results, major capital expenditure and investments, budgets, strategic issues affecting the business of the Group, corporate policies and procedures and corporate plans.

4.3 In addition, on important matters which require the Board's decisions, prior briefings, if necessary, are provided or conveyed by Executive Directors to other Board members to ensure full knowledge and understanding, thus enhancing the members' comprehension of Board papers before deliberations. Senior management and/or external advisors may be invited to attend Board meetings to advise and/or furnish the Board with professional insight, information and clarification needed on relevant items on the agenda to enable the Directors to arrive at a considered decision.

4.4 The Board is also notified of any corporate announcements to be released to Bursa Malaysia and is kept informed of updates issued by the various regulatory authorities.

4.5 All proceedings/minutes of the Board meetings are prepared in a timely manner and reflect the decision making process of the Board appropriately. Minutes of Board meetings are circulated to all Directors for their perusal prior to confirmation of the minutes at the following Board meetings and are signed by the Chairman in accordance with the provisions of Section 156 of the Companies Act 1965.

5. Qualified and Competent Company Secretary

The Directors have access to the advice and services of a suitably qualified, experienced and competent Company Secretary to enable them to discharge their duties effectively. The Board acknowledges the fact that the Chairman is entitled to the positive support of the Company Secretary in ensuring the effective functioning of the Board. The Company Secretary assists the Chairman and Directors in the conduct of meetings and in the discharge of their governance obligations and responsibilities. The Company Secretary also ensures that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory as well as MMLR obligations arising from the MMLR and other regulatory requirements. In order to play an effective advisory role to the Board, the Company Secretary always keeps abreast with the latest regulatory changes, evolving industry development and best practices in corporate governance through continuous training. The appointment and removal of the Company Secretary are within the purview of the Board. The Board is satisfied with the performance and support rendered by the Company Secretary to the Board.

PRINCIPLE 2: STRENGHTEN COMPOSITION

6. Board composition and balance

6.1 The Board members collectively bring insightful depth, maturity and diversity of perspectives to the leadership and management of the Group. The current Board has seven (7) members, comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors (including the Chairman). A brief profile of each Director is presented on pages 8 to 10.

6.2 The balance in the Board is fortified by the presence of three (3) Independent Non-Executive Directors who bring strong independent judgment, knowledge, skills and experience to Board deliberations during the decision making process. The Independent Non-Executive Directors ensure that the interests of the minority shareholders and other stakeholders are given due consideration in the deliberations of the various issues and matters affecting the Group. There is no individual Director or group of Directors who dominates the Board's decision making.

7. Nomination Committee

7.1 The Nomination Committee was set up on December 14, 2000. The Nomination Committee's authority and duties are governed by its written terms of reference. The Nomination Committee carried out assessments via evaluation questionnaires on the composition and balance, effectiveness of the Board as a whole, the Board Committees, contribution of each individual Director, assessment of independence of the Independent Directors and gender diversity for the financial year under review. The evaluations and comments were properly documented and recommendations were reported to the Board by the Nomination Committee's Chairman for the Board members' consideration and approval.

7.2 The members of the Nomination Committee which comprise exclusively of Independent Non-Executive Directors are as follows:

Mr. P. James Edwin A/L Louis Pushparatnam (Chairman and Senior Independent Non-Executive Director)
Mr. Heng Fu Joe

Appointments to the Board

7.3 The Nomination Committee adheres to a formal and transparent procedure for the appointment of new Directors before submitting its recommendation for the Board's decision.

7.4 The Nomination Committee seeks for suitable candidates from diverse professional and business backgrounds who have the character, experience, integrity, competence and time to effectively discharge his/her role as a Director.

7.5 All appointments to the Board are based on merit whilst taking into account the suitability for the role, board balance and composition, the required mix of skills and professional background. The Nomination Committee also gives due consideration to age, gender, ethnicity and experience and ensures that potential candidates comply with the provisions of the MMLR and the Code to augment diversity in the Boardroom.

7.6 In the case of an Independent Director, the Nomination Committee will also assess the suitability of the candidate based on the definition of independence in the MMLR and whether the candidate can bring independent and objective judgment to Board deliberations. Upon completion of the assessment, the Nomination Committee will submit its recommendation to the Board.

Assessments by the Nomination Committee

7.7 The Board has implemented an annual evaluation process for the Nomination Committee to carry out the required assessments of all directors.

7.8 Having considered the annual assessment undertaken by the Nomination Committee, the Board is satisfied that the current composition and size of the Board is appropriate, well balanced and commensurate with the scale of the Group's operations. The number of Board members is conducive for efficient deliberations at Board meetings and effective decision-making. The Board members' diverse academic qualifications, background, competence, expertise and experience enable them to provide clear and effective leadership in the discharge of their roles and responsibilities. The Board members also have devoted sufficient time to undertake their duties. The Board has also considered the Nomination Committee's assessment of the Board Committees and is of the opinion that these committees are operating efficiently and effectively in assisting the Board.

7.9 The Board's succession planning is focused on ensuring the right mix of skills and experience for the Board with due regard to the benefits of diversity. The Nomination Committee considers diversity generally when making appointments to the Board, taking into account relevant skills, experience, knowledge, personality, ethnicity and gender.

7.10 The Board recognizes and believes in the value and importance of gender diversity in the boardroom and the Company. The Board is of the view that whilst it is important to promote gender diversity, the selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge should remain a priority. Currently, Ms. Caroline Ang Choo Bee, an Independent Non-Executive Director is the female Director of the Company. There is also strong representation of women at senior management level. Gender diversity will remain an active consideration when changes to the Board's composition are contemplated, with the overriding objective of ensuring that there is an appropriate balance of skills, experience and independence in the boardroom.

7.11 The Board through the Nomination Committee, reviewed the proportion of the female to male Board members during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required of the Board members, in the context of the needs of the Group. Having considered the Nomination Committee's assessment, the Board is of the view that the current composition of the Board is suitable in the context of the needs of the Group as the Board members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

7.12 In accordance with the Company's Articles of Association, all newly appointed Directors are subject to re-election by the shareholders at the first Annual General Meeting after their appointment. One third of the existing Directors including the Managing Director are also required to retire by rotation at the Annual General Meeting in accordance with the Articles of Association.

7.13 A Director who is over seventy years (70) old is required to submit himself for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965. Currently, there are no Directors in the Company who have reached the above stipulated age.

7.14 The performance of the Directors who are subject to re-election and re-appointment at the Annual General Meeting of the Company will be reviewed and assessed by the Nomination Committee. The Nomination Committee will then submit its recommendations on the proposed re-election and re-appointment to the Board for approval before tabling the proposals to the shareholders of the Company at the Annual General Meeting.

7.15 For the forthcoming Annual General Meeting, Mr. Lim Soo Koon and Ms. Caroline Ang Choo Bee are due for re-election pursuant to Article 103 of the Company's Articles of Association. Having considered the review by the Nomination Committee, the Board is satisfied that Mr. Lim Soo Koon and Ms. Caroline Ang Choo Bee have met the Board's expectations and exemplified their commitment as reflected by their professional conduct and valuable contributions to the Board. Ms. Caroline Ang Choo Bee brings independent and objective judgment to Board deliberations to ensure sufficient check and balance and high standards of corporate governance in the Company. Hence, the Board with the abstention of the two (2) Directors, unanimously recommends that the shareholders vote in favour of the re-election of the above Directors at the Company's Annual General Meeting. To assist the shareholders in their decisions, sufficient information such as personal profile and attendance at meetings of each Director are furnished in this Annual Report.

8. Directors' Remuneration

8.1 The Remuneration Committee which was formed on December 14, 2000 is responsible for setting the framework and making recommendations to the Board on matters concerning the remuneration of Executive Directors. The terms of reference of the Remuneration Committee have been approved by the Board and comply with the recommendations of the Code.

8.2 The members of the Remuneration Committee which comprise mainly of Independent Non-Executive Directors are as follows:

Mr. P. James Edwin A/L Louis Pushparatnam (Chairman)
Mr. Lim Soo Koon
Mr. Heng Fu Joe

8.3 The Remuneration Committee and the Board ensure that the Company's remuneration package is fair and sufficiently attractive to attract, motivate and retain high calibre individuals taking into consideration the capability, experience, technical expertise, skills, knowledge and competency of the Director concerned, the prevailing market pay and employment conditions within the industry. In addition, the Remuneration Committee and the Board also take into consideration relevant information from survey data.

8.4 The Remuneration Committee recommends to the Board the remuneration of the Executive Directors, in all forms. The determination of the remuneration of the Non-Executive Directors as well as the Executive Directors will be a matter to be determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on the decisions regarding his/her individual remuneration.

8.5 The Directors' remuneration is reviewed annually by the Remuneration Committee to ensure that it is reflective of the contribution and responsibilities of the Director concerned for the year in line with the Company's strategy and objectives. The remuneration comprises components to cover rewards linking corporate performance and individual contribution towards the overall results, in the case of Executive Directors. Reasonable allowances and fees are paid to the Non-Executive Directors to commensurate with their experience and skills. Directors' fees are tabled to the shareholders for approval at the Annual General Meeting.

8.6 The details of the remuneration of Directors of the Company from the Group for the year ended December 31, 2014 by category and in bands of RM50,000 are as follows:

	Fees RM'000	Salaries, bonus and other emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors	-	3,033	39	3,072
Non-Executive Directors	116	174	7	297

Range of remuneration	Executive Directors	Non-Executive Directors
RM50,001- RM100,000	-	2
RM150,001- RM200,000	-	1
RM550,001- RM600,000	2	-
RM700,001- RM750,000	1	-
RM1,150,001- RM1,200,000	1	-

8.7 The Board is of the opinion that it is inappropriate to disclose the remuneration of individual Directors and has opted not to do so.

8.8 The Remuneration Committee met once during the financial year and recommended to the Board the remuneration for Executive Directors of the Group. All comments were properly documented and recommendations were reported to the Board by the Remuneration Committee's Chairman for the Board members' consideration and approval.

PRINCIPLE 3: REINFORCE INDEPENDENCE

9. The three (3) Independent Non-Executive Directors make up more than one third of the membership of the Board. This is in compliance with Paragraph 15.02 of the MMLR that requires at least one third (1/3) of the Board to comprise of independent directors. Having considered the Nomination Committee's annual assessment, the Board is satisfied that all the Independent Non-Executive Directors fulfill the criteria of independence, as defined in the MMLR; are not engaged in the day-to-day management of the Company or are involved in any other relationship with the Company (other than those permitted by the applicable regulations). The Independent Non-Executive Directors have provided their annual confirmation of independence to the Nomination Committee. The Independent Non-Executive Directors also bring independent and objective judgment to Board deliberations to ensure sufficient check and balance and ensure that high standards of corporate governance are applied.

9.1 The Board believes that valuable contribution, objectivity in decision making and invaluable insights can be obtained from an Independent Director with calibre, experience and integrity notwithstanding his tenure on the Board.

9.2 Recommendation 3.3 of the Code provides that the Board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine (9) years. The shareholders may, in exceptional circumstances and subject to the assessment of the Nomination Committee, decide that an independent director can remain as an independent director after serving a cumulative term of nine (9) years. The Company is affected by this requirement in the Code as our Chairman's tenure as Independent Director has exceeded nine (9) years as he was appointed in February 2003.

9.3 In compliance with Recommendation 3.3, the Nomination Committee undertook the review and assessment and recommended to the Board to seek shareholders' approval for our Chairman, Mr. P. James Edwin A/L Louis Pushparatnam ("Mr. James Edwin") to be retained and to continue to act as an Independent Director of the Company at the forthcoming Annual General Meeting based on the following justifications:

(a) Mr. James Edwin fulfills the criteria under the definition of Independent Director as stated in the MMLR;

(b) He has devoted sufficient time and exercised due care and diligence during his tenure as an Independent Non-Executive Director of the Company and carried out his fiduciary duties in the interest of the Company and the shareholders;

(c) His vast experience and expertise in the legal field and his understanding of the main drivers of the Company's business would enable him to continue discharging his duties and responsibilities effectively;

(d) He actively participates in Board discussions, provides constructive views and ensures effective check and balance in the proceedings of the Board and Board Committees;

(e) He has not developed, established or maintained any significant relationship with the Executive Directors and substantial shareholders, other than professional engagements and interactions expected during the course of discharging his duties and responsibilities; and

(f) His long relationship with the other Board members has not compromised nor hindered his continued exercise of independent and objective judgment on all Board deliberations to act in the best interest of the Company.

9.4 Having considered the Nomination Committee's evaluation and Mr. James Edwin's own confirmation of independence pursuant to the MMLR, the Board is confident and firmly believes that Mr. James Edwin can be tasked to discharge his duties and responsibilities independently and objectively notwithstanding his tenure on the Board. He has a good understanding of the Company's business, the challenges faced by the Company and the environment in which the Company operates. Accordingly, the Board with the abstention of Mr. James Edwin, strongly recommends retaining Mr. James Edwin as an Independent Non-Executive Director of the Company and will be tabling an Ordinary Resolution to the shareholders at the forthcoming Annual General Meeting for the said purpose.

9.5 The position of Chairman and the Managing Director are held by two individuals. There is a clear division of responsibilities between the Chairman and the Managing Director which ensures a balance of power and authority so that no one individual has unfettered powers of decision making. This separation of responsibilities is further reinforced as the Chairman is not someone who has previously served as the Chief Executive Officer of the Company. The Independent Non-Executive Chairman is primarily responsible for the orderly conduct and working of the Board with a view to ensuring that the Board functions effectively and meets it obligations and responsibilities. The Chairman promotes an open culture which allows for debate and constructive challenge during Board meetings. The Managing Director is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies. The Managing Director is assisted in the management of the business by an experienced and dedicated senior management team.

PRINCIPLE 4: FOSTER COMMITMENT

10. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles on the Board and Board Committees. Six (6) Board meetings were held during the financial year and all the Directors attended these Board meetings, fulfilling the requirement stipulated by Bursa Malaysia in relation to their attendance at Board meetings. The Directors also attended all the meetings of the Board Committees held during the year under review. The frequency of Directors' attendance at the Board meetings is set out in the Profile of Directors on pages 8 to 10.

    10.1 Board meetings for the ensuing calendar year are scheduled in advance before the end of each year. This is to enable the Directors to plan ahead and fit the meetings into their respective schedules to ensure the Directors' time commitment. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Decisions are also made via Directors' Circular Resolution, where appropriate.

    10.2 The Board also ensures that its members do not hold more than 5 directorships in listed issuers in accordance with the MMLR. None of the Directors held any directorship in public listed companies during the financial year.

    10.3 The Board believes that continuous training for the Directors is essential to enable them to discharge their duties effectively.

    10.4 The Directors are encouraged to attend relevant seminars and courses to keep themselves abreast of the various issues facing the changing business environment, regulatory and corporate governance developments to enhance their professionalism, skills and knowledge to effectively discharge their duties and responsibilities.

    10.5 The Directors are empowered by the Board to evaluate and assess their own training needs on a continuous basis.

    10.6 A familiarization programme is conducted for new Directors. This includes a presentation of the Group's operations, meetings with senior management and site visits, where appropriate, to facilitate their understanding of the Group. The Company also arranged for the Directors to visit the Company's new manufacturing plant, Daibochi Plastic Plant 2 during the financial year under review. All Board members have also attended and successfully completed the Mandatory Accreditation Programme.

    10.7 During the financial year under review, the Directors have collectively or individually attended training programmes/seminars/briefings on risk management and internal control, corporate governance updates on Bursa Listing Requirements, current issues in financial reporting, the Malaysian Code of Institutional Investors 2014, disclosure requirements of directors and substantial shareholders, Board Chairman series – Role of Chairman, financial statements, crisis communications, audit methodology and standards, Goods and Services Tax, Personal Data Protection Act and transactions by directors.

    10.8 The Company Secretary also updates and provides the Directors with materials on key corporate governance developments and salient changes on the MMLR, laws and regulations.

    10.9 The Company Secretary maintains a complete record of the training received or attended by the Directors.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

11. In presenting the Group's annual financial statements and quarterly results, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee and the Board review the information to be disclosed before the release to Bursa Malaysia.

    11.1 The primary objective of the Audit Committee is to assist the Board to review the adequacy and integrity of the Group's internal control systems and to ensure that the financial statements comply with applicable financial reporting standards before their submission to the Board for approval. The composition, details of meetings attended and terms of reference of the Audit Committee together with its report are presented on pages 32 to 34 of the Annual Report.

    11.2 The Company has established an appropriate and transparent relationship with its external auditors through the Audit Committee. The Audit Committee meets the external auditors twice during the financial year to review the audit findings, without the presence of the management. The role of the Audit Committee in relation to the external auditors is set out in the Audit Committee Report on pages 32 to 34 of the Annual Report.

    11.3 The Audit Committee ensures that the independence of the external auditors is not impaired by the provision of non-audit services to the Company in accordance with the Audit Committee's Policy on the Suitability and Independence of External Auditors. The Audit Committee obtains a written assurance from the external auditors confirming their independence throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit Committee also conducts a yearly assessment of the suitability and independence of the external auditors prior to recommending to the Board to seek shareholders' approval to re-appoint the external auditors as auditors of the Company.

    ### Statement of Directors' responsibility for preparing the financial statements

    11.4 The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year. The financial statements have been made out in accordance with the Financial Reporting Standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

    11.5 In preparing the financial statements, the Directors have:
    - selected suitable accounting policies and applied them consistently;
    - made judgements and estimates that are reasonable and prudent;
    - ensured that all Financial Reporting Standards have been followed; and
    - prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

    11.6 The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

    11.7 The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

12. The Directors recognise their ultimate responsibility for the Group's system of internal controls and the need to review the adequacy and the integrity of the internal control systems. The Directors also take cognizance of the importance of identifying principal risks and having an appropriate risk management system.

    12.1 The Group has an Internal Audit Function, which reports directly to the Audit Committee and assists the Board in the monitoring and managing of risks and internal controls. Information on the Group's internal controls and risk management systems is presented in the Internal Control Statement as set out on pages 28 to 31.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

13. The Board values its dialogue with stakeholders and ensures that timely, meaningful and equal dissemination of relevant information is provided to them. Consistent with these standards, the Company maintains a Board approved Corporate Disclosure Policy to provide guidance to the Board, management team and employees to ensure accurate, timely, consistent, high quality and fair disclosure of corporate information.

    13.1 The Board has designated the Managing Director as the person responsible for communication with the investment community, regulators or the media. The Managing Director may, from time to time, designate others within the Company to speak on behalf of the Company to respond to specific inquiries. Employees who are not authorized spokespersons are not authorized under any circumstances to respond to inquiries from the investment community, the media or others, unless specifically authorized by the Managing Director.

    13.2 The Company has leveraged on information technology by maintaining a corporate website at www.daibochiplastic.com as an additional channel of communication with stakeholders. The Group's corporate website provides a wide range of information about the Group, is updated from time to time and incorporates an Investor Relations section which includes the Company's business, corporate, management, financial and corporate governance information. The Company's Memorandum and Articles of Association, financial calendar, share price information, Dividend Policy, all announcements and circulars made by the Company to Bursa Malaysia, corporate presentations (investor briefings), annual reports, press releases and Annual General Meeting minutes are also available on the corporate website for the benefit of the investment community.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

14. The Board encourages shareholders' active participation at the Company's Annual General Meeting. The Annual General Meeting remains the principal forum for dialogue with shareholders where it affords shareholders the opportunity to raise questions and seek clarifications on the Group's operations. The Chairman and members of the Board will undertake to provide the shareholder with a written answer to any significant question that cannot be readily answered. The external auditors will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if any. A press conference is normally held after the Annual General Meeting.

14.1 The Company sends out the Notice of the Annual General Meeting and Annual Reports to shareholders at least twenty one (21) days before the date of the meeting to enable shareholders to have sufficient time to peruse the Annual Report. The Board ensures that each item of special business included in the Notice of Annual General Meeting or Extraordinary General Meeting is accompanied by an explanation of the effects of the proposed resolution. The results of all the resolutions set out in the Notice of the General Meeting are announced on the same day via Bursa Link for the benefit of shareholders and investors.

14.2 The Company's 41st Annual General Meeting was held on May 29, 2014 at Ramada Plaza Melaka and all the Directors were present in person to engage directly with the shareholders of the Company. As a matter of good corporate governance, the Chairman of the meeting reminded all members present about their right to demand for a poll in accordance with the provisions of the Articles of Association of the Company on the voting for any resolutions. All resolutions put forth for shareholders' approval were voted on by a show of hands as there was no request for voting by poll.

14.3 At the said Annual General Meeting, the Managing Director gave a presentation to the members featuring an overview of Daibochi's business and products, operational highlights and plans and 2013 financial performance for the benefit of the Company's shareholders. The shareholders also had the opportunity to view the type of products supplied via the display of laminated flexible packaging materials produced by the Company. An Executive Director of the Company presented the Company's response to questions submitted by the Minority Shareholder Watchdog Group ("MSWG") for the benefit of the members. The Managing Director also addressed the shareholders' and MSWG's queries during the meeting.

14.4 The Board has identified the Chairman of the Nomination Committee, Mr. P. James Edwin A/L Louis Pushparatnam as the Senior Independent Non-Executive Director to whom concerns of shareholders and other stakeholders may be conveyed. He may be contacted via his email address at jamesedwin@daibochiplastic.com.

14.5 During the year, the Managing Director, an Executive Director and General Manager, Corporate and Finance also met with analysts, fund managers, institutional shareholders and investors to provide updates on the performance as well as progress and developments of the Group. Investor briefings were held in each quarter in 2014 in conjunction with the Group's quarterly financial results. The briefings, presented by the Managing Director and Executive Director included operational highlights, financial highlights and review, industry insights, prospects and plans of the Group. The Board is kept informed of the views of shareholders through the Managing Director, Executive Director and General Manager, Corporate and Finance's attendance at investors' briefings.

COMPLIANCE STATEMENT

The Board is satisfied that to the best of its knowledge, the Company is generally in compliance with the MMLR and the principles and recommendations of the Code.

This Corporate Governance Statement is made in accordance with the resolution of the Board of Directors dated March 31, 2015.

Additional Compliance Information

a) Utilisation of proceeds

The Company did not implement any fund raising exercise during the financial year.

b) Share buy-back

During the financial year, the Company repurchased 562,100 of its own shares from the open market of Bursa Securities for a total consideration of RM2,413,799. The shares are being held as treasury shares and none was cancelled.

The details of the shares repurchased during the financial year are as follows:

Monthly breakdown 2014	Number of shares bought back	Purchase price per share Lowest (RM)	Purchase price per share Highest (RM)	Total cost* (RM)	Average price paid (RM)
January	93,400	3.98	4.02	376,053	4.026
February	12,700	3.97	4.00	50,951	4.012
April	39,300	4.30	4.39	172,075	4.379
June	22,000	4.40	4.40	97,508	4.432
July	68,500	4.36	4.40	302,804	4.420
August	90,800	4.30	4.40	400,069	4.406
September	123,600	4.22	4.36	534,892	4.328
October	38,600	4.16	4.28	164,712	4.267
November	21,400	4.26	4.28	92,198	4.308
December	51,800	4.20	4.31	222,537	4.296
Total	**562,100**	**3.97**	**4.40**	**2,413,799**	**4.294**

The details of shares re-sold during the financial year are as follows:

Monthly breakdown 2014	Number of shares sold	Resale price per share Lowest (RM)	Resale price per share Highest (RM)	Total consideration received* (RM)	Average price (RM)
February	100,000	4.17	4.17	415,424	4.154
Total	**100,000**	**4.17**	**4.17**	**415,424**	**4.154**

* *inclusive of transaction costs*

During the financial year, all the shares purchased by the Company were retained as treasury shares. 100,000 treasury shares were resold during the financial year. As at December 31, 2014, a total of 508,300 ordinary shares were held as treasury shares.

c) Options, warrants or convertible securities

The Company did not issue any options, warrants or convertible securities during the financial year.

d) American Depository Receipts ("ADR") or Global Depository Receipts ("GDR")

During the financial year, the Company did not sponsor any ADR or GDR program.

e) Imposition of sanctions/penalties

There were no sanctions/penalties imposed on the Group, Directors or management by the relevant regulatory bodies.

f) Non-audit fees

Non-audit fees incurred by the Group to external auditors during the financial year amounted to RM22,000.

g) Variation in results

There is no variance between the results for the financial year and the unaudited results previously announced by the Company.

h) Profit guarantee

The Company did not issue any profit guarantee for the financial year.

i) Material contracts involving Directors and substantial shareholders' interests

Other than the related party transactions disclosed in this Annual Report, there were no material contracts entered into by the Company or its subsidiaries during the financial year which involved the interests of Directors or substantial shareholders.

Corporate Social Responsibility Statement

The Group is committed to building a sustainable business and is mindful of our corporate social responsibility ("CSR") towards key stakeholders when carrying out our business activities. As a responsible corporate citizen, CSR is an integral part of our business and we strive to integrate and maintain a balance between increasing shareholders' wealth and being responsible towards our human capital, society, the environment and marketplace.

The Board of Directors recognise that CSR is critical to the overall growth of the Group and we ensure that our CSR initiatives and business practices promote sustainability by providing innovative products for our customers as well as addressing ethical, ecological, economic and social concerns.

Our CSR framework focuses on 4 core areas: Employee Welfare, Community Welfare, Environmental Awareness and the Marketplace. The key CSR initiatives undertaken in 2014 are as follows:-

Employee Welfare

Our people are our most important asset and they play a pivotal role in the growth, success and sustainability of the Group's business. We consistently strive to create an inclusive and effective working environment for our employees by continuing to encourage their personal development, rewarding their achievements, enhancing their career advancement and caring for their well-being. The Group does not practise any form of discrimination, including in terms of gender, age, ethnicity and nationality in the workplace.

The Group invests in its people in terms of training to develop capable, confident and competent employees to ensure their continuous growth and advancement. In this regard, employees are provided with constant training and are encouraged to attend training programmes to update their knowledge and expertise and improve their skills to meet the changing needs of the industry.

The Group provides a healthy and safe working environment for all its employees. This includes providing medical and healthcare insurance for employees and their immediate family members commensurate with their rank and level of employment. The Company also provides personal accident insurance coverage for all its employees.

The Company has established a Health and Safety Committee ("the H&S Committee") entrusted with cultivating safe working practices and behaviour at the workplace. The H&S Committee ensures that the Company's Occupational Safety and Health policies are actively and effectively implemented. Talks and training on safety and health-related issues including fire safety, chemical spillage, machine safety and accident-prevention programmes are regularly held to ensure a high level of awareness of safety requirements for the respective employees. We seek to continuously improve our safety culture and performance with the ultimate goal of minimizing occupational/work related injuries.

The Company also organized a *"World Earth Day, Safety & Health Week 2014"* campaign during the reporting period. Health screenings and various talks were held to educate employees on best practices and encourage them to lead a healthy and balanced lifestyle. The H&S Committee also organized a *"No Smoking Day"* campaign with the Melaka General Hospital whereby the hospital representatives held talks to create awareness of the hazards of smoking.

The Company encourages its employees to have a work life balance and financially supports sports and recreational activities organized by our in-house Sports and Recreational Club to build a healthy workforce. Social and recreational activities such as team building, annual dinner and various sports and games are organized to encourage physical wellbeing, provide a platform for employees to network with their peers and foster a sense of camaraderie among the employees based on the motto: *"We Care, We Share & We Learn"*.

In 2014, the Company also provided educational awards to our employees' children to encourage educational advancement and reward them for their outstanding academic performance.

Community Welfare

As a caring corporate citizen, the Company strives to make a positive impact on the community by encouraging and supporting employees' participation in various community activities. During the year, the Company organised a blood donation campaign with the Blood Bank of the Melaka General Hospital.

The Group continues to collaborate with a non-profit organization in respect of an assembly project to provide the poor and marginalized community in Melaka with supplementary work and income.

Furthermore, each year, the Company recruits students from colleges, technical schools and universities for its internship programme. Students are provided with comprehensive hands-on training to equip them with the necessary knowledge and skills needed in furthering future career pursuits. There were 38 trainees attached to the Company for their industrial training during the financial year.

The Company also collaborated with the Tzu Chi foundation to provide financial aid to families affected by the severe floods in the East Coast in December 2014.

Environmental Awareness

The Group recognizes the importance of conserving the environment and our sustainability agenda focuses on eco-friendly environmental practices to reduce the impact of our operational carbon footprint. We endeavour to identify and minimise the negative environmental impacts of our products, services and business activities.

The Company adheres to its "***ENVIRONMENTAL CARES POLICY***" to ensure that materials and energy resources are used efficiently to minimise waste. This includes monitoring energy and water consumption, waste management, restricting the use of hazardous substances and efficient use of materials. Our "***ENVIRONMENTAL CARES POLICY***" is based on the following principles:-

*"**C**onsistently embarking on continuous improvement of environmental preservation activities to meet the current Environmental Quality Act 1974.*
*"**A**dhering to established guidelines as stipulated by governmental regulations and statutory requirements in the prevention of pollution, management and disposal of waste generated.*
*"**R**ecycling and utilizing materials which are recyclable and practising waste minimization concepts of reducing, reusing and recycling either internally or by outsourcing such exercise to third parties.*
*"**E**nhancing and promoting awareness by educating our workforce through education, training and participation in environmental activities.*
*"**S**etting and implementing company-wide objectives and targets to address significant environmental impacts arising from our business activities".*

The Company continues to explore innovative avenues by constantly reviewing and upgrading our production processes whilst products are improved to meet changing legal, business and technological requirements. During the year, the Group was not penalised for any instance of non-compliance with environmental laws and regulations.

Daibochi promotes a culture of environmental awareness and engagement amongst our staff. We encourage "green" activities in the workplace and support environmental conservation efforts in the community through a number of programmes. Employees regularly participate in recycling activities through our *"Green Day"* campaign every Tuesday and Thursday, where they are encouraged to bring segregated waste of plastic, paper, tin or used clothing from their respective homes to be sent to the Tzu Chi recycling centre. In addition to this, polystyrene packaging of food is banned in the Company premises and all employees have been provided recyclable plastic food containers. Employees are encouraged to practise the 5 R's – 'Refuse, Reuse, Reduce, Repair and Recycle' in their daily activities for purposes of establishing a socially responsible workforce.

The Company also leads by example to encourage prudent electricity usage by turning off the lights in the office during scheduled breaks, and encouraging its employees to participate in the *"Earth Hour"* on March 29, 2014 from 8.30pm to 9.30pm by switching off lights and electrical equipment during that hour.

On a sustainable basis, the Group strives to achieve efficient usage of electricity in our production facilities. To this end, the Group has installed E-Savers in our key production machineries to optimise heat-management and therefore reduce the amount of electricity used per machine. To date, Daibochi has installed a total of 54 units of E-Savers across our two manufacturing plants, which are anticipated to mitigate the increase in electricity tariffs in early 2014.

The Company has engaged the services of licensed contractors for scheduled waste disposal in compliance with the relevant regulations as part of its waste management programme. Certain discarded raw materials are recycled to reduce waste, while non-reusable waste materials are sold to waste collectors. The Company provides facilities e.g. dedicated bins where cardboards, paper, aluminium cans and other discarded materials are collected for recycling purposes.

As part of its on-going focus on sustainability and environmental management, the Company sends waste from its production process to a waste-to-energy incinerator facility, thus reducing the need to use landfills to dump the waste. This technology reduces the amount of greenhouse gas e.g. methane, normally generated at landfills from being released into the environment.

We have also been accredited with the ISO 14001 certification, an environmental management system accreditation signifying our commitment to minimise the impact on the environment and conserving natural resources.

Daibochi is continuously advancing its environmental sustainability programs and seeking innovative approaches to reduce waste and the environmental impact. We encourage our employees to continue to look for new solutions for waste management and recycling.

Marketplace

The Company is committed in ensuring adherence to high standards of ethical values by upholding the principles of integrity, honesty and professionalism in the Company's dealings and/or relationship with our customers, suppliers and shareholders. These core principles are enshrined in our values and encapsulated in the "Code of Conduct" observed by all our employees.

Our employees endeavour to adhere to the practice of dealing and competing fairly with suppliers, vendors and competitors during the course of our business. We share our best practices with our contractors, suppliers and business partners and also support our customers' sustainability objectives.

We have high standards of quality controls in place throughout our operations process to ensure the quality and safety of our products. The Company was accredited with the FSSC 22000 certification (Food Safety System Certification) in 2014. The FSSC 22000 certification standard is the latest certification scheme for food manufacturers and is recognized by the Global Food Safety Initiative and supported by the Confederation of the Food and Drink Industries of the European Union. We continue to raise the bar for quality and food safety by developing and evaluating new initiatives in our manufacturing process. Our efforts to ensure quality and food safety are guided by our *"Quality & Food Safety Policy"* which describes the various means adopted by the Company to achieve superiority in services and supplies of our flexible packaging materials.

Internal Control Statement

The Board of Directors ("the Board") is fully committed to maintain a sound system of internal control and risk management in accordance with Principle 6 of the Malaysian Code on Corporate Governance 2012 to safeguard shareholders' investments, the Group's assets and the interest of other stakeholders. The Board is pleased to present the Internal Control Statement ("Statement") which outlines the Group's internal control framework and risk management system for the financial year ended December 31, 2014. This Statement is guided by Paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements ("the MMLR") and the Statement on Risk Management & Internal Control: Guidelines for Directors of Lister Issuers.

1. Board Responsibility

The Board affirms its overall responsibility for the Group's risk management and system of internal controls and for reviewing its adequacy and effectiveness. Management is responsible for implementing the processes for identifying, assessing, monitoring and reporting of risks and internal control to the Board. Management's duties include taking appropriate and timely corrective, preventive and detective actions as needed to mitigate and control these risks and providing assurance to the Board that the processes for identifying, evaluating and managing significant risks have been carried out.

2. Internal Control and Risk Management Framework

2.1 The Board confirms that there is a sound internal control framework and ongoing process for identifying, evaluating, monitoring and managing the significant risks faced by the Group in the achievement of its objectives and strategies. The Board reviews the process, taking into account changes in the regulatory and business environment to ensure the adequacy and effectiveness of the system of risk management and internal controls. The framework and ongoing process have been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

2.2 The Board recognizes that the system of internal control and risk management is designed to manage and minimize the risk of failure rather than eliminate the risks involved. Therefore, the Board is cognizant that the systems implemented can provide only reasonable and not absolute assurance against the occurrence of any material misstatement and loss.

3. Internal Audit Function

3.1 The Group's internal audit function has been outsourced to an independent professional firm which assists the Audit Committee and the Board in discharging their responsibilities. The internal audit function provides independent, objective assurance and advisory services that add value and improve operations by:

- ensuring the existence of processes to monitor the effectiveness and efficiency of operations and the achievement of business objectives;
- performing independent assessment on the adequacy, efficiency and effectiveness of internal control and management information systems for the safeguarding of assets as well as providing consistent and accurate financial and operational data;
- promoting risk awareness and the value and nature of an effective internal control system;
- performing independent assessment on compliance with laws, regulations, corporate policies and procedures; and
- adopting a systematic and disciplined audit approach in evaluating and improving the effectiveness of risk management, control and governance processes within the Group's operations.

3.2 The Internal Auditors report directly to the Audit Committee. The Internal Auditors focus on high priority activities determined through high level risk review and in accordance with the Internal Audit Strategy document approved by the Audit Committee. The Internal Audit Strategy for 2014 was carried out upon approval by the Audit Committee. For the year under review, the Internal Auditors conducted audits in relation to strategic management, sales and marketing, quality assurance, production management, supply chain management, safety, health and environment, asset management and human resource management activities.

Observations arising from the internal audit are reported together with management's response and corrective action plans are proposed to the Audit Committee on a quarterly basis at the Audit Committee meetings. Please refer to the Audit Committee Report on pages 32 to 34.

4. Internal Control and Risk Management Systems

The main features of the Group's internal control and risk management systems are described below:

- The Board has an organizational structure with clearly defined delegation of responsibilities to the Board Committees and the management to ensure that they discharge their duties;
- The various Board Committees, namely the Audit Committee is governed by the Audit Committee Charter whilst the Nomination and Remuneration Committees are all governed by clearly defined terms of reference;
- The Audit Committee comprises Independent Non-Executive Directors with wide ranging in-depth experience from different backgrounds, knowledge and expertise;
- Regular meetings are held by the Audit Committee members with full and unimpeded access to both the internal and external auditors during the financial year under review;
- The Internal Audit Strategy is approved by the Audit Committee and regular internal audit visits are commissioned by the Audit Committee to monitor compliance with procedures and to assess the integrity of financial information provided;
- Regular meetings between the Audit Committee and the management are held to discuss on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management;
- Audit reports together with findings, management's response and corrective actions are presented by the Internal Auditors to the Audit Committee on a quarterly basis. Measures and actions taken by management to address the improvement areas are reviewed on a quarterly basis. This enables the Audit Committee to have an overview of the state of internal controls and provide overall assurance of the risk management system in the Company;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- Regular information is provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management and the Board through financial reports such as monthly management accounts and cash flow;
- Budgeting and forecasting system governed by the Group's policy;
- The Group's annual budget is deliberated and approved by the Board before implementation;
- Proper approval by the management on capital expenditure up to RM1 million and by the Board on capital expenditure exceeding RM1 million;
- Proper approval and review by the Board on new ventures/business diversification;
- Effective delegation of discretionary authority limits within the Company to foster consistent good business practices and governance;
- Reporting of the Group's acceptable risk appetite and tolerance by the Managing Director to the Board on a half-yearly basis;
- Business continuity plan to ensure that there is a contingency framework on managing risks in the event of potential interruptions to operations;

- Formalized internal policies, procedures, manuals and codes to ensure compliance with internal controls and relevant rules and regulations to provide guidance and direction for the proper management and governance of the operations and business activities within the Group;
- The Company was accredited with ISO 9001:2008 in 2000, ISO 14001:2004 in 2011 and FSSC 22000 in 2014. Documented internal procedures and standard operating procedures have been put in place and yearly surveillance audits are conducted by assessors of the ISO and FSSC 22000 certification bodies to ensure that systems are adequately implemented;
- Ensuring ethical values by upholding the principles of integrity, honesty and professionalism in the Company's dealings with business partners, customers, suppliers, shareholders and other stakeholders as enshrined in the Company's Code of Conduct observed by the Board, management team and employees;
- Ensuring that confidential information on the Group's operations, financial condition and future prospects are protected via a Corporate Disclosure Policy; and
- A Whistle Blowing policy which provides an avenue/channel for employees and stakeholders to report genuine concerns about unethical behaviour and improper conduct within the Company without fear of reprisal should they act in good faith when reporting such concerns.

5. Review of the Statement by the External Auditors

This Statement has been reviewed by the External Auditors for inclusion in the Annual Report 2014 in accordance with Paragraph 15.23 of the MMLR. The External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers or is factually inaccurate.

6. Conclusion by the Board

6.1 The Board, through the Audit Committee, has reviewed the adequacy and effectiveness of the risk management and internal control system based on the information:

(i) provided by key management in the Company delegated with the responsibility for the development and maintenance of the internal control and risk management framework and processes;

(ii) from the Internal Auditors, who submit regular reports to the Audit Committee which include their independent and objective opinion on the adequacy and effectiveness of the Company's systems of risk management and internal control together with recommendations for improvement;

(iii) provided by the External Auditors.

6.2 The Board has received assurance from the Managing Director and the General Manager, Corporate and Finance that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

6.3 The corporate risk scorecard for the Group was presented by management at the Board Meetings on a half yearly basis. There were no significant risks identified in the corporate risk scorecard.

6.4 The Group's risk management and internal control system does not apply to the associate company as the Board does not have control over its operations. Notwithstanding, the Group's interests are served through representation on the board of the associate company. The Board also obtains a written confirmation from the associate's management on a quarterly basis on factors/events that may adversely affect the associate's performance. Collectively, these provide the Board with timely information and decision making in relation to the investment in its associate company.

6.5 No material losses were incurred during the financial year under review as a result of weaknesses in risk management and the internal control system. The Board and management will continue to take adequate measures to strengthen the control environment in which the Group operates.

6.6 The Board is satisfied that the risk management and internal control systems in place for the financial year ended December 31, 2014 are adequate and effective to safeguard shareholders' investments, the Group's assets and the interest of other stakeholders.

This Statement is made in accordance with the resolution of the Board dated March 31, 2015.

Audit Committee Report

The Board is pleased to present the Audit Committee Report for the financial year ended December 31, 2014.

The Audit Committee was established on August 28, 1993.

Members and meetings

The Audit Committee (“Committee”) comprises the following members and the details of attendance of each member at the Committee meetings held during the financial year ended December 31, 2014 are as follows:

NAME	STATUS OF DIRECTORSHIP	INDEPENDENT	ATTENDANCE OF MEETINGS
P. James Edwin A/L Louis Pushparatnam	Non-Executive Chairman	Yes	Attended five (5) out of five (5) meetings
Heng Fu Joe	Non-Executive Director	Yes	Attended five (5) out of five (5) meetings
Caroline Ang Choo Bee	Non-Executive Director	Yes	Attended five (5) out of five (5) meetings

In accordance with the Bursa Malaysia Listing Requirements, all the members of the Committee must be non-executive Directors, with a majority of the members being Independent Directors and at least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants.

The Committee comprises of three (3) members, all of whom are Independent Non-Executive Directors (INEDs). Mr. Heng Fu Joe and Ms. Caroline Ang Choo Bee are members of the Malaysian Institute of Accountants. Accordingly, the Company meets the requirements of Bursa Malaysia’s Listing Requirements.

If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event appoint such number of new members as may be required to make up the minimum number of three (3) members.

1. TERMS OF REFERENCE

Frequency of meetings

Meetings will be held at least four (4) times a year and the quorum shall be two (2) with the majority of members present being Independent Directors. At least twice a year, the Committee shall meet with the external auditors in the absence of the Executive Directors and members of the management.

Reporting to the Board

The Chairman of the Committee reports the results of the deliberations of the Committee to the Board after each Committee meeting.

Authority

The Committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to have full and unrestricted access to any information and be able to obtain independent professional advice.

Functions and Duties

The duties of the Committee are:

- To review with the external auditors all financial statements before submission to the Board for approval and/or release to shareholders or third parties, focusing particularly on:
  - (a) any changes in accounting policies and practices;
  - (b) major judgmental areas affecting the financial statements;
  - (c) significant adjustments arising from the audit;
  - (d) the going concern assumption;
  - (e) compliance with Financial Reporting Standards; and
  - (f) compliance with stock exchange and other legal requirements.
- To assess the impact of significant regulatory accounting or reporting changes and development;
- To consider any related party transaction that may arise within the Company or the Group, assess its impact on the financial results and its reporting in the financial statements;
- To review all non-financial information that is of importance in assessing the Company's or Group's performance, including customer satisfaction, product and service quality, market share, market reaction, environmental issues and such other items, when dealing with any item on the Audit Committee agenda;
- To consider the appointment of external auditors, fix their remuneration and any changes thereto;
- To discuss with the external auditors their audit plan and ensure co-ordination where more than one audit firm is involved;
- To discuss problems and reservations arising from the external audits, and any matter the auditors may wish to discuss (in the absence of management, where necessary);
- To review the external auditors' management letter and management's response;
- To review with the external auditors their evaluation of the system of internal controls;
- To review with the external auditors their audit report;
- To meet with the external auditors, without executive Board members and members of the management present at least twice a year;
- To identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- To review 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;
- In relation to the Internal Audit Function:
  - To set up an Internal Audit Function;
  - Approve any appointment or termination of senior staff members of the Internal Audit Function;
  - Review with the internal auditors and approve the internal audit plan;
  - Review with the internal auditors the results of the internal audit work and consider adequacy of management's action taken on audit recommendations;
  - Review any appraisal or assessment of the performance of the internal audit function;

- To consider the major findings of internal investigations and management's response; and
- To ensure co-ordination between the internal and external auditors.

2. SUMMARY OF ACTIVITIES UNDERTAKEN BY THE COMMITTEE

The following activities were carried out by the Committee during the financial year under review:

(a) Reviewed with the external auditors the unaudited quarterly financial statements before recommending to the Board for approval;

(b) Discussed and reviewed the Group's audited year-end financial statements with the external auditors in relation to the significant matters noted in the course of the audit of the Group's financial statements as well as new developments on accounting standards and regulatory requirements before recommending to the Board for approval;

(c) Reviewed with the external auditors their audit plan prior to the commencement of audit;

(d) Evaluated the performance of the external auditors, considered their re-appointment and audit fees before recommending to the Board for approval;

(e) Reviewed and amended the Audit Committee Charter to provide for the audit committee to meet with the external auditors, without executive board members and members of management present at least twice a year;

(f) Reviewed and approved the Internal Audit Strategy Document with the Internal Auditors for the year 2014;

(g) Reviewed the audit reports with the Internal Auditors and discussed with the management the actions to be taken on the issues highlighted and the relevant recommendations;

(h) Reviewed the Internal Control Statement before recommending to the Board for approval and inclusion in the Annual Report;

(i) Reviewed the Audit Committee Report before recommending to the Board for approval and inclusion in the Annual Report; and

(j) Met twice with the external auditors without the presence of executive Board members and members of management.

3. INTERNAL AUDIT FUNCTION

The Group set up an Internal Audit Function in 1995. The terms of reference of the Internal Audit Function are contained in the Internal Audit Charter.

The Internal Audit Function has been outsourced to an independent professional service firm. During the financial period under review, the Internal Auditor reported to the Committee and presented an Annual Internal Audit Strategy Document for the consideration and approval of the Committee. The Internal Audit Function adopts a risk-based approach in preparing its audit strategy and annual plan based on the risk profiles of the business operations. The scope of the internal audit is based on the audit strategy document. The Internal Auditor reports to the Committee on a quarterly basis and provides the Committee with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews.

For the financial year ended December 31, 2014, the cost incurred in maintaining the outsourced Internal Audit Function amounted to RM76,249.

Chairman's Statement

Dear Fellow Shareholders,

Chairman P. James Edwin with the MSWG 2014 Top Corporate Governance award for Mid Cap companies

The global economy witnessed a slow pace of recovery in 2014, against a backdrop of lacklustre economic growth in the United States, Japan and the Eurozone. Investment sentiment across various international markets was further mired by geopolitical instability in several countries such as Ukraine, Syria and Egypt.

Domestically, the Malaysian economy fared better with a 6.0% growth in gross domestic product, recovering from 4.7% a year ago. This was largely fuelled by strong private sector consumption, combined with growth in exports of goods and services.

However, the local manufacturing industry was faced with new challenges, such as the surge in crude oil prices throughout the first half of the year, causing a corresponding rise in the costs of petroleum related raw material products and transportation. This was accompanied with an upward revision to electricity tariffs in early 2014, close on the heels of the minimum wage policy implemented in 2013.

Nevertheless, Daibochi Plastic And Packaging Industry Berhad (Daibochi) recorded another positive year with strong growth in revenue, benefiting from expanding demand for flexible packaging products from the regional food and beverage (F&B) and fast-moving consumer goods (FMCG) industries.

On that note, it is my pleasure to present to you on behalf of the Board, the Annual Report and Financial Statements of the Group and Company for the financial year ended December 31, 2014 (FY2014).

Operational Highlights

The year under review brought renewed focus on business expansion.

The Group's most notable highlight in FY2014 was the successful completion and commencement of our new manufacturing plant, Daibochi Plastic Plant 2 (DPP2), in the second quarter of 2014. Located in Jasin, Melaka, DPP2 is situated approximately 18 kilometres from our first plant in Ayer Keroh. With DPP2, the Group increased our total production floor space to 460,000 square feet from 385,000 square feet.

The newly expanded manufacturing capacity allows us to more readily cater to rising production demand from existing as well as new clients in the future. Furthermore, the larger space afforded us the opportunity to streamline our film-making and metalizing processes to yield better manufacturing efficiency. Daibochi invested RM16 million into the building and new machinery for the new plant in the year under review.

Collectively, our expansion efforts in FY2014 have contributed towards strengthening our capabilities and business profile, thus setting the stage for future growth and performance.

Financial Review

Daibochi is pleased to report commendable growth in FY2014, which saw the Group achieving a new milestone in topline performance.

For the year in review, we recorded revenue of RM344.5 million, expanding 11.0% and charting a new record from the previous year's high of RM310.3 million.

Our core business of flexible packaging remained the primary contributor to group revenue, increasing by a convincing 13.0% year-on-year to reach RM340.1 million in FY2014 from RM301.1 million previously. This was mainly attributed to higher sales volume to existing export customers in the F&B and FMCG sectors, including contributions from several new MNC export customers since the 3rd quarter of 2013. We are proud to serve them alongside our existing portfolio comprising some of the largest F&B brands in the world. Exports made up approximately 50% of packaging revenue, significantly higher from 40% in previous years.

The remaining portion of group revenue came from the property development segment, which stood at RM4.4 million, in contrast with RM9.2 million previously. The Group has since 2011 been phasing out the property development business to focus on our core strength in flexible packaging manufacturing.

While we posted sturdy topline performance, the Group's profitability was adversely impacted by higher cost of sales as well as increased operating cost i.e. a larger wage bill and rise in electricity tariff compared to the previous year.

As a mitigating measure to the higher electricity tariffs, we installed a total of 54 units of e-Savers for key production machinery by end-2014, which allows us to benefit from optimized electricity consumption via smarter heat management. The installations are expected to offset a substantial portion of the increased electricity costs.

As most of our key raw materials are derivative products of crude oil, cost of sales rose in tandem with the surge in global crude oil prices in the first half of 2014. Despite having contractual cost-pass-through mechanism with our major customers, Daibochi faced a time lag preceding pricing reviews.

Following these developments, group profit before tax (PBT) and net profit amounted to RM31.0 million and RM23.7 million respectively in FY2014. In comparison, the Group achieved group PBT and net profit of RM36.4 million and RM27.5 million respectively a year ago.

Amidst the challenging global economic environment, the Board takes a commendable view of this financial report card. We believe that our ongoing efforts in improving operational efficiency and focus on product innovation would translate into positive results for the Group going forward.

That said, I am pleased that Daibochi maintained a strong balance sheet as at December 31, 2014, in line with our prudent financial policy. Shareholders' equity in end-FY2014 continued to grow on the back of higher retained profits, reaching RM168.3 million compared to RM162.1 million in the previous year-end. As at December 31, 2014 the Group has a current ratio of 1.45 times and a manageable level of net gearing ratio of 0.31 time. The Group's borrowings amounting to RM59.5 million reflected our higher working capital requirements in line with the enlarged business operations as well as financing of new machinery investments.

Overall, our balance sheet remains strong and capable to mitigate potential financial risks, with adequate leeway to fund future business growth.

Certifications

In 2014, Daibochi became the first F&B-based flexible packaging manufacturer in Malaysia to be certified in accordance with the Food Safety System Certification (FSSC) 22000, Version 3 2013. The FSSC 22000, Version 3 2013 certification represents our commitment towards the highest standards in food safety practices in line with the interests of our valued clientele.

Managed by the Foundation for Food Safety Certification in Netherlands, the FSSC 22000 scheme is regarded as the leading assessment framework for food safety management systems in the F&B industry globally.

Dividends

Daibochi has a dividend policy to distribute not less than 60% of group net profit to shareholders and has consistently paid dividends on a quarterly basis.

The Group adhered to this policy in the year under review, declaring dividends amounting to 13 sen per share in respect of FY2014. These were paid out to shareholders via four interim single tier dividends of 3.5 sen, 3.5 sen, 2.5 sen and 3.5 sen in the first, second, third and fourth financial quarters respectively.

The total dividend payout in respect of FY2014 amounted to RM14.8 million, representing 62.2% of net profit for the year.

Corporate Governance

Daibochi is also committed to excellence in corporate governance and transparency, and complies with all applicable provisions in Bursa Malaysia's Main Market Listing Requirements and the Malaysian Code on Corporate Governance 2012.

In FY2014, we are proud to be awarded the Top Corporate Governance Recognition for Mid Cap public listed companies in Malaysia (having market capitalisation of between RM100 million and RM750 million) for the second consecutive year by the Minority Shareholder Watchdog Group (MSWG).

The Group is also ranked favourably among its peers in Malaysia, and is listed among the Top 50 Companies in the Malaysian Chapter of the MSWG-ASEAN Corporate Transparency Index 2014.

Industry Outlook & Growth Prospects

Packaging research authority Smithers Pira forecasted the global flexible packaging market to grow 3.5% annually from 2013 to reach USD231 billion by 2018. Of this, Asia Pacific is expected to lead the higher demand for consumer-based flexible packaging owing to rapid population growth, rising consumer affluence and urbanization.

Interestingly, demand for flexible packaging is anticipated to be sustained – or even be on an uptrend – during economic slowdown, as consumers prefer to purchase smaller portion of F&B products in line with their reduced affordability. This phenomenon lends credence to the recession-proof nature of the flexible packaging sector, especially in supporting the F&B and FMCG industries.

Additionally, South East Asia has increasingly become the destination of choice for global MNCs to source their flexible packaging requirements, owing to the cost-competitiveness and high quality. The setting up and expansion of global MNCs' manufacturing plants in Malaysia lend credence to this trend and bode well for regional suppliers like Daibochi.

Being a market leader in this region, Daibochi has established a strong reputation for providing high-quality and innovative flexible packaging products that meet the stringent requirements of our MNC clients. With our track record, we believe that we stand in good stead to secure a wider share of the rapidly growing flexible packaging market.

In this regard, we will continue to expand our customer base, especially amongst growth oriented MNCs in the F&B and fast moving consumer goods (FMCG) sectors in South East Asia. At present, we are exploring new business opportunities with a number of MNCs from South East Asia, Australia and New Zealand.

Additionally, we emphasise on maintaining a strong culture of intensive research and development in a bid to develop more innovative and value-added products, ultimately bringing them to full-scale production with our clients.

This is true of our recently-commercialized high speed film, an innovative product that allows high-speed applications, benefiting F&B producers who seek greater productivity in a high volume production environment. Another example of our industry-leading innovation is our new two-layer film which utilizes less raw materials than the previous generation four-layer film while retaining barrier and strength functionality.

While opportunities abound, we remain vigilant over rising costs in our business environment. To mitigate these effects, we continue to strive for enhanced operational efficiency and better waste management to optimize our operational costs in the long term. These also help to contribute significantly to long term sustainability and profitability of our business.

Collectively, our strategies have thus far helped to set us apart from our peers, as we demonstrate not only cost-competitiveness, but also a keen ability to meet stringent quality standards and satisfactory client services.

Also, in line with the implementation of the Goods and Services Tax (GST) in April 2015, the Group has ensured full compliance and adopted appropriate cash flow management strategies. The GST implementation is not expected to pose a material impact to the Group's financial performance.

Our persistent efforts, along with the milestones attained to date, underscore my confidence in Daibochi's ability to readily meet the evolving demands of the flexible packaging industry. I am therefore positive of our growth prospects and look forward to us charting new heights in the coming year.

Appreciation

Our achievements to date could not have been made possible without the hard work and dedication of our Directors, management personnel and all employees of the Group. On behalf of the Board, I would like to extend our gratitude for your valued contributions to date.

P. JAMES EDWIN A/L LOUIS PUSHPARATNAM
CHAIRMAN

March 31, 2015

Directors' Report

The directors of **DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD**. have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2014.

PRINCIPAL ACTIVITIES

The Company is principally involved in manufacturing and marketing of flexible packaging materials. The principal activities of the subsidiaries and an associate are disclosed in Notes 12 and 13 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company, its subsidiaries and an associate during the financial year other than the principal activity of Daibochi Land Sdn. Bhd. as disclosed in Note 12 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Profit for the financial year	23,736	21,520

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the Company paid:

(i) a fourth interim single tier dividend of 4.0% amounting to RM4,552,008 in respect of the financial year ended December 31, 2013 on March 28, 2014;

(ii) a first interim single tier dividend of 3.5% amounting to RM3,981,630 in respect of the financial year ended December 31, 2014 on June 26, 2014;

(iii) a second interim single tier dividend of 3.5% amounting to RM3,977,826 in respect of the financial year ended December 31, 2014 on September 11, 2014; and

(iv) a third interim single tier dividend of 2.5% amounting to RM2,835,434 in respect of the financial year ended December 31, 2014 on December 11, 2014.

On February 11, 2015, the directors declared a fourth interim single tier dividend of 3.5%, amounting to RM3,967,047 in respect of the financial year ended December 31, 2014 which was paid on March 27, 2015. The said dividend has not been included as a liability in the financial statements as of December 31, 2014.

The directors do not recommend the payment of any final dividend in respect of the financial year ended December 31, 2014.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 562,100 of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for the acquisition of the shares was RM2,413,799 including transaction costs and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM4.29. The Company had also disposed of 100,000 treasury shares valued at RM4.15 for a total net consideration of RM415,424 in the open market, resulting in a surplus of RM31,262 which has been credited to the share premium account as disclosed in Note 21 to the financial statements.

As of December 31, 2014, the Company held 508,300 treasury shares out of its 113,852,496 issued ordinary shares. The treasury shares are held in accordance with Section 67A of the Companies Act 1965 at a carrying amount of RM2,196,450 as disclosed in Note 20 to the financial statements.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(a) 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 had satisfied themselves that all known bad debts had been written off and no provision for doubtful debts was required; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

(a) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

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

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

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

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

(b) any contingent liabilities of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liabilities have become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

P. James Edwin A/L Louis Pushparatnam
Lim Soo Koon
Datuk Wira Wong Soon Lim
Low Chan Tian
Heng Fu Joe
Low Geoff Jin Wei
Caroline Ang Choo Bee

In accordance with Article 103 of the Company's Articles of Association, Lim Soo Koon and Caroline Ang Choo Bee retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting of the Company.

DIRECTORS' INTERESTS

The interests in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act 1965, are as follows:

	Number of ordinary shares of RM1 each			
	Balance as of 1.1.2014	Transferred in	Transferred out	Balance as of 31.12.2014
Interests in the Company				
Direct interests				
Low Chan Tian	7,442,580	-	-	7,442,580
Datuk Wira Wong Soon Lim	6,079,009	50,000	-	6,129,009
Low Geoff Jin Wei	4,532,420	-	-	4,532,420
Lim Soo Koon	180,000	-	-	180,000
P. James Edwin A/L Louis Pushparatnam	9,420	-	-	9,420
Caroline Ang Choo Bee	6,000	-	-	6,000
Heng Fu Joe	-	-	-	-

Deemed interests *	Number of ordinary shares of RM1 each Balance as of 1.1.2014	Transferred in	Transferred out	Balance as of 31.12.2014
Low Chan Tian	2,655,840	-	-	2,655,840
Datuk Wira Wong Soon Lim	839,450	-	(50,000)	789,450
Caroline Ang Choo Bee	27,000	-	-	27,000

* Registered in the name of director's spouse/child.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' remuneration in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The Auditors, Messrs. SJ Grant Thornton, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors,

P. JAMES EDWIN A/L LOUIS PUSHPARATNAM | **DATUK WIRA WONG SOON LIM**

Melaka
March 31, 2015

Independent Auditors' Report

to the members of Daibochi Plastic And Packaging Industry Bhd

Report on the Financial Statements

We have audited the financial statements of Daibochi Plastic And Packaging Industry Bhd., which comprise the statements of financial position of the Group and of the Company as of December 31, 2014 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 45 to 97.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of December 31, 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' report of the subsidiary, of which we have not acted as auditors, which is indicated in Note 12 to the financial statements.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on page 98 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

SJ GRANT THORNTON
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

NG CHEE HOONG
(NO: 2278/10/16(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
March 31, 2015

Statements Of Profit or Loss And Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	5	344,505	310,300	333,948	292,677
Cost of sales		(297,400)	(258,212)	(292,442)	(248,135)
Gross profit		47,105	52,088	41,506	44,542
Other income		4,585	2,977	4,517	2,917
Selling and distribution costs		(9,361)	(8,485)	(8,687)	(7,772)
Administrative expenses		(10,307)	(9,545)	(7,042)	(6,215)
Finance costs	6	(1,942)	(1,081)	(1,942)	(1,077)
Share of profit of equity-accounted associate	13	968	420	-	-
Profit before tax	7	31,048	36,374	28,352	32,395
Income tax expense	8	(7,312)	(8,912)	(6,832)	(7,931)
Profit for the financial year		23,736	27,462	21,520	24,464
Other comprehensive income for the financial year, net of income tax					
Item that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(153)	(425)	-	-
Total comprehensive income for the financial year		23,583	27,037	21,520	24,464
Earnings per ordinary share attributable to owners of the Company - basic (sen)	9	20.89	24.18		

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

Statements Of Financial Position

AS OF DECEMBER 31, 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	123,225	110,001	123,089	109,843
Land held for property development	11	-	2,807	-	-
Investments in subsidiaries	12	-	-	7,199	7,199
Investment in an associate	13	22,688	23,756	-	-
Deferred tax assets	14	64	60	-	-
		145,977	136,624	130,288	117,042
Current assets					
Inventories	15	62,997	57,349	59,233	52,967
Trade and other receivables	16	77,220	72,844	69,977	65,375
Tax recoverable		123	-	-	-
Amounts receivable from subsidiaries	17	-	-	17,497	24,025
Derivative financial assets	18	37	118	37	118
Short-term deposits, cash and bank balances	19	7,686	13,669	4,370	9,699
		148,063	143,980	151,114	152,184
Total Assets		294,040	280,604	281,402	269,226

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company:					
Share capital	20	113,853	113,853	113,853	113,853
Treasury shares	20	(2,196)	(167)	(2,196)	(167)
Reserves	21	56,667	48,400	44,613	38,409
Total Equity		168,324	162,086	156,270	152,095
LIABILITIES					
Non-current liabilities					
Trade and other payables	22	52	75	-	-
Loans and borrowings	23	13,222	11,546	13,222	11,546
Deferred tax liabilities	14	10,598	8,270	10,976	8,738
		23,872	19,891	24,198	20,284
Current liabilities					
Trade and other payables	22	54,767	50,591	53,466	48,585
Amount payable to a subsidiary	17	-	-	423	394
Loans and borrowings	23	46,299	46,180	46,299	46,180
Derivative financial liabilities	18	72	-	72	-
Tax payable		706	1,856	674	1,688
		101,844	98,627	100,934	96,847
Total Liabilities		125,716	118,518	125,132	117,131
Total Equity and Liabilities		294,040	280,604	281,402	269,226

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

Statements Of Changes In Equity

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

Group	Note	Attributable to Owners of The Company Issued Capital RM'000	Treasury Shares RM'000	Non-distributable Reserves Share Premium RM'000	Non-distributable Reserves Translation Reserve RM'000	Distributable Reserve Retained Earnings RM'000	Total Equity RM'000
Balance as of January 1, 2013		113,853	(1,052)	2,687	237	34,695	150,420
Profit for the financial year		-	-	-	-	27,462	27,462
Other comprehensive income for the financial year, net of income tax		-	-	-	(425)	-	(425)
Total comprehensive income for the financial year		-	-	-	(425)	27,462	27,037
Transactions with owners:							
Dividends paid to owners of the Company	24	-	-	-	-	(16,479)	(16,479)
Share buy-back	20	-	(3,343)	-	-	-	(3,343)
Disposal of treasury shares	20, 21	-	4,228	223	-	-	4,451
Total transactions with owners		-	885	223	-	(16,479)	(15,371)
Balance as of December 31, 2013/ January 1, 2014		113,853	(167)	2,910	(188)	45,678	162,086
Profit for the financial year		-	-	-	-	23,736	23,736
Other comprehensive income for the financial year, net of income tax		-	-	-	(153)	-	(153)
Total comprehensive income for the financial year		-	-	-	(153)	23,736	23,583
Transactions with owners:							
Dividends paid to owners of the Company	24	-	-	-	-	(15,347)	(15,347)
Share buy-back	20	-	(2,414)	-	-	-	(2,414)
Disposal of treasury shares	20, 21	-	385	31	-	-	416
Total transactions with owners		-	(2,029)	31	-	(15,347)	(17,345)
Balance as of December 31, 2014		113,853	(2,196)	2,941	(341)	54,067	168,324

Company	Note	Issued Capital RM'000	Treasury Shares RM'000	Non-distributable Reserve Share Premium RM'000	Distributable Reserve Retained Earnings RM'000	Total Equity RM'000
Balance as of January 1, 2013		113,853	(1,052)	2,687	27,514	143,002
Total comprehensive income for the financial year		-	-	-	24,464	24,464
Transactions with owners:						
Payment of dividends	24	-	-	-	(16,479)	(16,479)
Share buy-back	20	-	(3,343)	-	-	(3,343)
Disposal of treasury shares	20, 21	-	4,228	223	-	4,451
Total transactions with owners		-	885	223	(16,479)	(15,371)
Balance as of December 31, 2013/ January 1, 2014		113,853	(167)	2,910	35,499	152,095
Total comprehensive income for the financial year		**-**	**-**	**-**	**21,520**	**21,520**
Transactions with owners:						
Payment of dividends	24	**-**	**-**	**-**	**(15,347)**	**(15,347)**
Share buy-back	20	**-**	**(2,414)**	**-**	**-**	**(2,414)**
Disposal of treasury shares	20, 21	**-**	**385**	**31**	**-**	**416**
Total transactions with owners		**-**	**(2,029)**	**31**	**(15,347)**	**(17,345)**
Balance as of December 31, 2014		**113,853**	**(2,196)**	**2,941**	**41,672**	**156,270**

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

Statements Of Cash Flows

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers and other receivables		**346,190**	302,650	**333,427**	283,551
Cash paid to suppliers, employees and other payables		**(305,920)**	(264,687)	**(297,092)**	(256,208)
Cash generated from operations		**40,270**	37,963	**36,335**	27,343
Interest received		**32**	14	**23**	9
Interest paid		**(985)**	(582)	**(985)**	(578)
Tax paid		**(6,253)**	(8,502)	**(5,608)**	(8,230)
Net Cash From Operating Activities		**33,064**	28,893	**29,765**	18,544
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		**33**	86	**29**	70
Dividend income from an associate		**2,036**	-	**-**	-
Acquisition of a subsidiary		**-**	-	**#**	-
Purchase of property, plant and equipment	10	**(24,656)**	(34,701)	**(24,644)**	(34,741)
Proceeds from disposal of property, plant and equipment		**102**	154	**102**	120
Net Cash Used In Investing Activities		**(22,485)**	(34,461)	**(24,513)**	(34,551)

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Share buy-back	20	**(2,414)**	(3,343)	**(2,414)**	(3,343)
Proceeds from disposal of treasury shares		**416**	4,451	**416**	4,451
Drawdown of term loans		**10,999**	15,305	**10,999**	15,305
Repayment of term loans		**(10,045)**	(5,911)	**(10,045)**	(5,911)
Dividends paid to owners of the Company	24	**(15,347)**	(16,479)	**(15,347)**	(16,479)
Interest paid		**(957)**	(499)	**(957)**	(499)
Proceeds from short-term borrowings (net)		**160**	20,972	**160**	20,972
Repayment from a subsidiary		**-**	-	**5,925**	8,000
Advances to subsidiaries		**-**	-	**-**	(35)
Repayment of finance leases		**(279)**	(265)	**(279)**	(265)
Net (Used In)/Cash From Financing Activities		**(17,467)**	14,231	**(11,542)**	22,196
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(6,888)**	8,663	**(6,290)**	6,189
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**13,458**	4,796	**9,488**	3,299
Effect of exchange differences		**(56)**	(1)	**-**	-
		13,402	4,795	**9,488**	3,299
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	25	**6,514**	13,458	**3,198**	9,488

# Denotes RM3

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

1. GENERAL INFORMATION

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

The Company is principally involved in manufacturing and marketing of flexible packaging materials. The principal activities of its subsidiaries and an associate are disclosed in Notes 12 and 13 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company, its subsidiaries and an associate during the financial year other than the principal activity of Daibochi Land Sdn. Bhd. as disclosed in Note 12 to the financial statements.

The registered office and principal place of business of the Company is located at Kompleks Daibochi Plastic, Lot 3 & 7, Ayer Keroh Industrial Estate, Phase IV, 75450 Melaka.

The financial statements of the Company have been authorised by the Board of Directors on March 31, 2015 for issuance.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board ("MASB") and the Companies Act 1965 in Malaysia.

(b) Basis of measurement

Unless otherwise stated, the accounting policies in Note 3 to the financial statements have been used consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements of the Group and of the Company have been prepared under the historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM'000 except when otherwise stated.

(d) FRSs

In the current financial year, the Group and the Company adopted the following amendments to FRSs issued by the MASB that is relevant to their operations and mandatory for financial periods beginning on or after January 1, 2014:

Amendments to FRSs

Amendments to FRS 10, FRS 12 & FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting

The adoption of the amendments to FRSs does not have significant financial impact on the financial statements of the Group and of the Company.

Standards Issued But Not Yet Effective

(i) Malaysian Financial Reporting Standards ("MFRS")

On November 19, 2011, the MASB issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual financial periods beginning on or after January 1, 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual financial periods beginning on or after January 1, 2013. On July 4, 2012, the MASB has decided to allow Transitioning Entities to defer the adoption of the MFRS Framework for another year. The MFRS Framework will therefore be mandated for all companies for annual financial periods beginning on or after January 1, 2014. On August 7, 2013, the MASB has decided to extend the transitional period for another year, i.e. the adoption of the MFRS Framework by all entities for annual financial periods beginning on or after January 1, 2015.

On September 2, 2014, with the issuance of MFRS 15 Revenue from Contracts with Customers and Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141), the MASB announced that Transitioning Entities are required to apply the MFRS Framework for annual periods beginning on or after January 1, 2017.

An associate of the Group falls within the scope of definition of Transitioning Entities and has opted to defer the adoption of the new MFRS Framework and accordingly, the Group will be required to prepare its first set of financial statements using the MFRS Framework for the financial year ending December 31, 2017.

Summary of the requirements of MFRS 15 is as follows:

<u>MFRS 15 Revenue from Contracts with Customers</u>

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, and IC Interpretation 15 Agreements for Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 131 Revenue - Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

(ii) FRSs and Amendments to FRSs

At the date of authorisation of these financial statements, certain new standards and amendments to existing standards have been published by the MASB but are not yet effective, and have not been adopted by the Group and the Company are as listed below:

		Effective for Financial Periods Beginning On or After
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards (Annual Improvements to FRSs 2011-2013 Cycle)	July 1, 2014
Amendment to FRS 2	Share-based Payment (Annual Improvements to FRSs 2010-2012 Cycle)	July 1, 2014
Amendment to FRS 3	Business Combinations (Annual Improvements to FRSs 2010-2012 Cycle and 2011-2013 Cycle)	July 1, 2014
Amendment to FRS 8	Operating Segments (Annual Improvements to FRSs 2010-2012 Cycle)	July 1, 2014
Amendment to FRS 13	Fair Value Measurement (Annual Improvements to FRSs 2010-2012 Cycle and 2011-2013 Cycle)	July 1, 2014
Amendment to FRS 116	Property, Plant and Equipment (Annual Improvements to FRSs 2010-2012 Cycle)	July 1, 2014
Amendments to FRS 119	Defined Benefit Plans: Employee Contributions	July 1, 2014
Amendment to FRS 124	Related Party Disclosures (Annual Improvements to FRSs 2010-2012 Cycle)	July 1, 2014
Amendment to FRS 138	Intangible Assets (Annual Improvements to FRSs 2010-2012 Cycle)	July 1, 2014
Amendment to FRS 140	Investment Property (Annual Improvements to FRSs 2011-2013 Cycle)	July 1, 2014
FRS 14	Regulatory Deferral Accounts	January 1, 2016
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to FRSs 2012-2014 Cycle)	January 1, 2016
Amendments to FRS 7	Financial Instruments: Disclosures (Annual Improvements to FRSs 2012-2014 Cycle)	January 1, 2016
Amendments to FRS 10 & FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016

		Effective for Financial Periods Beginning On or After
Amendments to FRS 10, FRS 12 & FRS 128	Applying the Consolidation Exception	January 1, 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
Amendments to FRS 101	Disclosure Initiative	January 1, 2016
Amendments to FRS 116 & FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	January 1, 2016
Amendment to FRS 119	Employee Benefits (Annual Improvements to FRSs 2012-2014 Cycle)	January 1, 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	January 1, 2016
Amendment to FRS 134	Interim Financial Reporting (Annual Improvements to FRSs 2012-2014 Cycle)	January 1, 2016
FRS 9 (IFRS 9(2014))	Financial Instruments (IFRS 9 as issued by IASB in July 2014)	January 1, 2018

Management anticipates that all relevant pronouncements will be adopted in the Group and the Company's accounting policies for the first period beginning after the effective date of pronouncement. Information on new standards and amendments are not expected to have a material impact on the Group's and the Company's financial statements except for:

FRS 9 Financial Instruments

FRS 9 is issued during the financial year, which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous version of FRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of FRS 9, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions.

The Group and the Company are currently examining the financial impact of adopting FRS 9.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue and income recognition

Revenue from sales of goods is recognised upon delivery of products and when the risks and rewards of ownership have passed to the customers. Sales represent gross invoiced value of goods sold net of sales taxes, returns and trade discounts.

Revenue relating to sale of completed properties and land is recognised when the risks and rewards associated with the ownership are transferred to the property purchasers.

Interest income is recognised on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(b) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of presenting the consolidated financial statements, the results and financial position of each entity are expressed in RM, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are included in the profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in the foreign operation, and which are included in the foreign currency translation reserve and recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity and transferred to the Group's translation reserve. Such exchange differences are recognised in the other comprehensive income in the period in which the foreign operations are disposed.

(c) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unutilised tax losses and unused tax credits can be utilised. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside profit or loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and subsidiaries intend to settle their current tax assets and liabilities on a net basis.

(d) Goods and services tax ("GST")

The Group's sale of goods in Australia and New Zealand are subjected to GST at the applicable rates of 10% and 15% for Australia and New Zealand domestic sales. Input GST on purchases can be deducted from output GST.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating activities.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to December 31, 2014.

The subsidiaries are consolidated using the acquisition method of accounting whereby, on acquisition, the assets and liabilities of the subsidiaries are measured at their fair values at the date of acquisition.

The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses and unrealised gain and losses resulting from intra-group transactions are eliminated in full on consolidation.

(f) Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use and cost of replacing component parts of the assets. The carrying amount of the replaced part is derecognised. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Depreciation of property, plant and equipment, except for capital work-in-progress which is not depreciated, is computed on the straight-line method at the following annual rates based on the estimated useful lives of the various assets. Freehold land with an infinite life is not depreciated. Leasehold land is amortised over a 99-year period. The annual depreciation rates of other property, plant and equipment are as follows:

Buildings	2% - 10%
Plant and machinery	6.67% - 50%
Motor vehicles	12.5% - 20%
Equipment, furniture, fixture and fittings	7.5% - 40%

The estimated residual value, useful life and depreciation method of property, plant and equipment are reviewed at each financial year end, with the effect of any changes in estimates accounted for prospectively.

(g) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group and the Company all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating lease.

(ii) Finance leases

Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease (when it is practicable to determine) otherwise, the Company’s incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total lease commitments and the fair value of the assets acquired, are recognised in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 3(f) to the financial statements.

(iii) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

(h) Impairment of non-financial assets

At the end of each reporting period, the Group and the Company review the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

(i) Investments in subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in unquoted shares of subsidiaries, which are eliminated on consolidation, are stated at cost in the Company's financial statements. Where there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Upon disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(j) Investment in an associate

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the profit or loss.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate.

The results of the associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

On disposal of such investment, the difference between net disposal proceeds and the carrying amounts is recognised as profit or loss in the period of disposal.

(k) Inventories

Inventories are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. The cost of raw materials comprises the original purchase price plus the cost of bringing the inventories to their present location. The costs of work-in-progress and finished goods include the cost of raw materials, direct labour, other direct costs and an appropriate proportion of the manufacturing overheads. Net realisable value represents the estimated selling price in the ordinary course of business less the costs of completion and applicable variable selling price.

Inventories of unsold completed property units are stated at the lower of cost and net realisable value and is determined on specific identification basis. Cost includes the relevant cost of land, development expenditure and interest cost incurred during the development period. Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money, if material, less costs to completion, where applicable and the estimated costs to sale. The cost of inventory recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold.

(l) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, borrowing costs capitalised and other relevant levies.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the company's normal operating cycle of 3 to 5 years.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition of a qualifying asset are capitalised as part of the cost of the asset during the period of time that is necessary to complete and prepare the asset for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or completed.

All other borrowing costs are expensed in the period in which they are incurred.

(n) Employee benefits

(i) Short-term employee benefits

Salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting date.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company paid fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund. The Group's foreign subsidiary also makes contributions to its country's statutory pension schemes.

(iii) Long-term employee benefits

Long-term employee benefits include long service leave. Long service leave that is expected to be settled within one year has been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long service leave payable later than one year has been measured at the present value of the estimated future cash flows to be made at the reporting date.

The Group's foreign subsidiary employees are entitled to long service leave in accordance to its country's statutory employment laws.

(o) Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be recognised to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the amount required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

At the end of each reporting period, the provisions are reviewed by the directors and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Group and the Company will be required to settle the obligation.

(p) Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

(i) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

The Group's and the Company's principal financial assets are trade and other receivables, cash and cash equivalents and inter-company indebtedness and are measured at initial recognition at fair value, and are subsequently measured at amortised cost less impairment losses, if any.

(ii) Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, other financial liabilities measured at amortised cost using the effective interest method and financial guarantee contracts.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The Group's and the Company's significant financial liabilities include trade and other payables, accruals, inter-company indebtedness and borrowings which are initially measured at fair value and subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(q) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Receivables are assessed for indicators of impairment at the end of each reporting period. Receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the receivables, the estimated future cash flows of the receivables have been impacted.

For receivables, objective evidence of impairment could include:

- significant financial difficulty of the customers; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the customers will enter bankruptcy or financial re-organisation.

The carrying amount of the trade receivables is reduced by the impairment loss through the use of an impairment loss account. When a trade receivable is considered uncollectible, it is written off against the impairment loss account. Subsequent recoveries of amounts previously written off are credited in the profit or loss.

(r) Derivative financial instruments

The Group and the Company use foreign currency forward contracts to manage the risk associated with sale and purchase transactions of the foreign currency exposure generated.

Foreign currency forward contracts are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Foreign currency forward contracts with a positive fair value is recognised as financial assets and a negative fair value is recognised as financial liabilities.

It is the Group's and the Company's policy not to trade in derivative financial instruments. Details of foreign currency forward contracts entered into by the Group and the Company are recorded as derivative financial assets and liabilities as disclosed under Note 18 to the financial statements.

(s) Equity instruments

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of direct attributable transactions costs.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity.

(iii) Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

(iv) Dividends

Dividends on ordinary shares are recognised as a liability when proposed or declared by the Board of Directors before the reporting date. Dividends when proposed or declared by the Board of Directors after the reporting date but before the financial statements are authorised for issue will be accounted for in the next financial year.

(t) Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the equity.

The consideration paid, including directly attributable costs and premium or discount arising from the share repurchased, should be adjusted directly to the share premium account.

When the treasury shares are disposed of subsequently, the difference between the sales consideration net of directly attributable cost and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(u) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks (net of bank overdrafts) and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in current liabilities on the statements of financial position.

(v) Segment reporting

Segment reporting is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single segment.

(w) Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(i) A person or a close member of that person's family is related to the Group if that person:

(1) has control or joint control over the Group;
(2) has significant influence over the Group; or
(3) is a member of the key management personnel of the holding company of the Group, or the Group.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) the entity and the Group are members of the same group.
(2) one entity is an associate or joint venture of the other entity.
(3) both entities are joint ventures of the same third party.
(4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(5) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
(6) the entity is controlled or jointly-controlled by a person identified in (i) above.
(7) a person identified in (i)(1) above which has significant influence over the entity or is a member of the key management personnel of the entity (or the parent of the entity).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 3 to the financial statements, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

Useful lives of depreciable property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these assets to be between two to ninety nine years, depending on the categories of the property, plant and equipment, as disclosed in Note 3(f) to the financial statements. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The total carrying amount of the property, plant and equipment as of the end of the financial year is disclosed in Note 10 to the financial statements.

Management anticipates that the expected useful lives of the property, plant and equipment would not have material difference from their estimates and hence it would not result in material variance in the Group's and the Company's profit for the financial year.

5. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Manufacturing and marketing of flexible packaging materials	340,143	301,135	333,948	292,677
Sales of completed property units	1,462	2,997	-	-
Sale of land	2,900	6,168	-	-
	344,505	310,300	333,948	292,677

6. FINANCE COSTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Term loans	940	468	940	468
Bank overdrafts	54	16	54	12
Bankers' acceptances	931	566	931	566
Others	17	31	17	31
	1,942	1,081	1,942	1,077

7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Employee benefits expenses:				
- Salaries and other emoluments	33,157	30,409	31,475	28,368
- Defined contribution plans	2,678	2,418	2,510	2,205
Depreciation of property, plant and equipment	11,117	9,490	11,086	9,454
Foreign exchange (gain)/loss:				
- Realised	(582)	(225)	(611)	(225)
- Unrealised	(478)	303	(495)	310
Bad debt written off	14	-	-	-
Audit fee	146	143	91	81
Property, plant and equipment:				
- Loss/(gain) on disposal	7	(130)	7	(119)
- Write-offs	203	51	203	42
Rental of premises	854	783	472	379
Rental of equipment	372	300	372	300
Interest income	(65)	(100)	(52)	(79)

Directors' remuneration

The aggregate amounts of emoluments received and receivable by directors of the Company during the financial year are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors' remuneration:				
- Executive				
Salaries and other emoluments	2,607	2,801	2,237	1,871
Defined contribution plans	426	455	372	330
- Non executive				
Fees	116	137	116	137
Other emoluments	174	177	174	177
	3,323	3,570	2,899	2,515

The estimated monetary value of benefits-in-kind received by the directors of the Company during the financial year amounted to RM46,000 (2013: RM45,000).

8. INCOME TAX EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
- Malaysian tax	4,736	7,268	4,674	7,034
- Foreign tax	333	535	-	-
(Over)/Under provision in prior year	(79)	83	(80)	81
	4,990	7,886	4,594	7,115
Deferred tax (Note 14):				
Current year	2,337	890	2,253	680
(Over)/Under provision in prior year	(15)	136	(15)	136
	2,322	1,026	2,238	816
	7,312	8,912	6,832	7,931

A numerical reconciliation of income tax expense at the statutory income tax rate to tax expense at the effective income tax rate is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before tax	**31,048**	36,374	**28,352**	32,395
Tax at the statutory income tax rate of 25% (2013: 25%)	**7,762**	9,094	**7,088**	8,099
Effect of different tax rate of subsidiaries operating in other jurisdictions	**50**	86	**-**	-
Effect of change in tax rate*	**(457)**	-	**(457)**	-
Effects of tax incentives and income not subject to tax :				
- utilisation of exemption on value of export from new market	**-**	(591)	**-**	(591)
- double deduction	**(27)**	(62)	**(27)**	(62)
- others	**(10)**	-	**-**	-
Effects of expenses not deductible in determining taxable profit	**330**	271	**323**	268
Share of profit of equity-accounted associate's tax	**(242)**	(105)	**-**	-
(Over)/Under provision of deferred tax in prior year	**(15)**	136	**(15)**	136
(Over)/Under provision of income tax expense in prior year	**(79)**	83	**(80)**	81
Income tax expense for the financial year	**7,312**	8,912	**6,832**	7,931

* The corporate tax rate for the year of assessment is 25%. However, deferred tax assets and liabilities are measured at 24% which is the rate that has been announced by the Government in Budget 2014.

9. EARNINGS PER ORDINARY SHARE

The basic earnings per ordinary share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue, adjusted by the number of ordinary shares repurchased and disposed during the financial year.

	Group	
	2014	2013
Profit for the financial year attributable to owners of the Company (RM'000)	**23,736**	27,462
Weighted average number of ordinary shares in issue ('000)		
Issued ordinary shares as of January 1	**113,853**	113,853
Effect of treasury shares held	**(212)**	(282)
Weighted average number of ordinary shares as of December 31	**113,641**	113,571
Basic earnings per ordinary share (sen)	**20.89**	24.18

Diluted earnings per ordinary share are not presented as there are no dilutive potential ordinary shares outstanding during the financial year.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture, fixtures and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
Cost							
Balance as of January 1, 2013	7,036	30,027	141,637	4,252	6,951	-	189,903
Additions	2,851	445	10,072	84	462	20,787	34,701
Disposals	-	-	(56)	(416)	(19)	-	(491)
Write-offs	-	(41)	(173)	-	(49)	-	(263)
Currency translation difference	-	-	(7)	(27)	(6)	-	(40)
Balance as of December 31, 2013/ January 1, 2014	9,887	30,431	151,473	3,893	7,339	20,787	223,810
Additions	-	1,001	22,329	208	485	633	24,656
Disposals	-	-	(238)	(206)	-	-	(444)
Write-offs	-	-	(923)	-	(48)	-	(971)
Reclassification	-	8,268	12,451	-	701	(21,420)	-
Currency translation difference	-	-	-	(4)	(2)	-	(6)
Balance as of December 31, 2014	**9,887**	**39,700**	**185,092**	**3,891**	**8,475**	**-**	**247,045**
Accumulated Depreciation							
Balance as of January 1, 2013	1,152	5,826	91,229	2,601	4,208	-	105,016
Charge	74	612	7,613	570	621	-	9,490
Disposals	-	-	(56)	(393)	(18)	-	(467)
Write-offs	-	(1)	(164)	-	(47)	-	(212)
Currency translation difference	-	-	(3)	(11)	(4)	-	(18)
Balance as of December 31, 2013/ January 1, 2014	1,226	6,437	98,619	2,767	4,760	-	113,809
Charge	74	749	9,041	556	697	-	11,117
Disposals	-	-	(129)	(206)	-	-	(335)
Write-offs	-	-	(724)	-	(44)	-	(768)
Currency translation difference	-	-	-	(2)	(1)	-	(3)
Balance as of December 31, 2014	**1,300**	**7,186**	**106,807**	**3,115**	**5,412**	**-**	**123,820**
Net Carrying Amount							
As of December 31, 2013	8,661	23,994	52,854	1,126	2,579	20,787	110,001
As of December 31, 2014	**8,587**	**32,514**	**78,285**	**776**	**3,063**	**-**	**123,225**

Company	Land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture, fixtures and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
Cost							
Balance as of January 1, 2013	7,036	30,027	141,537	3,922	6,868	-	189,390
Additions	2,851	445	10,116	84	458	20,787	34,741
Disposals	-	-	(56)	(278)	(19)	-	(353)
Write-offs	-	(41)	(147)	-	(31)	-	(219)
Balance as of December 31, 2013/ January 1, 2014	9,887	30,431	151,450	3,728	7,276	20,787	223,559
Additions	-	1,001	22,329	208	473	633	24,644
Disposals	-	-	(238)	(206)	-	-	(444)
Write-offs	-	-	(923)	-	(48)	-	(971)
Reclassification	-	8,268	12,451	-	701	(21,420)	-
Balance as of December 31, 2014	**9,887**	**39,700**	**185,069**	**3,730**	**8,402**	**-**	**246,788**
Accumulated Depreciation							
Balance as of January 1, 2013	1,152	5,826	91,190	2,460	4,163	-	104,791
Charge	74	612	7,607	546	615	-	9,454
Disposals	-	-	(56)	(278)	(18)	-	(352)
Write-offs	-	(1)	(147)	-	(29)	-	(177)
Balance as of December 31, 2013/ January 1, 2014	1,226	6,437	98,594	2,728	4,731	-	113,716
Charge	74	749	9,041	536	686	-	11,086
Disposals	-	-	(129)	(206)	-	-	(335)
Write-offs	-	-	(724)	-	(44)	-	(768)
Balance as of December 31, 2014	**1,300**	**7,186**	**106,782**	**3,058**	**5,373**	**-**	**123,699**
Net Carrying Amount							
As of December 31, 2013	8,661	23,994	52,856	1,000	2,545	20,787	109,843
As of December 31, 2014	**8,587**	**32,514**	**78,287**	**672**	**3,029**	**-**	**123,089**

Included in the total net carrying amount of land are:

	Group and Company	
	2014	2013
	RM'000	RM'000
Freehold land	2,851	2,851
Leasehold land with unexpired lease period of more than 50 years	5,736	5,810
	8,587	8,661

Motor vehicles of the Group and of the Company with aggregate net carrying amount of RM214,000 (2013: RM506,000) as of December 31, 2014 were acquired through finance leases.

11. LAND HELD FOR PROPERTY DEVELOPMENT

		Group	
	Freehold land	Property development costs	Total
	RM'000	RM'000	RM'000
As of January 1, 2013/January 1, 2014	2,322	485	2,807
Additions during the financial year	-	76	76
Disposal during the financial year	(2,322)	(561)	(2,883)
As of December 31, 2014	-	-	-

On August 14, 2014, a subsidiary, Daibochi Land Sdn. Bhd., entered into a Sale and Purchase Agreement ("Agreement") to dispose the land held for property development for a total consideration of RM2,900,000 under the terms and conditions as stipulated in the said Agreement. The disposal was completed on November 13, 2014.

12. INVESTMENTS IN SUBSIDIARIES

	Company 2014 RM'000	Company 2013 RM'000
Unquoted shares - at cost	7,199	7,199

Details of the direct subsidiaries are as follows:

Name of companies	Country of incorporation	Effective percentage ownership 2014	Effective percentage ownership 2013	Principal activities
Daibochi Land Sdn. Bhd.	Malaysia	100%	100%	Property development #
Daibochi Technology Sdn. Bhd. @	Malaysia	100%	100%	Dormant
Daibochi Trading Sdn. Bhd. @	Malaysia	100%	100%	Dormant
Daibochi Flexibles Sdn. Bhd. *	Malaysia	100%	100%	Dormant
Daibochi Australia Pty. Ltd. ^	Australia	100%	100%	Importing and marketing of packaging materials
Daibochi New Zealand Ltd. ^	New Zealand	100%	-	Importing and marketing of packaging materials

Upon the completion of the disposal of land held for property development, the subsidiary ceased its property development activity and became an investment holding company. As the contribution from the subsidiary to the Group's results is immaterial, there is no disclosure of the discontinued operation in the financial statements of the Group.

@ The Company's wholly owned subsidiaries, Daibochi Technology Sdn. Bhd. and Daibochi Trading Sdn. Bhd., had filed applications for striking off the companies from the companies registers with the Companies Commission of Malaysia ("CCM") on November 7, 2014 and March 24, 2015 respectively. The applications are being processed by CCM.

* Subsidiary audited by a member firm of Grant Thornton International Ltd.

^ Subsidiary with special audit performed by Messrs SJ Grant Thornton for consolidation purposes.

Acquisition of a subsidiary

On March 28, 2014, the Company incorporated a wholly-owned subsidiary in New Zealand, namely Daibochi New Zealand Limited with a paid up capital of New Zealand Dollar ("NZD") 1 comprising 1 ordinary share of NZD1.00 each.

13. INVESTMENT IN AN ASSOCIATE

	Group 2014 RM'000	Group 2013 RM'000
Unquoted shares - at cost	22,568	22,568
Share of post-acquisition profit	120	1,188
	22,688	23,756

The Group's interest in the associate is analysed as follows:

	Group 2014 RM'000	Group 2013 RM'000
Share of net tangible assets - at fair value	22,419	23,487
Goodwill	269	269
	22,688	23,756

Details of the associate which is incorporated in Malaysia are as follows:

Name of company	Effective percentage ownership 2014	Effective percentage ownership 2013	Principal activities
Skyline Resources (M) Sdn. Bhd. *	36.32%	36.32%	Property development, contract construction works and property investments

* Associate audited by another firm of chartered accountants other than Messrs. SJ Grant Thornton.

Summarised financial information in respect of the associate is as follows:

	2014 RM'000	2013 RM'000
Assets and liabilities		
Current assets	85,674	59,994
Non-current assets	22,753	25,280
Total Assets	108,427	85,274
Current liabilities	54,813	31,301
Non-current liabilities	176	207
Total Liabilities	54,989	31,508
Results		
Revenue	52,139	33,527
Profit for the financial year/ Total comprehensive income for the financial year	5,278	3,659

Group's share of results for the financial year ended December 31:

	Group	
	2014	2013
	RM'000	RM'000
Group's share of profit/Total comprehensive income	968	420

The Group's share of profit of the equity-accounted associate amounting to RM968,000 (2013: RM420,000) is after taking into consideration the amount of RM949,000 (2013: RM909,000) being the realisation of the revaluation surplus arising from the revaluation of the associate's development land prior to the acquisition of the associate.

	Group	
	2014	2013
	RM'000	RM'000
Other information		
Dividend received by the Group	2,036	-

14. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	64	60	-	-
Deferred tax liabilities	(10,598)	(8,270)	(10,976)	(8,738)
	(10,534)	(8,210)	(10,976)	(8,738)
As of January 1	(8,210)	(7,181)	(8,738)	(7,922)
Currency translation difference	(2)	(3)	-	-
Recognised in profit or loss (Note 8)	(2,322)	(1,026)	(2,238)	(816)
As of December 31	(10,534)	(8,210)	(10,976)	(8,738)

The deferred tax assets and liabilities are in respect of temporary differences arising from:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets				
Others	64	60	-	-
Deferred tax liabilities				
Property, plant and equipment	11,532	9,256	11,532	9,256
Others	(934)	(986)	(556)	(518)
	10,598	8,270	10,976	8,738

15. INVENTORIES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Raw materials	25,188	25,140	25,188	25,140
Work-in-progress	17,839	14,012	17,839	14,012
Finished goods	18,489	15,749	14,725	12,111
Consumables	1,481	1,704	1,481	1,704
Completed property units	-	744	-	-
	62,997	57,349	59,233	52,967
Recognised in profit or loss:				
Inventories recognised as cost of sales	222,979	195,359	222,415	187,150
Inventories write-down	2,029	1,143	1,470	925
Reversal of inventories write-down	(1,264)	(1,149)	(733)	(1,102)

The write-down and reversal are included in cost of sales.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Trade receivables	71,772	66,525	64,635	59,182
Other receivables	500	283	484	283
Prepayments	4,725	5,816	4,683	5,777
Deposits	223	220	175	133
	77,220	72,844	69,977	65,375

Of the trade receivables balance as of December 31, 2014, RM30,796,000 (2013: RM23,237,000) is due from the Group's and the Company's major customers. There are no other customers who represent more than 10% of the total balance of trade receivables.

The Group and the Company grant credit on various terms. Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Group and the Company have not recognised an allowance for impaired receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group and the Company do not hold any collateral or other credit enhancements over these balances nor do they have a legal right of offset against any amounts owed by the Group and the Company to the counterparty.

Analysis of trade receivables as of the end of the reporting period was:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Neither past due nor impaired	55,237	54,964	48,226	48,186
Past due but not impaired:				
1 month	14,028	8,575	13,949	8,121
2 months	1,314	1,912	1,307	1,869
3 months	501	472	501	411
More than 3 months	692	602	652	595
	16,535	11,561	16,409	10,996
Total trade receivables	71,772	66,525	64,635	59,182

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company. None of the terms for the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The currency exposure profile of trade receivables of the Group and of the Company is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	38,961	38,148	38,961	38,148
United States Dollar	21,279	15,551	20,809	15,551
Australian Dollar	6,524	7,343	-	-
Thai Baht	4,832	5,482	4,832	5,482
New Zealand Dollar	143	-	-	-
Singapore Dollar	33	1	33	1
	71,772	66,525	64,635	59,182

17. AMOUNTS RECEIVABLE FROM SUBSIDIARIES AND PAYABLE TO A SUBSIDIARY

	Company	
	2014 RM'000	2013 RM'000
Amounts receivable from subsidiaries:		
Trade related	8,353	8,946
Non-trade related	9,144	15,079
	17,497	24,025
Amount payable to a subsidiary:		
Non-trade related	423	394

Amounts receivable from subsidiaries and amount payable to a subsidiary are unsecured, interest free and repayable on demand, except for the trade transactions which are repayable within the normal trade terms of 90 days (2013: 90 days).

Analysis of ageing of past due but not impaired for the trade related intercompany transactions as of the end of the reporting period was:

	Company	
	2014 RM'000	2013 RM'000
Neither past due nor impaired	8,217	8,946
Past due but not impaired:		
1 month	1	-
2 months	111	-
3 months	24	-
	136	-
	8,353	8,946

The currency exposure profile of amounts receivable from subsidiaries is as follows:

	Company	
	2014 RM'000	2013 RM'000
Ringgit Malaysia	9,143	15,079
Australian Dollar	6,676	8,946
United States Dollar	1,072	-
New Zealand Dollar	606	-
	17,497	24,025

The amount payable to a subsidiary is denominated in Ringgit Malaysia.

18. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Derivative financial instruments are carried at fair value through profit or loss.

	Group and Company	
	2014 RM'000	2013 RM'000
Foreign currency forward contracts:		
Australian Dollar	37	118
Thai Baht	(72)	-

19. SHORT-TERM DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short-term deposits with a licenced bank	-	3,987	-	2,369
Cash and bank balances	7,686	9,682	4,370	7,330
	7,686	13,669	4,370	9,699

During the financial year, short-term deposits of the Group and of the Company with a licenced bank earn interest at rates ranging from 1.60% to 2.25% (2013: 1.60% to 2.25%) per annum and have maturity periods ranging from 1 to 4 days (2013: 1 to 5 days).

The currency exposure profile of short-term deposits, cash and bank balances of the Group and of the Company is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	2,972	6,999	2,287	5,346
United States Dollar	2,491	4,358	2,083	4,352
Australian Dollar	2,075	2,312	-	1
New Zealand Dollar	148	-	-	-
	7,686	13,669	4,370	9,699

20. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	Number of ordinary shares of RM1 each		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
Share capital				
Authorised:				
As of January 1/December 31	200,000	200,000	200,000	200,000
Issued and fully paid:				
As of January 1/December 31	113,853	113,853	113,853	113,853
Treasury shares				
As of January 1			(167)	(1,052)
Share buy-back			(2,414)	(3,343)
Disposal of treasury shares			385	4,228
As of December 31			(2,196)	(167)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

During the financial year, the Company repurchased 562,100 (2013: 1,067,900) of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for the acquisition of the shares was RM2,413,799 (2013: RM3,342,388) including transaction costs and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM4.29 (2013: RM3.13). The Company had also disposed of 100,000 (2013: 1,438,000) treasury shares valued at RM4.15 (2013: RM3.10) for a total net consideration of RM415,424 (2013: RM4,450,798) in the open market, resulting in a surplus of RM31,262 (2013: RM222,894) which has been credited to the share premium account.

The Company held 508,300 (2013: 46,200) treasury shares out of its 113,852,496 (2013: 113,852,496) issued ordinary shares. The treasury shares are held in accordance with Section 67A of the Companies Act 1965 at a carrying amount of RM2,196,450 (2013: RM166,813).

21. RESERVES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable reserves:				
Share premium	2,941	2,910	2,941	2,910
Translation reserve	(341)	(188)	-	-
Distributable reserve:				
Retained earnings	54,067	45,678	41,672	35,499
	56,667	48,400	44,613	38,409

Share premium	Group and Company 2014 RM'000	2013 RM'000
As of January 1	2,910	2,687
Disposal of treasury shares	31	223
As of December 31	2,941	2,910

Share premium arose from the issuance of new ordinary shares under the Company's Employees Share Option Scheme in prior financial years and surplus of consideration from disposal of treasury shares.

Translation reserve	Group 2014 RM'000	2013 RM'000
As of January 1	(188)	237
Exchange differences arising on translation of foreign operations	(153)	(425)
As of December 31	(341)	(188)

Exchange differences relating to the translation from the functional currency of the Group's foreign subsidiaries into RM are accounted for in the translation reserve.

Retained earnings

The entire retained earnings as at December 31, 2014 of the Company is available for distribution as dividend under the single tier system without incurring additional tax liabilities.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current:				
Provisions	52	75	-	-
Current:				
Trade payables	41,683	36,657	41,421	36,209
Other payables	3,014	4,345	2,767	4,137
Accrued expenses	9,951	9,488	9,275	8,236
Provisions	116	57	-	-
Deposits payable	3	44	3	3
	54,767	50,591	53,466	48,585

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. Included in the Group's trade payables are retention sums payable to subcontractors amounting to RMNil (2013: RM175,000). The Group and the Company have financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Provisions comprise provision for annual and long service leave. The movement in the provisions account is as follows:

	Group 2014 RM'000	2013 RM'000
As of January 1	132	107
Provisions made during the financial year	42	35
Currency translation difference	(6)	(10)
As of December 31	168	132

The currency exposure profile of trade payables of the Group and of the Company is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	33,739	30,165	33,736	29,990
United States Dollar	7,523	6,039	7,523	6,039
Australian Dollar	256	273	-	-
Other currencies	165	180	162	180
	41,683	36,657	41,421	36,209

23. LOANS AND BORROWINGS

Group and Company	Non-current RM'000	Current RM'000	Total RM'000
2014			
Secured finance lease liabilities	34	184	218
Unsecured term loans	13,188	9,250	22,438
Unsecured bankers' acceptances	-	35,693	35,693
Unsecured bank overdrafts (Note 25)	-	1,172	1,172
	13,222	46,299	59,521
2013			
Secured finance lease liabilities	218	279	497
Unsecured term loans	11,328	10,156	21,484
Unsecured bankers' acceptances	-	35,534	35,534
Unsecured bank overdrafts (Note 25)	-	211	211
	11,546	46,180	57,726

The Group's and Company's finance leases are secured by the financial institutions' charge over the assets under finance lease.

The term loans and credit facilities of the Group and of the Company have a negative pledge over all the Company's assets.

Finance lease liabilities

The non-current portion is repayable as follows:

Group and Company	Future minimum lease payments RM'000	Interest RM'000	Future minimum lease payments RM'000
2014			
Later than one year but not later than five years	34	#	34
2013			
Later than one year but not later than five years	224	6	218

# Denotes RM402

The currency exposure profile of loans and borrowings of the Group and of the Company is as follows:

	Group and Company	
	2014	2013
	RM'000	RM'000
Ringgit Malaysia	45,460	41,875
United States Dollar	14,061	15,851
	59,521	57,726

24. DIVIDENDS

	Group and Company	
	2014	2013
	RM'000	RM'000
Fourth interim single tier dividend for 2013 of 4.0%, paid on March 28, 2014 (2013: 3.5% tax exempt for 2012, paid on April 12, 2013)	4,552	3,977
First interim single tier dividend for 2014 of 3.5%, paid on June 26, 2014 (2013: 4.0% tax exempt, paid on June 7, 2013)	3,982	4,553
Second interim single tier dividend for 2014 of 3.5%, paid on September 11, 2014 (2013: 3.0% tax exempt, paid on September 27, 2013)	3,978	3,397
Third interim single tier dividend for 2014 of 2.5%, paid on December 11, 2014 (2013: 4.0% tax exempt, paid on December 19, 2013)	2,835	4,552
	15,347	16,479

On February 11, 2015, the directors declared a fourth interim single tier dividend of 3.5%, amounting to RM3,967,047 in respect of the financial year ended December 31, 2014 which was paid on March 27, 2015. The financial statements do not reflect this dividend declared after December 31, 2014, which will be accounted for as an appropriation of retained earnings in the financial year ending December 31, 2015.

The directors do not recommend the payment of any final dividend in respect of the financial year ended December 31, 2014.

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short-term deposits with a licenced bank (Note 19)	-	3,987	-	2,369
Cash and bank balances (Note 19)	7,686	9,682	4,370	7,330
Bank overdrafts (Note 23)	(1,172)	(211)	(1,172)	(211)
	6,514	13,458	3,198	9,488

26. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, set out below are the significant related party transactions during the financial year:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Subsidiaries				
Daibochi Australia Pty. Ltd.				
- Sales of goods	-	-	34,064	32,510
- Purchase of property, plant and equipment	-	-	-	45
Daibochi New Zealand Limited				
- Sales of goods	-	-	1,420	-
Daibochi Land Sdn. Bhd.				
- Repayment of advances	-	-	5,900	8,000
Associate				
Skyline Resources (M) Sdn. Bhd.				
- Management fee	-	185	-	-
Directors				
James Edwin & Co.@				
- Legal fee	-	18	-	18
Other related parties				
Z Essence Sdn. Bhd. #				
- Acquisition of industrial land	-	2,736	-	2,736

@ A firm in which a director is a member for services rendered in a professional capacity.
# A company owned by certain directors' family members.

Compensation of key management personnel

The remuneration of key management personnel, excluding directors of the Company, during the financial year are as follows:

	Group and Company	
	2014	2013
	RM'000	RM'000
Short-term employee benefits	1,753	1,768
Defined contribution plans	299	283
	2,052	2,051

27. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Derivative financial assets	37	118	37	118
Loans and receivables:				
Trade and other receivables	72,272	66,808	65,119	59,465
Deposits	223	220	175	133
Amounts receivable from subsidiaries	-	-	17,497	24,025
Short-term deposits, cash and bank balances	7,686	13,669	4,369	9,699
Financial liabilities				
Derivative financial liabilities	72	-	72	-
Other financial liabilities measured at amortised cost:				
Trade and other payables	54,819	50,666	53,466	48,585
Loans and borrowings	59,521	57,726	59,521	57,726
Amount payable to a subsidiary	-	-	423	394

Financial Risk Management Objectives and Policies

The operations of the Group and of the Company are subject to a variety of financial risks, including market risk (including foreign currency risk and interest rate risk), credit risk, liquidity risk and cash flow risk. The Group and the Company have taken measures to minimise the Group's and the Company's exposure to risk and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

(a) Market risk

The Group and the Company enter into derivative financial instruments through profit or loss to manage its exposure to foreign currency risk, including foreign currency forward contracts to hedge the exchange rate risk arising from the collections and payments.

Market risk exposures are measured and supplemented by sensitivity analysis as disclosed in Notes 27(b) and 27(c) to the financial statements.

There has been no change to the Group's and the Company's exposure to market risks or the manner in which these risks are managed and measured.

(b) Foreign currency risk

The Group and the Company have exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities. The Group and the Company manage its foreign exchange exposure by matching revenue and costs in the relevant currency and where exposure is certain, the Group and the Company use foreign currency forward contracts to manage these foreign risks.

Foreign currency sensitivity analysis

A 5% strengthening of the Ringgit Malaysia against the following currencies at the reporting date would have increased/(decreased) profit or loss by the amounts shown below.

	Profit or loss			
	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
United States Dollar	**(136)**	70	**(146)**	70
Australian Dollar	**(203)**	(272)	**(203)**	(272)
Thai Baht	**(109)**	(274)	**(109)**	(274)
Other currencies	**(29)**	7	**(29)**	7
	(477)	(469)	**(487)**	(469)

Foreign currency forward contracts

The following table details the foreign currency forward contracts outstanding at the end of the reporting period:

Outstanding contracts	Average exchange rate	Foreign currency FC'000	Contract value RM'000	Fair value RM'000
2014				
Sell Australian Dollar				
- Less than 1 year	**2.905**	**914**	**2,655**	**2,618**
Sell Thai Baht				
- Less than 1 year	**0.103**	**25,000**	**2,584**	**2,656**
2013				
Sell Australian Dollar				
- Less than 1 year	3.021	1,200	3,625	3,507

(c) Interest rate risk

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest bearing term loans and short-term borrowings as disclosed in Note 23 to the financial statements.

Interest rate sensitivity analysis

An interest rate at the end of the reporting period is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates. The Group's and the Company's sensitivity based on a change of 25 basis points in interest rates at the end of the reporting period would have increased/decreased the profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

	Group and Company	
	2014 RM'000	2013 RM'000
Increase/Decrease in profit or loss	**±59**	±48

(d) Credit risk

The Group's and the Company's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets are the carrying amounts as presented in the statements of financial position.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit.

Other than major customers as disclosed in Notes 16 and 29 to the financial statements, the Group has no significant concentration of credit risk with respect to trade receivables. The credit risk is further mitigated by the ongoing critical evaluation of the creditworthiness of the customers by the Company's Credit Committee.

(e) Liquidity risk

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirements of working capital. Since liquidity risk is closely linked to credit risk, the previously mentioned credit risk control mechanism applies to the monitoring and managing of liquidity risk.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on undiscounted contractual repayment obligations.

Group	Contractual interest rate %	Carrying amount RM'000	Contractual cash flow RM'000	Less than 1 year RM'000	1 - 5 years RM'000
2014					
Trade and other payables	-	54,819	54,819	54,767	52
Loans and borrowings:					
Finance lease liabilities	2.53-3.10	218	224	190	34
Term loans	2.38-4.57	22,438	23,970	10,058	13,912
Bankers' acceptances	0.80-4.01	35,693	35,888	35,888	-
Bank overdrafts	7.10-7.85	1,172	1,172	1,172	-
Derivative financial liabilities	-	72	72	72	-
		114,412	116,145	102,147	13,998
2013					
Trade and other payables	-	50,666	50,666	50,591	75
Loans and borrowings:					
Finance lease liabilities	2.53-3.10	497	521	297	224
Term loans	2.38-4.20	21,484	22,523	10,788	11,735
Bankers' acceptances	0.80-3.58	35,534	35,716	35,716	-
Bank overdrafts	7.10	211	211	211	-
		108,392	109,637	97,603	12,034

Company	Contractual interest rate %	Carrying amount RM'000	Contractual cash flow RM'000	Less than 1 year RM'000	1 - 5 years RM'000
2014					
Trade and other payables	-	53,466	53,466	53,466	-
Amount payable to a subsidiary	-	423	423	423	-
Loans and borrowings:					
Finance lease liabilities	2.53-3.10	218	224	190	34
Term loans	2.38-4.57	22,438	23,970	10,058	13,912
Bankers' acceptances	0.80-4.01	35,693	35,888	35,888	-
Bank overdrafts	7.10-7.85	1,172	1,172	1,172	-
Derivative financial liabilities	-	72	72	72	-
		113,482	115,215	101,269	13,946
2013					
Trade and other payables	-	48,585	48,585	48,585	-
Amount payable to a subsidiary	-	394	394	394	-
Loans and borrowings:					
Finance lease liabilities	2.53-3.10	497	521	297	224
Term loans	2.38-4.20	21,484	22,523	10,788	11,735
Bankers' acceptances	0.80-3.58	35,534	35,716	35,716	-
Bank overdrafts	7.10	211	211	211	-
		106,705	107,950	95,991	11,959

The finance lease liabilities and term loans of the Group and of the Company are repayable by 60 monthly instalments (2013: 60 monthly instalments) and 5 quarterly instalments to 60 monthly instalments (2013: 5 quarterly instalments to 60 monthly instalments) respectively.

(f) Cash flow risk

The Group and the Company review the cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

(g) Fair values

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

Group and Company	Fair value of financial instruments carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
2014					
Financial asset					
Foreign currency forward contracts	-	37	-	37	37
Financial liability					
Foreign currency forward contracts	-	72	-	72	72
2013					
Financial asset					
Foreign currency forward contracts	-	118	-	118	118

Group and Company	Fair value of financial instruments not carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
2014					
Financial liability					
Loans and borrowings	-	20,764	-	20,764	22,656
2013					
Financial liability					
Loans and borrowings	-	20,572	-	20,572	21,981

(i) Derivatives

The fair value of forward exchange contracts is estimated between the contractual forward price and the current forward price for the residual maturity of the current contract using a market interest rate (from observable forward exchange rates at the end of the reporting period).

(ii) Non-derivatives financial liability

The fair values of finance lease liabilities and term loans are estimated using discounted cash flow analysis based on the effective interest rates.

The effective interest rates used to discount estimated cash flows, when applicable, are as follows:

	Group and Company	
	2014	2013
Finance lease liabilities	4.90% - 5.98%	4.90% - 5.98%
Term loans	2.41% - 4.67%	2.41% - 4.28%

Non-current provision

The carrying amount of provision for long service leave measured at the present value of the estimated future cash flows approximate its fair value.

Cash and cash equivalents, short-term borrowings, inter-company indebtedness, trade and other receivables, trade and other payables

The carrying amounts approximate their fair values because of the short-term maturity of these instruments.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's approach to capital management remain unchanged from 2013.

The capital structure of the Group and of the Company consists of total borrowings as detailed in Note 23 to the financial statements and equity of the Group and of the Company which are defined as issued capital, reserves and retained earnings as detailed in Notes 20 and 21 to the financial statements.

During the financial year, the Group's and the Company's strategy which was unchanged from 2013 was to maintain the gearing ratio within manageable levels. The gearing ratios as of December 31, 2014 and December 31, 2013 were as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
Total borrowings (RM'000)	**59,521**	57,726	**59,521**	57,726
Total equity (RM'000)	**168,324**	162,086	**156,270**	152,095
Gearing ratios	**0.35**	0.36	**0.38**	0.38

With respect to banking facilities that the Company has with financial institutions, the Company has to ensure that the gearing ratio does not exceed one time at all times and shall not without the prior written consent of the financial institution which consent shall not be unreasonably withheld to declare dividends which are more than 75% of the current year profit after tax.

29. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

- Packaging - manufacture and marketing of flexible packaging materials
- Property development - development of land into residential and commercial building properties

Information regarding the Group's reportable segments is presented below.

Segment Revenue and Results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

2014	Packaging RM'000	Property Development RM'000	Eliminations RM'000	Group RM'000
Revenue	340,143	4,362	-	344,505
Results				
Segment results	32,159	240	-	32,399
Unallocated costs				(377)
Profit from operations				32,022
Finance costs	(1,942)	-	-	(1,942)
Share of results of an associate	-	968	-	968
Profit before tax				31,048
Income tax expense				(7,312)
Profit for the financial year				23,736
2013				
Revenue	301,135	9,165	-	310,300
Results				
Segment results	36,500	929	-	37,429
Unallocated costs				(394)
Profit from operations				37,035
Finance costs	(1,081)	-	-	(1,081)
Share of results of an associate	-	420	-	420
Profit before tax				36,374
Income tax expense				(8,912)
Profit for the financial year				27,462

Segment Assets and Liabilities

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated costs represent common costs and expenses incurred in dormant subsidiaries. Segment assets consist primarily of property, plant and equipment, inventories, operating receivables and cash, and mainly exclude investment, tax recoverable and deferred tax assets. Segment liabilities comprise operating liabilities and exclude items such as current and deferred tax liabilities. Capital expenditure comprises additions to property, plant and equipment.

2014	Packaging RM'000	Property Development RM'000	Eliminations RM'000	Group RM'000
Assets				
Segment assets	287,906	706	(17,447)	271,165
Investment in an associate	-	22,688	-	22,688
Unallocated assets				187
Consolidated total assets				294,040
Liabilities				
Segment liabilities	122,296	9,561	(17,447)	114,410
Unallocated liabilities				11,306
Consolidated total liabilities				125,716
2013				
Assets				
Segment assets	275,465	5,230	(23,939)	256,756
Investment in an associate	-	23,756	-	23,756
Unallocated assets				92
Consolidated total assets				280,604
Liabilities				
Segment liabilities	116,036	16,291	(23,939)	108,388
Unallocated liabilities				10,130
Consolidated total liabilities				118,518

Other Segment Information

Other information	Packaging RM'000	Property Development RM'000	Eliminations RM'000	Group RM'000
2014				
Capital additions	**24,656**	**-**	**-**	**24,656**
Depreciation of property, plant and equipment	**11,117**	**-**	**-**	**11,117**
Interest income	**54**	**11**	**-**	**65**
2013				
Capital additions	34,701	-	-	34,701
Depreciation of property, plant and equipment	9,490	-	-	9,490
Interest income	79	21	-	100

Geographical Information

The Group operates in three principal geographical areas – Malaysia (country of domicile), Australia and New Zealand.

The Group's revenue from continuing operations from external customers and information about its non-current assets* by geographical location are detailed below.

	Group	
	2014 RM'000	2013 RM'000
Revenue		
Malaysia	**302,826**	269,332
Australia	**40,372**	40,968
New Zealand	**1,307**	-
	344,505	310,300
Non-current assets *		
Malaysia	**123,090**	112,651
Australia	**130**	157
New Zealand	**5**	-
	123,225	112,808

* Non-current assets do not include investment in an associate and deferred tax assets.

Information about major customers

Revenue from two major customers from the packaging segment of the Group amounted to RM139,994,000 (2013: RM131,151,000). For the purposes of this disclosure, a major customer is defined as one in which revenue from transactions with a single customer amounts to 10% or more of the Group's revenue.

30. COMMITMENTS

(a) Capital commitments

As of December 31, 2014, the Group and the Company have the following capital commitments in respect of the purchase of property, plant and equipment:

	Group and Company	
	2014 RM'000	2013 RM'000
Authorised and contracted for	9,328	1,781

(b) Lease commitments

The future minimum lease payments payable under non-cancellable operating lease commitments are:

	Group Future Minimum Lease Payments	
	2014 RM'000	2013 RM'000
Future minimum lease payment payables:		
Not later than 1 year	78	77
Later than 1 year but not later than 2 years	39	79
Later than 2 years but not later than 5 years	-	40
	117	196

Operating lease commitment is in respect of premises. The lease is negotiated for a term of 3 years (2013: 3 years).

Supplementary Information - Disclosure On Realised And Unrealised Profits Or Losses

The breakdown of retained earnings of the Group and of the Company as of the reporting date, into realised and unrealised profits or losses, pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Securities Berhad Listing Requirements, are as follows:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Total retained earnings:				
- Realised	**68,654**	57,709	**52,376**	44,461
- Unrealised	**(10,668)**	(8,913)	**(10,704)**	(8,962)
	57,986	48,796	**41,672**	35,499
Total share of retained earnings from an associate:				
- Realised	**135**	1,184	**-**	-
- Unrealised	**(15)**	4	**-**	-
	58,106	49,984	**41,672**	35,499
Less: Consolidation adjustments	**(4,039)**	(4,306)	**-**	-
Total retained earnings	**54,067**	45,678	**41,672**	35,499

The disclosure of realised and unrealised profits or losses is made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

Statement By Directors

The directors of **DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD**. state that, in their opinion, the financial statements set out on pages 45 to 97 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2014 and of their financial performance and the cash flows for the financial year ended on that date.

In the opinion of the directors, the supplementary information set out on page 98 which is not part of the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors,

P. JAMES EDWIN A/L LOUIS PUSHPARATNAM **DATUK WIRA WONG SOON LIM**

Melaka
March 31, 2015

Declaration By The Officer Primarily Responsible For The Financial Management Of The Company

I, TAN GAIK HONG, the Officer primarily responsible for the financial management of **DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD**., do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 45 to 97 and the supplementary information set out on page 98 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

TAN GAIK HONG

Subscribed and solemnly declared by the abovenamed TAN GAIK HONG at MELAKA this 31st day of March, 2015.

Before me,

ONG SAN KEE
COMMISSIONER FOR OATHS

Statement Of Shareholdings *AS AT MARCH 31, 2015*

SHAREHOLDINGS

Authorised Share Capital	:	RM200,000,000
Issued and Paid-up Share Capital	:	RM113,852,496 comprising 113,852,496 ordinary shares of RM1.00 each
Class of shares	:	Ordinary shares of RM1.00 each fully paid
Voting rights	:	One vote per shareholder on a show of hands One vote per share on a poll

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%*	No. of shares held	%*
less than 100	213	9.87	9,986	0.01
100 - 1,000	235	10.90	115,645	0.10
1,001 - 10,000	1,245	57.72	5,458,662	4.81
10,001 - 100,000	390	18.08	10,771,047	9.48
100,001 to less than 5% of issued shares	70	3.24	66,535,439	58.58
5% and above of issued shares	4	0.19	30,682,317	27.02
Total	2,157	100.00	113,573,096	100.00

SUBSTANTIAL SHAREHOLDERS

Name	Direct interests No. of shares held	%*	Deemed interests^ No. of shares held	%*
HSBC Nominees (Asing) Sdn Bhd - HSBC-FS I for Apollo Asia Fund Ltd	9,610,400	8.46	-	-
Lim Koy Peng	8,620,146	7.59	-	-
Low Chan Tian	7,442,580	6.55	2,655,840	2.34
Datuk Wira Wong Soon Lim	6,279,009	5.53	789,450	0.70
HSBC Nominees (Asing) Sdn Bhd - - KBL Euro PB for Halley Sicav - Halley Asian Prosperity	6,273,000	5.52	-	-
Teh Kim Hong	6,178,771	5.44	-	-

DIRECTORS' SHAREHOLDINGS

Name	Direct interests No. of shares held	%*	Deemed interests^ No. of shares held	%*
Low Chan Tian	7,442,580	6.55	2,655,840	2.34
Datuk Wira Wong Soon Lim	6,279,009	5.53	789,450	0.70
Low Geoff Jin Wei	4,752,420	4.18	-	-
Lim Soo Koon	180,000	0.16	-	-
P. James Edwin A/L Louis Pushparatnam	9,420	0.01	-	-
Caroline Ang Choo Bee	6,000	0.01	27,000	0.02
Heng Fu Joe	-	-	-	-

* *Excluding a total of 279,400 shares bought back by the Company and retained as treasury shares.*
^ *Deemed interests through spouse/child.*

THIRTY LARGEST SHAREHOLDERS

(Without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of shares	% of issued shares*
1	HSBC Nominees (Asing) Sdn Bhd - HSBC-FS I for Apollo Asia Fund Ltd	9,610,400	8.46
2	Lim Koy Peng	8,620,146	7.59
3	HSBC Nominees (Asing) Sdn Bhd - KBL Euro PB for Halley Sicav - Halley Asian Prosperity	6,273,000	5.52
4	Datin Teh Kim Hong	6,178,771	5.44
5	Low Geoff Jin Wei	4,752,420	4.18
6	CIMB Group Nominees (Tempatan) Sdn Bhd - Yulina Binti Baharuddin (50175 PZDM)	4,608,000	4.06
7	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	4,478,250	3.94
8	Low Chan Tian	4,353,480	3.83
9	Chew Soon Heng	3,518,622	3.10
10	Chua Ah Nee	3,505,020	3.09
11	Low Chan Tian	3,089,100	2.72
12	DB (Malaysia) Nominee (Tempatan) Sdn Bhd - Exempt AN for Bank of Singapore Limited	3,000,000	2.64
13	Amanahraya Trustees Berhad - Public Islamic Opportunities Fund	2,842,850	2.50
14	Datuk Wira Wong Soon Lim	2,667,009	2.35
15	Low Kim Foong	2,655,840	2.34
16	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Morgan Stanley & Co. International PLC (IPB Client Acct.)	2,285,100	2.01
17	Public Invest Nominees (Tempatan) Sdn Bhd - Wong Yoke Fong @ Wong Nyok Fing (M)	1,727,700	1.52
18	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Mak Tian Meng (MY0343)	1,389,600	1.22
19	Goh Thong Beng	1,380,000	1.22
20	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for The Bank of New York Mellon (Mellon Acct)	1,272,200	1.12
21	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (F Templeton)	1,202,300	1.06
22	Tan Booi Charn	1,050,000	0.93
23	Lim Keat Sear	1,047,600	0.92
24	Lim Say Chong	900,000	0.79
25	Citigroup Nominees (Tempatan) Sdn Bhd - Cheong Siew Chyuan (470322)	750,000	0.66
26	Citigroup Nominees (Asing) Sdn Bhd - UBS AG for Panah Master Fund	720,300	0.63
27	Kenanga Nominees (Tempatan) Sdn Bhd - Mak Tian Meng	658,200	0.58
28	CIMB Group Nominees (Tempatan) Sdn Bhd - Datuk Wira Wong Soon Lim (Daibochi)	612,000	0.54
29	Chew Gee Lan	609,899	0.54
30	Tan Booi Charn	600,000	0.53
	Total	86,357,807	76.03

** Excluding a total of 279,400 shares bought back by the Company and retained as treasury shares.*

List Of Properties

Location	Description	Age of buildings	Area	Tenure	Date of acquisition	Net carrying amount as at December 31, 2014 RM'000
Lot 7, Air Keroh Industrial Estate, Phase IV, 75450 Melaka	Land & factory buildings	2 buildings - 22 years 3 buildings - 21 years 1 building - 20 years 1 building - 19 years	2.692 hectares	Leasehold expiring on 24.05.2091	29.10.1991	13,235
Lot 3531 - 3533, Jalan Bemban, Kawasan Perindustrian Jasin, 77000 Jasin, Melaka	Land & factory building	1 building - 1 year	2.120 hectares	Freehold	08.02.2013	11,542
Lot 3, Air Keroh Industrial Estate, Phase IV, 75450 Melaka	Land & factory buildings	1 building - 22 years 2 buildings - 19 years 1 building - 15 years 1 building - 14 years 1 building - 10 years	2.062 hectares	Leasehold expiring on 24.05.2091	03.07.1995	11,356
PT 2598, Mukim of Bukit Baru, 75450 Melaka	Land & warehouse cum office building	1 building - 21 years 1 building - 4 years	0.834 hectares	Leasehold expiring on 11.05.2094	24.05.2004	4,968

Form Of Proxy

CDS account no. of authorised nominee	
Number of shares held	

I/We…………………………………………………………………………………………………......(FULL NAME IN BLOCK LETTERS)

IC No./ID No./Company No...(NEW & OLD IC No.)

of………………………………………………………………………………………………... (FULL ADDRESS)

being a member(s) of **DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD**, hereby appoint

…………………………………………………………………………………………….............(FULL NAME IN BLOCK LETTERS)

IC No./ID No. ....……………………………………………………………………………………………........(NEW & OLD IC No.)

of ………………………………………………………………………………………………………..................(FULL ADDRESS)

and/or failing whom……………………………………………………………….………………(FULL NAME IN BLOCK LETTERS)

IC No./ID No. ....……………………………………………………………………………………………........(NEW & OLD IC No.)

of ………………………………………………………………………………………………………..................(FULL ADDRESS)

or failing him/her THE CHAIRMAN OF THE MEETING as my/our proxy to attend and vote for me/us on my/our behalf at the Forty Second Annual General Meeting ("AGM") of the Company, to be held at Bunga Orkid I, 9th Floor, Ramada Plaza Melaka, Jalan Bendahara, 75100 Melaka on Monday, June 8, 2015 at 11.30 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below.

AGENDA			
1. To receive the Audited Financial Statements of the Company for the financial year ended December 31, 2014 together with the reports of the Directors and Auditors thereon			
ORDINARY BUSINESS		**FOR**	**AGAINST**
2. Approval of Directors' fees	Resolution 1		
3. Re-election of Director under Article 103 - Mr. Lim Soo Koon	Resolution 2		
4. Re-election of Director under Article 103 - Ms. Caroline Ang Choo Bee	Resolution 3		
5. To re-appoint retiring Auditors, Messrs SJ Grant Thornton	Resolution 4		
SPECIAL BUSINESS		**FOR**	**AGAINST**
6. Retention of Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 - Mr. P. James Edwin A/L Louis Pushparatnam	Resolution 5		
7. Authority for Directors to allot shares pursuant to Section 132D of the Companies Act, 1965	Resolution 6		
8. Proposed renewal of share buy-back authority	Resolution 7		

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

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Signature/Common Seal

Contact No. : ______________________

Date: ______________________

NOTES: -

1. For the purpose of determining a member who shall be entitled to attend this 42nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 67(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at May 28, 2015. Only a depositor whose name appears on the Record of Depositors as at May 28, 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
2. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/ her stead. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing. If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its officer or attorney duly authorised.
7. The instrument appointing a proxy must be deposited at the Registered Office of the Company, Kompleks Daibochi Plastic, Lot 3 & 7 Air Keroh Industrial Estate, Phase IV, 75450 Melaka not less than forty-eight (48) hours before the time appointed for holding the meeting.

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AFFIX
STAMP

DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD.
Kompleks Daibochi Plastic
Lot 3 & 7 Ayer Keroh Industrial Estate, Phase IV,
75450 Melaka, West Malaysia.
P.O. Box 263, 75750 Melaka, West Malaysia.

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Daibochi Plastic And Packaging Industry Bhd. (12994-W)

Kompleks Daibochi Plastic, Lot 3 & 7, Air Keroh Industrial Estate, Phase IV 75450 Melaka, West Malaysia.
P.O. Box 263, 75750 Melaka, West Malaysia. Tel:06-231 2746 Fax: 06-232 8988