



BRIGHT PACKAGING INDUSTRY BERHAD

Registration No. 198701003105 (161776-W)



ANNUAL REPORT 2022

CONTENTS

CORPORATE INFORMATION	2
GROUP CORPORATE STRUCTURE	3
FINANCIAL HIGHLIGHTS	4
CHAIRMAN'S STATEMENT	6
MANAGEMENT DISCUSSION AND ANALYSIS	9
OVERVIEW OF GLOBAL CIGARETTE INDUSTRY	13
DIRECTORS' PROFILE	16
CORPORATE SUSTAINABILITY STATEMENT	19
STATEMENT OF DIRECTORS' RESPONSIBILITIES	23
CORPORATE GOVERNANCE OVERVIEW STATEMENT	24
ADDITIONAL COMPLIANCE INFORMATION	38
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL	39
AUDIT AND RISK MANAGEMENT COMMITTEE REPORT	43
FINANCIAL STATEMENTS	45
SHAREHOLDERS' INFORMATION/ANALYSIS OF SHAREHOLDINGS	115
LIST OF PROPERTIES	117
NOTICE OF THIRTY-FIFTY ANNUAL GENERAL MEETING	118
PROXY FORM	

Corporate Information

BOARD OF DIRECTORS

Nik Mustapha Bin Muhamad

Executive Deputy Chairman

Ong Chooi Lee

Senior Independent Non-Executive Director

Lye Jun Fei

Non Independent Non-Executive Director

Yap Kok Eng

Executive Director

Ng Kok Wah

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Ng Kok Wah (*Chairman*)

Lye Jun Fei

Ong Chooi Lee

NOMINATION COMMITTEE

Ng Kok Wah (*Chairman*)

Lye Jun Fei

Ong Chooi Lee

REMUNERATION COMMITTEE

Ng Kok Wah (*Chairman*)

Lye Jun Fei

Ong Chooi Lee

COMPANY SECRETARIES

Ng Heng Hooi (*MAICSA 7048492*)

Wong Mee Kiat (*MAICSA 7058813*)

Jane Ong Su Ping (*MAICSA 7059946*)

(Resigned on 07 Jan 2022)

REGISTERED OFFICE

B-11-10 Level 11, Megan Avenue II

Jalan Yap Kwan Seng

50450 Kuala Lumpur

Tel : (03) 2166 9718

Fax : (03) 2166 9728

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan

Tel : (03) 7890 4700

Fax : (03) 7890 4670

BUSINESS ADDRESS

23, Jalan Delima 1/3

Subang Hi-Tech Industrial Park

40000 Shah Alam

Selangor Darul Ehsan

Tel : (03) 5635 1949

Fax : (03) 5635 1984

Email : admin@brightpack.net

Website : www.brightpack.net

PRINCIPAL BANKERS

Affin Bank Berhad

RHB Bank Berhad

AUDITORS

Russell Bedford LC PLT

(LLP 0030621-LCA & AF 1237)

Chartered Accountants

Suite 37, Level 21, Mercus 3

No. 3, Jalan Bangsar

59200 Kuala Lumpur

Tel : (03) 2202 6666

Fax : (03) 2202 6699

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

Stock Name : BRIGHT

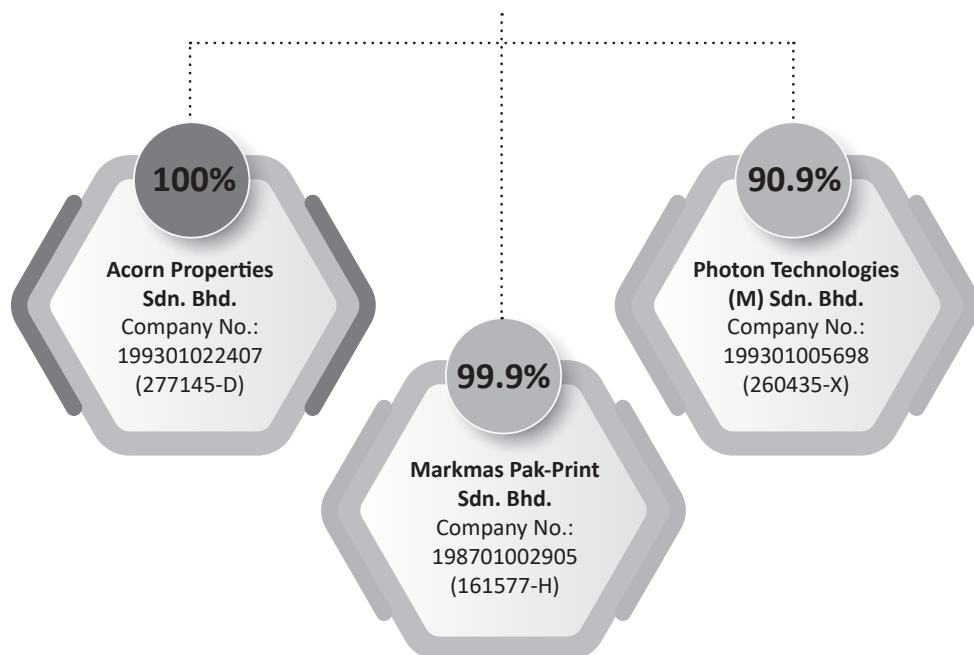
Stock Code : 9938

Group Corporate Structure



Bright Packaging Industry Berhad

Company No.: 198701003105 (161776-W)



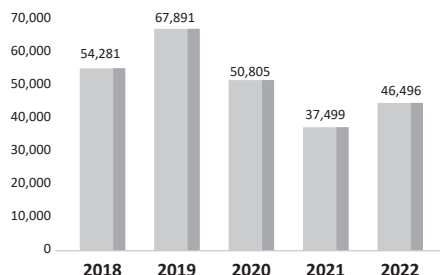
Financial Highlights

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
FINANCIAL RESULTS					
Revenue	54,281	67,891	50,805	37,499	46,496
Profit/(Loss) Before Tax (PBT)	(3,800)	2,769	(1,533)	(3,358)	(1,696)
Profit/(Loss) After Tax (PAT)	(3,402)	1,933	(1,237)	(2,648)	(2,540)
Earnings Before Interest, Tax, Depreciation And Amortisation (EBITA)	1,668	5,029	764	(605)	1,051
PBT Margin (%)	(7.00)	4.08	(3.02)	(8.95)	(3.65)
PAT Margin (%)	(6.27)	2.85	(2.43)	(7.06)	(5.46)
EBITA Margin (%)	3.07	7.41	1.50	(1.61)	2.56
Earnings / (Loss) Per Share (sen)					
- Basic	(1.44)	0.94	(0.60)	(1.29)	(1.24)
- Diluted	N/A	N/A	N/A	N/A	N/A
FINANCIAL POSITIONS					
Total Shareholders' Equity	115,812	117,747	116,510	113,863	111,323
Total Assets	127,162	129,196	133,555	123,833	127,113
Total Liabilities	11,350	11,451	17,047	9,973	15,792
Net Operating Cash Flow	(1,497)	4,246	5,018	2,015	(11,347)
Return On Equity (%)	(2.94)	1.64	(1.06)	(2.33)	(2.28)
Return On Assets (%)	(2.68)	1.50	(0.93)	(2.14)	(2.00)

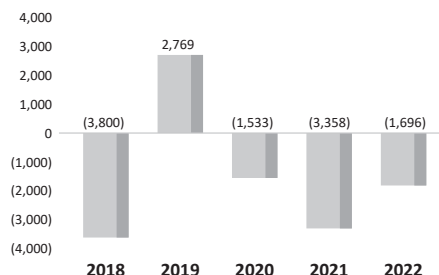
Financial Highlights (cont'd)

Five- Year Performance Summary

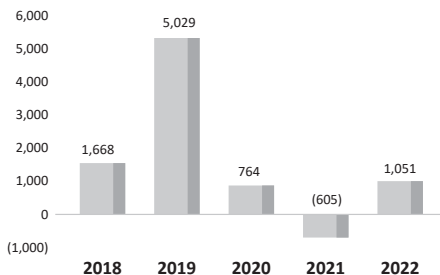
Revenue (RM'000)



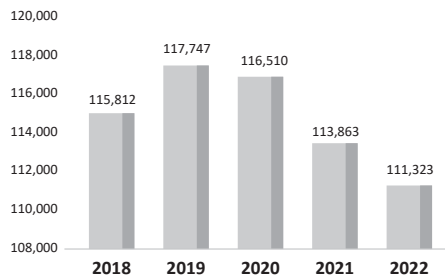
Profit/(Loss) Before Tax (PBT) (RM'000)



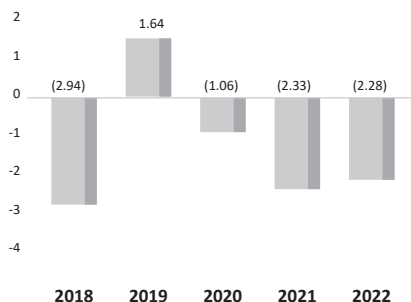
Earnings Before Interest, Tax, Depreciation
And Amortisation (EBITA) (RM'000)



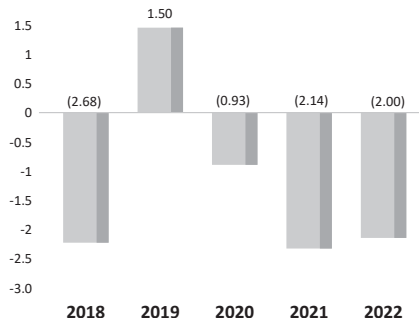
Total Shareholders' Equity (RM'000)



Return On Equity (%)



Return On Assets (%)



Chairman's Statement



My Fellow Shareholders,

On behalf of the Board of Directors of Bright Packaging Industry Berhad ("Bright" or the "Group"), I am pleased to present our annual report for the year ended 31 August 2022 ("FY2022").

OVERVIEW

Despite facing numerous obstacles such as the unexpected COVID-19 pandemic and Russian-Ukraine war, we managed to remain resilient by achieving revenue of around RM46.5 million in FY2022. The hard work and dedication of our employees combined with the guidance of our experienced management team were reflected in the stable topline performance and provides strong encouragement for us to continue improve going forward.

FINANCIAL PERFORMANCE

The Group recorded higher revenue of RM46.5 million in 2022 compared with RM37.5 million in 2021. The increase in revenue for 2022 compared with 2021 as there was an increase in sales directly from Russia due to sanctions by the European countries result from the Russian-Ukraine war.

The Group posted a net loss of RM2.5 million and loss per share (LPS) of 1.24 sen for 2022 compared with RM2.6 million of net loss and LPS 1.29 sen for 2021. It was attributable to the RM5.0 million of investment sum for joint venture in oil palm plantation in 2022.

The Group' balance sheet continued to maintain a healthy position with other financial assets and cash and bank balances of RM43.2 million and a positive net working capital of RM65.8 million.

Chairman's Statement (cont'd)

OUTLOOK

Our tobacco packaging business has earned a reputation for outstanding quality both regionally and globally. We continued to deliver the greater value to our customers, to increase operational effectiveness, strengthened our interactive capabilities and invest our brand around the globe.

Our major customers include Philip Morris and its affiliates. In the household goods and beverage segments, we supply packaging for Johnnie Walker, Chivas Regal and various affiliates of Diageo, Unilever, and Procter and Gamble.

The Group's products are currently exported globally to countries including but not limited to Russia, Germany, UAE, Australia, Korea, India, Pakistan, China, Thailand, Indonesia, Singapore, Philippines, Vietnam, Hong Kong and Taiwan. The end product – the packaging of FMCG goods – ultimately makes its way into the majority of households in these regions. The Group represents a key element in its customers' supply chain and product image. The specialised services that we offer are lamination, coating, slitting and sheeting. Our premium range of services include customised metallised film laminate onto tissue, wood-free, board and inner frame.

Historically, our core business was focused on the high margin tobacco and liquor packaging segments. This industry has high barriers of entry due to its capital-intensive nature and is virtually non-accessible to new entrants, which has kept us in a fortunate position of security. The strength of the Group's long-term relationships with customers puts us in a unique position that they both value and trust. The stringent quality control our customers impose acts as additional deterrent for competitors attempting to penetrate the market, which again provides us security.

OPERATIONS

We remain committed to our vision of becoming the leading player for Fast-moving consumer goods packaging across Asia, and we have witnessed increased demand from the household goods segment. In order to accommodate our growing pipeline of customers, the Group has increased its production capacity by investing and upgrading our production capacity which allows us to capture a larger market share. As the global demand on consumer goods increases, we are well positioned to grow significantly towards fulfilling our vision. It gives me great pleasure to report that we now have in place a 'best in class' management team that brings a wealth of experience in capital allocation, production and resource planning – we expect improvements across all key performance indicators going forwards resulting from streamlined and efficient management and operations techniques.

Chairman's Statement (cont'd)

CORPORATE GOVERNANCE

Bright continues in adhering to the best practices of corporate governance to sustain business efficiency and sustainability in the long term. Evidence can be found in the fact that the Group has consistently upheld the integrity of business practices as a pivotal part of ensuring consistent growth in its core business. The Group's measures towards this objective are highlighted in the Corporate Governance Statement in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The Group continues to exceed international standards and guidelines of the Department of Environment with regards to our use of chemicals and solvents in the manufacturing process. Accordingly, we continue to invest in sustainable and environmentally friendly manufacturing processes. By leading the charge to greater standards, we hope to see clear improvements from our peers.

APPRECIATION

Last, but by no means least, it goes without saying that we have eternal gratitude for our employees, suppliers, bankers, shareholders, associates and, of course, valued customers, without whom the Group would cease to exist. I am confident that the Board and our management team will continue to work hard to deliver long-term appreciation of shareholder value.

Nik Mustapha bin Muhamad

Executive Deputy Chairman

Management Discussion And Analysis

Overview of the Group's Business and Operations

Since its incorporation in 1988 and listing on the Malaysian stock exchange in 1996, Bright Packing Industry Berhad ("BPI" or "the Company") has developed into one of the Asia Pacific's largest aluminium foil converting businesses, with a solid reputation of outstanding performance and unbeatable quality. BPI's products include aluminium foil and metallised film laminate to tissue, wood free, board and inner frame, and they are exported to countries all over the world, including China, Russia, Thailand, Australia, UAE and Germany.

A highly experienced aluminium foil paper converter, the company prides itself on strong ethical business practices, with employees, clients and customers, which have helped in maintaining strong and long-term relationships.

Not content to sit on our laurels, BPI continues to innovate in technologies and products, and puts significant resources into the implementation of advanced machineries and improving the quality of products, as well as training personnel to the highest standard.

BPI operates on a simple but important philosophy that has helped it celebrate a quarter century of operation – the development of relationships based on trust and understanding of each customer's specific need for personalised services and products of the highest quality. This practice has established BPI as a leading authority with the best products in its class, which clients and customers can depend on.

Our Product

Catering to a range of industries, BPI has the materials, experience and capabilities to handle the most complex of demands.

Our abilities of supply and quick delivery of foil/MPET paper laminate are renowned, and we extensively cater for:

- Tobacco Packaging
- Liquor Packaging
- Confectionery Packaging
- Pharmaceutical Packaging

Customer needs are met with unique construction and customised solutions thanks to the wide range of grades and weights of materials.

Management Discussion And Analysis (cont'd)

Our Product (Cont'd)

i. Tobacco Packaging

Tobacco products are consumed around the world, and the goods must be in immaculate condition.

We share that sentiment and are experienced in delivering such sensitive products free of any damage. BPI caters to the largest cigarette companies in the Malaysia and Asia Pacific region, providing distinctive appearances of high quality for each brand, while our foil paper laminate ensures that each brand's custom aroma is perfectly retained for when the customer opens it.

Aluminium foil is perfect for tobacco products because it provides unparalleled protection against moisture, bacteria, aroma contamination and deterioration. This is achieved by creating a microclimate within the package.

ii. Liquor Packaging

We use foil/MPET laminated to board for liquor cartons, and there are two distinct advantages to this method: decorative potential and high-resolution printability.

Designers are also afforded limitless possibilities to create brand awareness through distinctive appearance.

iii. Confectionery Packaging

In order to want to consume the product on the inside, consumers must be drawn to the outside. BPI achieves this by using only first-class materials with exclusive finishing, making the product stand out on the shelf. We implement the strictest food hygiene conditions and use materials that will not affect the smell or taste of the product, so our packaging complement the product.

Many types of confectionery are stored for extended periods before being sold, during which time it is important to protect them from moisture and light, both of which can affect the product and deteriorate many packaging products. It is for this reason that we use the ideal packaging material: aluminium foil laminate.

For many types of confectionery, aluminium foil laminate's barrier and decorative properties can be vital assets.

Management Discussion And Analysis (cont'd)

Our Product (Cont'd)

iii. Confectionery Packaging (Cont'd)

Often chocolate products are stored for long period, but exposed to moisture and light, it deteriorates, and the surface can quickly lose its attractive gloss. Therefore, the best protection is one of that provides a total barrier to light, moisture, and to any penetration of aroma and flavour.

The ideal packaging choice is aluminium foil laminate.

iv. Pharmaceutical Packaging

Aluminium foil is the perfect material for the safe, convenient and versatile packaging of tablets and capsules. To ensure the products are stored in a safe and protected environment, BPI uses heat-seal lacquer or prime coating for printing and high-adhesion performance.

Operational Capabilities

Manufacturing Facilities

i. Laminating

Our lamination division is one of the largest in the Asia Pacific region, and was designed to meet the most demanding requirements, and can undertake a wide range of lamination tasks, into wet, wax and solvent less.

- Wet lamination, used in conjunction with aluminium foil and paper lamination wraps, seals and protects the freshness of products.
- Wax lamination is suited for commodities with adherent characteristics, like confectionery.
- Solvent less lamination is a recent process and provides the customer with cost reduction and the elimination of any solvent retention problems in the packaging structure of foods and cigarettes.

Management Discussion And Analysis (cont'd)

Operational Capabilities (Cont'd)

Manufacturing Facilities (Cont'd)

ii. Slitting

We undertake precision slitting on foil, paper, polyester film, non-woven on widths between 50mm and 1200mm, and foil paper laminate, all performed on exemplary machines from Australia and Korea, ensuring a perfect finish every time.

iii. Ink Matching

Our foil paper is easily laminated and coated, and our ink/lacquer matching centre provides the ability to create any shade from a set of base colours, allowing us to reduce inventory.

iv. Coating / Lacquering

We can also provide custom coating in copper, black, green, blue, red, pink, silver and gold. Services such as lacquering or gravure coating yield amazing decorative and protective properties to foil paper laminate, providing the much-needed resistance to light, moisture and scratches.

Overview of Global Cigarette Industry

Tobacco Market Overview

The global cigarette market is expected to grow at a CAGR of 6.6% during the forecast period (2022 - 2027).

The popularization of cigarette industries is one of the sectors, that has been impacted substantially due to COVID-19 as using tobacco may cause lungs or throat infection which may leads to higher chance of complications, and also increase the probability of spreading the virus. The major reason that affected the demand as well as growth of the market during COVID-19, is the recognition of damaging health effects, caused by smoking. There is a definite evidence that smoking increases susceptibility for respiratory infections, weakens the immune system and is a major cause of underlying health conditions due to which covid virus could attack majorly.

Now a days giant manufacturers found it profitable to market flavored tobacco products, such as cigars, fruit flavoured cigarettes, smokeless tobacco, and related products, which gives them an edge over their competitors. However, changing lifestyle, continuous product innovation in terms of packaging size, orgnic ingredients, and balanced nicotine level gain consumer acceptance and belief that smoking reduces stress and anxiety which in turn propelling the growth of the market globally.

Furthermore, several factors, such as consumer knowledge and increase in awareness of products and services, through digital media and other sources, coupled with the advent of social media, are educating the consumers about the benefits of organics cigarette products which in turn, is driving the demand for organic and herbal cigarettes. Moreover, companies' offerings these products are increasing their investments in R&D, as well as marketing and expanding their distribution channels, to maintain their position in the market.

Key Market Trends

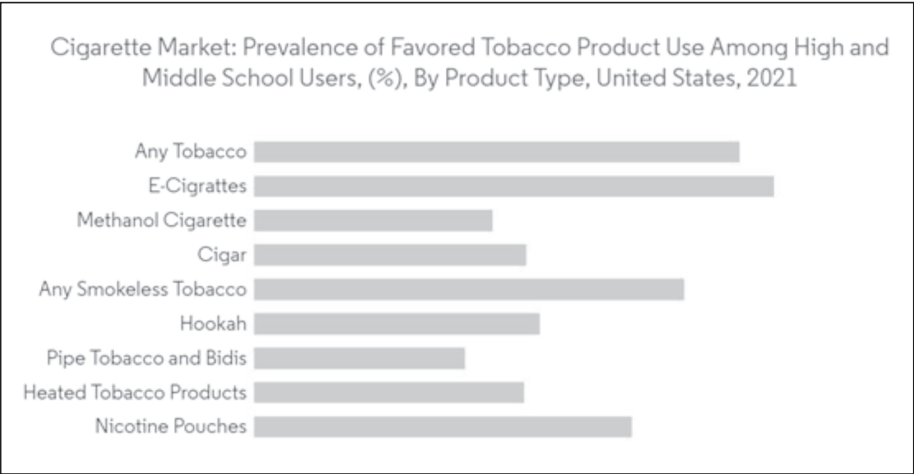
Adoption of Western Culture Fuel the Market

The rising number of female smokers, the strong distribution network of cigarette manufacturers and the popularity of flavored cigarettes are increasing due to the adoption of Western culture lifestyle among the individuals. With the rising female smokers the flavored tobacco products are gaining significant momentum and have become much more prevalent in the last few years across the world due to the frantic lifestyles in combination with the stiff deadlines, hectic schedule of balancing personal and professional life with erratic working hours in offices. These products are flavored smokeless tobacco, e-cigarettes, little cigars and cigarillos, large cigars hookah, and dissolvable, in addition to menthol cigarettes. Further, the sales of cigarettes through the convenience stores are gaining an increasingly important role in the launch of new cigarette brands or brand innovations by having large displays and a wide availability of brands globally. They are sold in a variety of flavors range from confectionery flavors to alcoholic beverages to herbs and spices.

Overview of Global Cigarette Industry (cont'd)

Key Market Trends (Cont'd)

Adoption of Western Culture Fuel the Market (Cont'd)



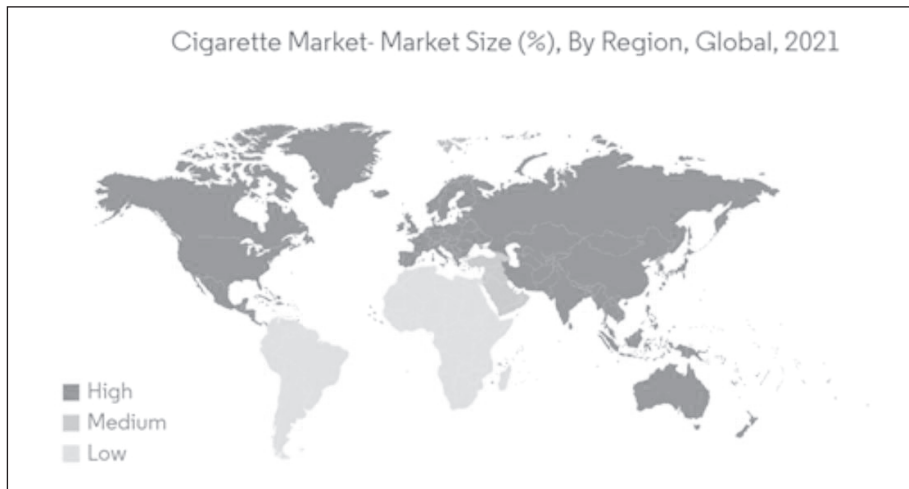
China Holds a Significant Share In The Market

China is the world’s largest producer and consumer of tobacco, with over 300 million smokers. Over half of Chinese men smoke, consuming over 40% of the world’s cigarettes. The Chinese tobacco market is dominated by the China National Tobacco Corporation (CNTC), a state-owned enterprise (SOE) that is responsible for almost more than 90% percent of all cigarettes sold in China. The CNTC owns numerous brands, from large ones such as Hong Shuangxi, Yun Yan, and Zhongnanhai, to smaller regional brands and derivatives. Foreign companies can manufacture and sell their tobacco products, only through a joint venture with the CTNC. For example, Marlboro, one of the world’s largest tobacco brands, started the manufacturing process in China in 2008, after agreeing with the CNTC to promote Chinese brands overseas. Additionally, the increasing number of organized retail outlets makes tobacco products easily accessible and available to consumers. This is one of the primary factors that is actively driving the growth of the tobacco market across the country.

Overview of Global Cigarette Industry (cont'd)

Key Market Trends (Cont'd)

China Holds a Significant Share In The Market (Cont'd)



Competitive Landscape

The market is dominated by players, like British American Tobacco PLC, ITC Limited, Philip Morris Products SA, Altria Group Inc., and Japan Tobacco International SA. The leading players in the market studied enjoy a dominant presence worldwide. These players focus on leveraging opportunities posed by the emerging markets to expand their product portfolio, in order to cater to the requirements for various product segments, especially e-cigarettes. Owing to this factor, the key players are embarking on mergers and acquisitions as one of their key strategies to achieve consolidation and optimize their offerings. Advanced distribution network and manufacturing expertise give an upper edge to the manufacturers to expand their range of products across the region.

Board of Directors' Profile

NIK MUSTAPHA BIN MUHAMAD

Age 77, Male | Malaysian
Executive Deputy Chairman

Number of Board Meetings attended during the year: 4/4

Board Committee:

Nil

Qualifications

Encik Nik Mustapha holds a Bachelor of Economics (Hons) from University Malaya.

Work Experience

He was appointed to the Board on 2 July 2001 as an Independent Non-Executive Director of the Company. His position was re-designated as Chairman on 30 April 2009 and subsequently re-designated as an Executive Deputy Chairman on 28 February 2014.

He was attached to the Kelantan State Economic Development Corporation from 1977 to 2000, last position being the Deputy Chief Executive Officer before his retirement. During his tenure with the Kelantan State Economic Development Corporation, he gained vast experience in the service and hospitality industries, construction and agriculture. He was also appointed to the Board of several private companies held by the State Economic Development Corporation involved in wide range of commercial activities.

Directorship in other public/ listed companies

Nil

ONG CHOOI LEE

Age 60, Male | Malaysian
Senior Independent Non-Executive Director

Number of Board Meetings attended during the year: 4/4

Board Committee:

Audit and Risk Management Committee (Member)
Nomination Committee (Member)
Remuneration Committee (Member)
Option Committee (Member)

Qualifications

Mr. Ong holds a Diploma of Marketing and Diploma of Management, Australia.

Work Experience

He was appointed as an Independent Non-Executive Director on 31 July 2019. On 15 April 2020, he was re-designated as Senior Independent Non-Executive Director.

He has more than 30 years of experience in property development, fast food and education. He joined MBF Holdings Berhad in 1984 and oversea in various division of Company, both local and international projects, including Singapore, Thailand and Indonesia. In addition, he was part of the team which brought in Grandy's Inc fast food chain into Asia Pacific. He was also the project founder of Suriamas development in Bandar Sunway and Rompin Swiftlet Eco Park.

Directorship in other public/ listed companies

HCK Capital Group Berhad
(Retired on 23 September 2021)

Board of Directors' Profile (cont'd)

LYE JUN FEI

Age 41, Male | Malaysian

Non-Independent Non-Executive Director

Number of Board Meetings attended during the year: 4/4

Board Committee:

Audit and Risk Management Committee (Member)

Nomination Committee (Member)

Remuneration Committee (Member)

Option Committee (Member)

Qualifications

Mr. Lye graduated with a Bachelor of Science (Hons) in Business Computing, Staffordshire University, United Kingdom, 2003.

Work Experience

He was appointed as an Non-Independent Non-Executive Director on 14 January 2021.

He began his career at Digi Telecommunication where he worked on improving and resolving the technical challenges of GPRS, WAP & GSM technologies. He was then recruited to lead the Marketing and Sales operations of a telecommunication industry equipment manufacturing company. In 2007, Mr. Lye was recruited as the Head of Operations for Malaysia's most prominent TMT (Technology, Media & Telecommunications) company. He was responsible for the project system design, planning, implementation and deployment of firmwide operations. In 2009, he joined the pharmaceutical industry as the Director of Operation for a pharmaceutical company managing the day to day operation of its retail stores.

Directorship in other public/ listed companies
Nil

NG KOK WAH

Age 44, Male | Malaysian

Independent Non-Executive Director

Number of Board Meetings attended during the year: 4/4

Board Committee:

Audit and Risk Management Committee (Chairman)

Nomination Committee (Chairman)

Remuneration Committee (Chairman)

Option Committee (Chairman)

Qualifications

Mr. Ng is a Fellow of ACCA UK and a member of the Malaysian Institute of Accountants (MIA).

Work Experience

He was appointed as an Independent Non-Executive Director on 15 April 2020.

He started his career with a small accounting firm since year 1998 followed by an international medium accounting firm Morison Anuarul Azizan Chew & Co. as audit manager till year 2004 where he was responsible for handling various audit and non-audit assignments of government and private sector for both listed and non-listed companies. He is also a Licensed Financial Adviser (FA) granted by Capital Market Services Representative License (CMSRL) under Capital Markets & Services Act 2007, Securities Commissioner (SC) Malaysia and presently involve in providing financial planning services. He has more than 20 years' experience in this industry.

Directorship in other public/ listed companies

Ageson Berhad (Resigned on 10 June 2022)

Multi-Usage Holdings Bhd.

BCM Alliance Berhad

(Resigned on 1 September 2021)

Board of Directors’ Profile (cont’d)

KEY SENIOR MANAGEMENT

YAP KOK ENG

Age 52, Male | Malaysian
Executive Director

Number of Board Meetings attended during the year: 4/4

Board Committee:

Nil

Qualifications

Mr. Yap graduated with Chartered Institute of Marketing (CIM), UK from Stamford College.

Work Experience

He was appointed as an Executive Director on 11 March 2014.

He was the Senior Marketing Officer in Japanese Company, Kozato Kizai (M) Sdn Bhd from 1991 to 1996 and gained vast experience in the air-conditioning and electronic capacitor industry. In 1996, he joined the Company and currently holds the position of General Manager. He has overall responsibility in Sales and Marketing, Quality System and Operation of the Company. With more than 24 years working in the Company and extensive exposure in the tobacco and packaging industry, he is instrumental to formulating the marketing strategies and the organic growth of the Company.

Directorship in other public/ listed companies

Nil

Other information in respect of all Directors

1. None of the Directors have any family relationship with any director and/or major shareholder of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have been convicted for offences within the past 5 years other than traffic offences.
4. None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Corporate Sustainability Statement

Vision

Become the Asian's leading player for Fast -moving consumers goods packaging.

Mission

We signify innovation and quality with hard work and continuous self-improvements of “never being satisfied”.

Be your preferred choice of business partner.

Our core values

Responsive

to the ever-changing demands of our customers and excel in providing quality products and services.

Resourceful

in creating value for the shareholders of our success by turning opportunities into engine of growth today and invest for a sustainable future.

Responsive

in conducting our business in a safe and environmentally responsible way which is compliance to the statutory.

Committed

to personnel policies which recognize and reward contribution of employees and belief in people. The open-door-policy is granted all employees the rights and possibility to discuss any work-related issues directly with the management.

Bright core' ideology has embedded in the Company since its inception more than 30 years ago, including a dedication to quality and reliability and a commitment to environment responsibility and a respect for the individual employees. It provides the glue that holds our Company together as it grows, expands globally and diversifies in the future.

We perceived corporate sustainability as our commitment to increase long-term growth and at the same time demonstrate our Company intention to enrich the lives of all the stakeholders who are connected with the Group and our operations. The foundation of Bright's sustainable strategy revolves around the people, organization culture and the entire supply chain, from the raw materials handling, production to the distribution of the products and service to customers.

Corporate Sustainability Statement (cont'd)

How Bright Create Value Sustainably

Our Value Chain Activities

1. Inputs	
Suppliers	
The establishment of long-term suppliers' relationships has improved the security of supply and flexibility in the supply chain.	
2. Managing the manufacturing process	
People	
Active participation of this spirit at all organization levels and willingness to take initiative, resulted a great teamwork has simplified and reduced waste and loss in our manufacturing process and enabling better service levels.	
Environment	Health and Safety
Environment Policy has been in place across all our activities for many years. The Environmental performance monitoring committee has the overall environmental responsibility for complying to Environmental Quality Act 1974. It includes energy and water use, waste and recycling, and Carbon dioxide (CO2) emissions. We implemented a range of initiatives, such as use water-based inks, solvent less techniques, replaced polyethylene coated board with oil-barrier coating board and replaced the diesel to electric heating as there are environmentally friendlier.	Providing a safe environment for all our employees is paramount. The Safety and health committee is strived for continual improvement in health and safety managements and comply to Occupational Safety and Health Act 1994. Recognizing positive behaviours, develop an agile workforce that is aware of and responsive to potential risks, and instilling healthy work practices improve our employees' well-being and minimize risk of accidents and injuries.

Corporate Sustainability Statement (cont'd)

How Bright Create Value Sustainably (Cont'd)

Our Value Chain Activities (Cont'd)

3. Sales and distribution	
On-Time Delivery	Quality
The investment in machinery has enhanced capacity to react quickly in market demand, which in turn to deliver goods on time and in full at optimal cost and scale.	All its raw materials to manufacturing process are adherence to quality standard stipulated in the ISO 9001 Quality assurance manual.
We closely coordinate with our customers for maximizing the container capacity, which in turn provides the cost-efficient supply of goods and services, and reduces our carbon footprint.	Provide training on the use of machineries to the operator.
The right lead-time brings the price and quality into balance with latest IT systems that are continuously being developed.	Regular maintenance is carried out based on Process equipment preventive maintenance schedule.
Customers	
Focus on quality and maintaining the good relations are important to align customer expectation in both the short and the long run. A higher flexibility and fast adjustment in supply chain enables the Company to respond to short-term changes in demand.	

Corporate Sustainability Statement (cont'd)

In addition, the development of sustain value also has been based on a number of interacting and mutually supporting initiatives below:

Our Capital	Our Value Creation Activities
Financial 	<p>Finance its own activities and service its debts through generation of sustainable revenue.</p> <p>The combine effect of improving profitability, growth and debt reduction has resulted in a strong financial position which is clearly seen from the equity ratio.</p>
Intellectual Capital 	<p>The knowledge management system has been implemented across the functional units, and sufficient training and development are provided.</p> <p>We also focus on brand building and product quality to compensate for the support of customers. Quality means carefully testing everything before it delivers to customers.</p> <p>At the core of strategy has been an accumulated knowledge about packaging and production technologies</p>
Human Capital 	<p>Develop a high-performance team by establishing a strong corporate culture with well- defined values and employees are understood and internalized these values in their job.</p> <p>Provide a fair, ethical, diverse, safe working environment, job security and respect human rights.</p>
Social And Relationship 	<p>Build a strong relationship with key stakeholders through long term partnership, mutual trust and value-added products and services.</p>
Natural Capital 	<p>To be environmentally conscious and measuring our environmental impacts based on industry best practice.</p>

Bright does not perceive the current, successful position as a final destination, but rather as a starting point for taking new initiatives to ensure continuous improvement and sustainable growth. Through an ongoing process of identification and evaluation, the Board continues to establish the direction of our sustainability strategy and keeping up performance and growth remains a priority. The Board is assisted by the Audit and Risk Management Committee to oversee and ensure the integration of the Board-approved sustainability strategy into our business operations.

Statement of Directors' Responsibilities

The Directors are required by the Companies Act 2016 ("Act") to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year then ended. The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgments and estimates have been made, in the preparation of the financial statements. The Directors also ensure that applicable approved accounting standards have been followed. The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act.

This Statement is made in accordance with a resolution of the Board of Directors dated 14 December 2022.

Corporate Governance Overview Statement

The Board of Directors (“the Board”) of Bright Packaging Industry Berhad (“the Company”) and its group of companies (“Bright Group” or “the Group”) continues to be committed in promoting and maintaining good standards of corporate governance practices in line with the Malaysian Code on Corporate Governance (“the Code”) in managing the business affairs of the Group to protect and enhance sustainable shareholders’ value and the financial performance of the Group.

The Board believes that maintaining such level of corporate governance with the concepts of integrity, transparency, accountability and professionalism, is a fundamental part of its responsibilities in managing the business and affairs of Bright Group and discharging its responsibilities to the Shareholders.

The disclosure statement below sets out the manner in which the Group has applied the principles of the Code throughout the financial year ended 31 August 2022.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Clear functions reserved for the Board and those delegated to Management

The Board has full and effective control over the business undertakings of the Company subject to the powers reserved for shareholders under the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and other applicable laws. This includes responsibility for determining the Company’s overall strategic direction as well as the approval of annual and interim results, specific items of investments and divestments, as well as the risk management framework and internal control policies and procedures for the Company.

The Board has adopted a Board Charter which sets out the functions that are reserved for the Board.

The Executive Director is responsible for matters which are not specifically reserved for the Board or delegated to the Board committees such as the day-to-day management of the operations of the Company.

Clear Roles and Responsibilities of the Board

The Board’s role and responsibilities are set out in the Company’s Board Charter. While the day-to-day management of the operations of the Company is delegated to the Executive Director, the Board retains effective control over important policies and processes covering areas such as internal controls, risk management and the remuneration of executives and employees of the Company.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Clear Roles and Responsibilities of the Board (Cont'd)

The Board has also delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit and Risk Management Committee (please refer to the Report on Audit and Risk Management Committee set out on page 43 to page 44), Nomination Committee and Remuneration Committee. The terms of reference of Board Committees detailing the responsibilities of each Committee and how they exercise their authority.

Separation of Positions of the Chairman and Executive Director

There is a clear division of responsibility between the Chairman and Executive Director to ensure a balance of power and authority. The principal duties of the Chairman are to conduct the meetings of the Board and shareholders and to facilitate constructive discussions at these meetings. The Executive Director is responsible for the day-to-day running of the businesses of the Group and to develop and implement strategies.

Qualified and competent Company Secretary

The Board is supported by suitably qualified company secretaries who are responsible for ensuring the effective functioning of the Board and that rules and regulations are complied with. The company secretaries also act as secretaries of all Board Committees. The Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference. They also ensure that all Board and Board Committee meetings are properly convened, and that deliberations, proceedings and resolutions are properly minutes and documents.

Access to Information and Advice

Each Board member receives quarterly operating results, including a comprehensive review and analysis. Prior to each Board meeting, Directors are sent an agenda and a full set of Board papers for each agenda item to be discussed at the meeting. This is issued in sufficiently time to enable the Directors to obtain further explanations, where necessary, in order to be sufficiently briefed before the meeting.

All Board members have access to the advice and services of the company secretaries and senior management. The Board, whether as a full board or in their individual capacity, in the furtherance of their duties, may seek independent professional advice in discharge of their duties and responsibilities at the Company's expense.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Charter

The Board has adopted a formal Board Charter which is available on the Company's website. The Board Charter is subject to an annual review and more frequently, if required, due to a change of law or of company policy that affects the Board Charter.

Ethical Standards and Code of Conduct

The Board has in place a Code of Conduct for the Directors. The Code of Conduct includes amongst others to act honestly, in good faith and in the best interest of the company, to exercise due care and diligence in carrying out the functions, to avoid conflicts of interest, and to protect the Group's assets and use these assets for legitimate business purposes. The Code of Conduct is reviewed periodically by the Board and revised as and when appropriate.

Whistle Blowing Policy

The Board has formalized a whistleblower policy to provide a safe mechanism for whomever to come forward and raise any concerns about the actual or potential fraud or breach of trust involving employees, Management and the Directors of the Group.

It allows the whistleblower the opportunity to raise concerns outside the Management line. The identity of the whistleblower will be kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution.

Sustainability risks and opportunities

The Company is committed towards instituting a robust, wide-ranging and germane sustainability framework to cover all aspects of operations.

The Company's sustainability strategies, priorities and targets as well as performance against these targets were not communicated to its internal and external stakeholders.

Nevertheless, the Board together with senior management are working to set the Company's sustainability strategies, priorities and targets, as well as performance against these targets, and shall communicate the same to its internal and external stakeholders upon finalisation.

The Board had undertaken the relevant training to stay abreast with and understand the sustainability issues relevant to the Company and its businesses, including climate-related risks and opportunities.

Corporate Governance Overview Statement (cont'd)

Anti-Bribery and Anti-Corruption Policy

The Group has established and implemented policies and procedures to prevent corruption practices. The corruption risk is included in the annual risk assessment of the Group.

The Anti-Bribery and Anti-Corruption Policy is published on the Company's website at <http://www.brightpack.net/>

Key Focus Areas and Future Priorities in Relation to Corporate Governance Practices

In view of the enhancements in the corporate governance regulations, the Board has reviewed and updated the existing policies and procedures to ensure that they are kept contemporaneous and relevant to the Company's needs. The Board will further look into the enhancements or developments of corporate governance policies and procedures, as the case may be.

Composition of the Board

During the financial year under review, the Board consisted of five (5) Board Members with various experience and expertise. The composition of the Board Members comprising one (1) Executive Deputy Chairman, one (1) Executive Director and two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Directors. The composition fulfils the Main Market Listing Requirements of Bursa Securities, which stated that at least two (2) or one-third (1/3) of the Board, whichever is higher, must be Independent Directors.

Tenure of Independent Directors

As a matter of policy, the Board has established that the tenure of Independent Directors shall not exceed a cumulative term of nine years. The Board believes that this tenure provides a balance of effectiveness and independence that is appropriate for the Group.

The Independent Director may continue to serve on the Board beyond nine years tenure provided that he is re-designated as a Non-Independent Director. If the Board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval through a two (2)-tier voting process.

The Company does not have term limits for the Independent Directors as the Board believes that experience with the Company's business operations brings benefits to the Board and the long serving Independent Directors possess knowledge of the Company's affairs.

During the financial year under review, none of the Independent Directors has served on the Board beyond nine years.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

New Appointment of Directors

The Nomination Committee (“NC”) considers candidates proposed by the Directors, Senior Management, Major Shareholders or independent sources. The NC is responsible to ensure a formal and transparent procedure for the appointment of new Directors to the Board and to recommend individuals for nomination as members of the Board by assessing the desirability of renewing existing directorships. Due consideration should be given to the extent to which the interplay of the Director’s expertise, skills, knowledge, experience, independence and boardroom diversity was demonstrated with those of other Board members.

In the case of candidates for the position of Independent Non-Executive Director, the NC shall also evaluate the candidates’ ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Director. New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group’s strategies and operations, and hence allow them to effectively contribute to the Board. The NC will ensure that orientation programme is in place for future new recruits to the Board.

Fit and Proper Policy

The Board has adopted the Directors’ Fit and Proper Policy for the appointment and re-election of Directors of Bright Group. This policy will enhance the governance of Bright Group in relation to the Board’s quality and integrity, as well as ensure that each of its directors has the character, experience, integrity, competence, time and commitment to effectively discharge his/her role as a Director.

The NC shall conduct the fit and proper assessment prior to the appointment of any candidates as a Director or making a recommendation for the re-election of an existing Director of Bright Group.

Gender Diversity Policy

The Board supports non-discrimination on gender, ethnicity and age group of candidates to be appointed as Board members although no formal policy has been formed. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with skills, experience, time commitment and other qualities in meeting the future needs of the Company.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Nomination Committee

The Nomination Committee ("NC") is responsible to recommend appointment of new candidates to the Board of Directors, reviews the effectiveness and its performance assessment of the Board of Directors and the Board Committees.

The following are the Members of the NC:

Name	Designation	Directorship
Ng Kok Wah	Chairman	Independent Non-Executive Director
Ong Chooi Lee	Member	Senior Independent Non-Executive Director
Lye Jun Fei	Member	Non-Independent Non-Executive Director

The Board has stipulated specific Terms of Reference for the NC, which covers following salient functions:

- i. assessing and recommending to the Board the candidature of directors, appointment of directors to board committees;
- ii. reviewing of Board's succession plans and training programmes for the Board;
- iii. undertaking the assessment of the Board, board committees and individual directors on an on-going basis; and
- iv. undertaking annual assessment of the independence of independent directors in the Board beyond the independent director's background, economic and family relationships but considering they can continue to bring independent and objective judgment to Board deliberations.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Annual Assessment

During the financial year, the NC reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including core competencies of the Directors, the contribution of each individual Director as well as their character, integrity and time commitment, independence of the Independent Directors, effectiveness of the Board as a whole, and the Board Committees; and also the retirement of Directors eligible for re-election. The NC uses the Board and Board Committee Evaluation Forms comprising questionnaires for the assessments.

Remuneration Committee

The Remuneration Committee ("RC") is responsible to assist the Board on fair remuneration practices in attracting, retaining and motivating Directors.

The following are the Members of the RC:

Name	Designation	Directorship
Ng Kok Wah	Chairman	Independent Non-Executive Director
Ong Chooi Lee	Member	Senior Independent Non-Executive Director
Lye Jun Fei	Member	Non-Independent Non-Executive Director

For the financial year ended 31 August 2022, the RC met once to review and recommend the Executive Directors' remuneration packages and Directors' fees in financial year 2023. The Board as a whole determines the remuneration of Non-Executive Directors with individual Director abstaining from decisions in respect of their individual remuneration.

The Company has adopted the objectives as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains directors of the quality needed to manage the business of the Group respective.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Options Committee (Cont'd)

The aggregate remuneration of the Directors of the Group paid or payable by the Group for the financial year under review are as follows:

Company

	Salaries (RM)	Fees (RM)	Other emoluments/ Benefit (RM)	Total (RM)
EXECUTIVE DIRECTORS				
Nik Mustapha Bin Muhamad	-	48,000	-	48,000
Yap Kok Eng	212,400	-	-	212,400
NON-EXECUTIVE DIRECTORS				
Ong Chooi Lee	-	18,000	-	18,000
Lye Jun Fei	-	18,000	120,000	138,000
Ng Kok Wah	-	24,000	-	24,000

Group

	Salaries (RM)	Fees (RM)	Other emoluments/ Benefit (RM)	Total (RM)
EXECUTIVE DIRECTORS				
Nik Mustapha Bin Muhamad	-	48,000	-	48,000
Yap Kok Eng	212,400	-	-	212,400
NON-EXECUTIVE DIRECTORS				
Ong Chooi Lee	-	18,000	-	18,000
Lye Jun Fei	-	18,000	120,000	138,000
Ng Kok Wah	-	24,000	-	24,000

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Remuneration Committee (Cont'd)

The Board has chosen to disclose the remuneration of the top (5) senior management personnel in bands instead of named basis as the Board is of the opinion that disclosure of the senior management personnel names and the various remuneration component would not be in the best interest of the Group due to confidentiality and sensitivity of each remuneration package.

The number of top senior management's remuneration for the financial year under review is as follows: -

Range of Remuneration	Number of Senior Management Staff
Below RM50,000	1
RM50,001 – RM100,000	-
RM100,001 – RM150,000	-
RM150,001 – RM200,000	-
RM200,001 – RM250,000	-
RM250,001 – RM300,000	1

Options Committee

The Options Committee is responsible to administer the Options under the employee share options scheme.

The following are the Members of the Options Committee:

Name	Designation	Directorship
Ng Kok Wah	Chairman	Independent Non-Executive Director
Ong Chooi Lee	Member	Senior Independent Non-Executive Director
Lye Jun Fei	Member	Non-Independent Non-Executive Director

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Remuneration Committee (Cont'd)

The Board has stipulated specific Terms of Reference for the Options Committee, which covers following salient functions:

- To implement and administer the Scheme in such manner as it shall in its discretion deem fit in accordance with the Employee Share Options Scheme, including to deal with the issue and allotment of new shares in the Company arising from the exercise of options by grantees;
- To determine the number of shares to be offered to eligible participants and to make offers to eligible participants in accordance with the Employee Share Options Scheme;
- To recommend to the Board where it deems necessary, any amendment, modification, addition, or deletion of the Employee Share Options Scheme;
- To enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate its power relating to the Scheme subject to the provisions of the Employee Share Options Scheme;
- To take all other actions within the purview of the Committee pursuant to the Employee Share Options Scheme, for the necessary and effective implementation and administration of the Scheme.

No Options Committee meeting was held during the financial year ended 31 August 2022.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee Composition and Chairman

The Audit and Risk Management Committee ("ARC") consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairman of the ARC is Mr. Ng Kok Wah whilst the Chairman of the Board is Encik Nik Mustapha bin Muhamad. Having the position of Board Chairman and ARC Chairman assumed by different individuals allows the Board to objectively review the ARC's findings and recommendations.

Policy on appointment of a former key audit partner as ARC member

The Company observes the practice under the Code that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the ARC.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

Assessment of Suitability, Objectivity and Independence of External Auditors

The ARC undertakes an annual review of the suitability, objectivity and independence of the external auditors. The External Auditors have confirmed that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The External Auditors can be engaged to perform non-audit services that are not perceived to be in conflict with their role as External Auditors.

Having assessed their performance, the ARC is satisfied with the competence and independence of the External Auditors and had recommended to the Board, upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

All ARC members are financially literate

All members of the ARC are financially literate and are able to understand matters under the purview of the ARC including financial reporting process. The Committee members possess the necessary qualification, knowledge, experience, expertise and skills which contributed to the overall effectiveness of the ARC. All members of the ARC undertake continuous professional development to keep themselves abreast of relevant developments and they also receive updates from External Auditors on areas relating to changes in accounting standards, practices and rules.

Risk management and Internal Control framework

The Board has full and effective control over the business undertakings of the Group subject to the powers reserved for shareholders under the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other applicable laws. This includes responsibility for determining the Group's overall strategic direction as well as the approval of annual and interim results, specific items of investments and divestments, as well as the risk management framework and internal control policies and procedures for the Group.

The Group has established policies and procedures for the oversight and management of material business and financial risks as well as the monitoring of the internal controls that are in place.

The risk management policy sets out procedures which are designed to identify assess, monitor and manage risk at each of the businesses of the Group. The risks covered in the procedures and reviewed by the internal audit team include operational, market (both business and finance), legal and credit risks. The Management and the Board also carry out a regular review of political, regulatory and economic risks in line with the Board's oversight of the strategic direction and position of the Group within the marketplace it operates.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

Risk management and Internal Control framework (Cont'd)

Information on internal control of Bright Group is detailed in the Statement on Risk Management and Internal Control set out on pages 39 to 42.

Internal audit function reporting to the ARC

The Management has devised and implemented a risk management system appropriate to the Group's operations. Management is charged with monitoring the effectiveness of this risk management system and is required to report on the adequacy of the internal controls put in place to the Board via the ARC. The Internal Auditor reports to the ARC which oversees the Group's risk management policy.

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

Communication with Stakeholders

The Board recognizes the importance of being transparent and accountable to the Company's shareholders and prospective investors. The various channels of communications are through meetings with shareholders and investment communities, quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at www.brightpack.net where shareholders and prospective investors can access corporate information, annual reports, press releases financial information, company announcements, share and warrant prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. admin@brightpack.net to which shareholders can direct their queries or concerns.

The Group has a corporate disclosure policy which seeks to promote effective communication to its shareholders and other stakeholders. The policy emphasis timely and complete disclosure of all relevant information to shareholders as required by the Listing Requirements and applicable laws and is in line with the Group's policy of building and maintaining a sustainable business based on delivering value to its shareholders. The communication channels include the Group's annual reports, disclosures and announcements made to Bursa Securities, press statements and other public communications notices of meetings and explanatory documents issued to shareholders.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

Conduct of general meetings

The Company encourages its shareholders to attend the AGM. The Annual Report and Notice of the AGM are sent to all shareholders in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities. The Notice of AGM is also published in national newspapers. The Notice would include explanatory statements for proposed resolutions to facilitate understanding and evaluation of issues involving the shareholders.

The AGM is the primary forum for the Directors to communicate with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the business of the Group.

Using information technology for effective dissemination of information

The Group has a corporate website which provides copies of all public communications and other relevant company information.

The Company will explore the leverage of technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company where circumstances permit.

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS AND BOARD COMMITTEES' MEETINGS

Shown below is the attendance of each Director for the financial year ended 31 August 2022.

Name of Director	Designation	No. of Meetings attended	%
Nik Mustapha Bin Muhamad	Executive Deputy Chairman	4/4	100
Yap Kok Eng	Executive Director	4/4	100
Ng Kok Wah	Independent Non-Executive Director	4/4	100
Lye Jun Fei	Non-Independent Non-Executive Director	4/4	100
Ong Chooi Lee	Senior Independent Non-Executive Director	4/4	100

Corporate Governance Overview Statement (cont'd)

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS AND BOARD COMMITTEES' MEETINGS (Cont'd)

Board of Committee Meetings

Name of Director	ARC	NC	RC
Ng Kok Wah	4/4	1/1	1/1
Ong Chooi Lee	4/4	1/1	1/1
Lye Jun Fei	4/4	1/1	1/1

Directors' Training

During the financial year, the Directors have attended the following training:

Directors	Seminar / Trainings
Nik Mustapha Bin Muhamad	<ul style="list-style-type: none"> • Progress Through Integrated Reporting
Yap Kok Eng	<ul style="list-style-type: none"> • Special Dialogue with Lembaga Hasil Dalam Negeri
Lye Jun Fei	<ul style="list-style-type: none"> • Budget seminar 2022
Ng Kok Wah	<ul style="list-style-type: none"> • PI Note Training • Toward Boardroom Excellence • Building Corporation Longevity • MEF Industrial Relations Conference 2022
Ong Chooi Lee	<ul style="list-style-type: none"> • Internal Audit for Board and Audit Committee • Budget Seminar 2022 • Sustainability: Governance Towards Long Term Value Creation • Audit Committee Conference • CFO Conference 2022 • Managing and Processing Payroll in Malaysia

This Corporate Governance Overview Statement was approved by the Board of Directors on 14 December 2022.

Additional Compliance Information

Audit and Non-Audit Fees

During the financial year ended 31 August 2022, the amount of the audit fees paid to external auditors on the Company and Group basis were RM103,000 and RM116,000 respectively.

There were no non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the auditors' firm by the Company and Group during the financial year ended 31 August 2022.

Recurrent Related Party Transactions ("RRPT")

There was no RRPT during the financial year ended 31 August 2022.

Material Contracts

There was a material contract entered into by the Company and/or its subsidiaries during the financial year ended 31 August 2022 involving the interest of the Directors and/or Major Shareholders of the Company.

The Company had on 19 August 2021 entered into a Joint Venture Agreement ("JVA") with Datai Plantations Sdn. Bhd. ("DPSB") (hereinafter referred to collectively as "Parties") to form an unincorporated joint venture for the purpose of developing an oil palm plantation together with facilities and the provision of services ancillary to such plantation on parcels of land located in Sarikei, Sarawak ("Project").

Upon the JVA becomes unconditional, the Parties agree that in consideration of DPSB providing the opportunity to Bright to participate in the Project as part of Bright's initiative to potentially diversify its business for sustainable future income in the near future, Bright shall invest a sum of Ringgit Malaysia Five Million only (RM5,000,000.00) in DPSB for the sole purpose of the Project ("Investment Sum").

Lye Jun Fei is a director and substantial shareholder of Bright. He is also a director of DPSB and DPBSB. He is a substantial shareholder in Style City Limited, the holding company of DHPL. Accordingly, Lye Jun Fei will be deemed an interested director ("Interested Director"). The Interested Director has abstained and will continue to abstain from deliberations and voting in respect of the Joint Venture.

Statement On Risk Management And Internal Control

This Statement on Risk Management and Internal Control is made in accordance with the paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and as guided by the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers, which requires Malaysian public listed companies to make a statement in their annual report about their state of internal control, as a Group.

Board responsibility

The Board affirms its overall responsibility to establish and oversight a sound risk management framework and procedures of internal control. The Board continues its role to set the tone and shape the Group’s culture, with an emphasis on adequacy and effectiveness of risk management and internal control, including financial, operational management, compliance and information technology controls and risk management procedures.

The Board ensured to devote sufficient time for thorough discussion on key matters at formal Board meetings to ensure that each Director is actively engaged. The Audit and Risk Management Committee (ARC) assists the Board to fulfil its responsibilities in providing oversight of the Group’s financial risk process, the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

The Board recognizes the inherent limitations in any system of the risk management and internal control processes, the system in place can only manage and not completely eliminate the material financial misstatements, fraud or losses and unforeseen emerging risks.

Management responsibility

The Management is responsible for the day-to-day activities of the business and operations of the Group. It has primarily responsibility for identifying, assessing and reporting key business risks to the Board in order to safeguard shareholders’ investment and the Group’s assets. While identifying risks areas, management can improve the control testing, monitoring functions and reducing the complexity of business processes also offers the potential for improving the efficiency of core operations and enhance risk management. The Management’s performance is monitored by the Board through a comprehensive summary of the Group’s financial performance on a quarterly basis.

The Executive Director also provides assurance to the Board that the Group’s system of risk management and internal control is operating adequately in all material aspects based on the risk management and internal control system put in place.

Statement On Risk Management And Internal Control (cont'd)

Risk Management Framework

The Board regards the risk management as an integral part of the Group's business operations and has operated under a Board approved risk management framework. It outlines the Group's risk-based approach to risk management which oversight and describes the structures and practices employed to current and emerging risks inherent to Bright Packaging.

Risk assessments are performed based on pre-defined risk management process adapted from ISO 9001: 2015 Quality management system guidelines and globally acceptable risk management. It reinforces each team member's personal accountability for risk management and is built on a foundation that begins with a deep understanding of the Group's processes, risks and controls. It also supports management in achieving the Group's strategic goals and objectives, and it supports the Board as it carries out its risk oversight responsibilities.

Diagram 1 below illustrates the Group's Enterprise Risk Management framework.



Diagram 1: Enterprise Risk Management Framework

The risk management framework consists of three lines of defense: (1) The front line which consists of Bright's risk generating activities, including activities of production process, strategic of business development, quality assurance, purchasing, and occupational, health and safety, in addition to certain activities of company functions (Human Resources and Finance); (2) Risk Assessment Committee which report to the ARC; (3) Internal audit and external audit, which is independent consulting firm who reports to the ARC.

Statement On Risk Management And Internal Control (cont'd)

Risk Management Framework (Cont'd)

The Group cultivates an environment that promotes robust communication and corporation among the two lines of defense and supports identifying, escalating and addressing current and emerging risk issues. The Board receives reports from management regarding current or emerging risk matters at each of its quarterly scheduled meetings. The diagram below provides an overview of the Risk Management Governance Structure:



Diagram 2: Risk Management Corporate Structure

Internal Audit Function

The internal audit function is outsourced to an external professional firm, Kloo Point Risk Management Services Sdn. Bhd. (KLP) and staffed with persons with relevant qualifications and experience to perform the review and testing of the Group's processes consistent with the International Professional Practices Framework of the Institute of Internal Auditors. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel.

The internal audit function reports directly and provides assurance to the ARC through the independent execution of internal audit work based on a risk-based internal audit plan approved by the ARC. It highlights significant findings and corrective measures in respect of adequacy and effectiveness of risk management and internal control, while management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner.

The total costs incurred for the Internal audit function for the financial year ended 31 August 2022 amounted to RM14,000 (2021: RM14,000).

Statement On Risk Management And Internal Control (cont'd)

Conclusion

The Board is of the view that there is no significant breakdown or weaknesses in the current system of internal controls of the Group that have resulted in material losses incurred by the Group for the financial year ended 31 August 2022. The Board and the Management will continue to take necessary measures and ongoing commitment to strengthen and improve its internal control environment and processes.

This Statement is made in accordance with the resolution of the Board of Directors dated 14 December 2022.

Review of the Statement by External Auditors

The External Auditors have, in accordance with the Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants, reviewed the Statement as required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, for inclusion in the Company's Annual Report for the financial year ended 31 August 2022.

Based on their review, the auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing and assessing the integrity and adequacy of the internal controls of the Group.

Audit And Risk management Committee Report

A. COMPOSITION, ANNUAL PERFORMANCE ASSESSMENT AND ATTENDANCE

The Audit and Risk Management Committee (ARC) comprises the following members:-

Ng Kok Wah (Chairman, Independent Non-Executive Director)
Ong Chooi Lee (Member, Senior Independent Non-Executive Director)
Lye Jun Fei (Member, Non-Independent Non-Executive Director)

The members of the ARC have sufficient financial management expertise, as interpreted by the Board in its business judgement, to discharge its functions and duties. The Board performs an annual assessment of the Committee's effectiveness in carrying out its duties set out in the Terms of Reference (TOR). The Board is satisfied that the ARC effectively discharged its duties in accordance with its TOR.

Notes:

For meeting attendance see page 37.

B. SUMMARY OF WORK OF THE ARC DURING THE FINANCIAL YEAR

Financial Reporting

- i) Reviewed the unaudited quarterly financial results of the Group prior to the Board's approval.
- ii) Reviewed the annual audited financial statement for FY2022.
- iii) Focused on:
 - compliance with the Malaysian Financial Reporting Standards, Main Market Listing Requirement and Company Act 2016; and
 - changes to the accounting policies and practices, significant judgements and uncorrected misstatements.
- iv) Reviewed the related party transactions and recurrent related party transactions of a revenue or trading nature.

Internal Audit

- i) Reviewed and approved the Internal Audit Plan for FY2022 to ensure the principal risks and key functions were adequately identified and covered in the plan.
- ii) Internal Audit Report presented by KLP was reviewed by ARC on 28 July 2022. This included a review on business and operational activities with respect to:
 - Sales Order and Billing Process; and
 - Procurement function.

Audit And Risk management Committee Report (cont'd)

B. SUMMARY OF WORK OF THE ARC DURING THE FINANCIAL YEAR (cont'd)

External Audit

- i) Reviewed the external auditors' Group Audit Plan that outlines the audit strategy and approach for FY2022.
- ii) Reviewed the significant audit and accounting matters arising from the audit and updated on any new developments potentially affecting the Group.
- iii) Had discussion with external auditors during the financial year, on 27th October 2022, without the presence of the management, to discuss matters concerning audit and financial statements.
- iv) Assessment and be satisfied with the written independent assurance given by the external auditors.

Annual Report

- i) Reviewed and endorsed the Corporate Governance Statement, and Statement on Risk Management and Internal Control Statement for Board's approval and inclusion in FY2022 Annual Report.

C. STATEMENT OF VERIFICATION ON ALLOCATION OF SHARE ISSUANCE SCHEME ("SIS")

During the FY2022, there were no options granted pursuant to the SIS.

D. INTERNAL AUDIT FUNCTION

Based on the approved Audit Plan 2022, a Risk Assessment Review was conducted by KLP and covering the following business and operational activities:

- i) Sales Order and Billing Process
- ii) Procurement function

At the Committee's quarterly meeting, KLP presented the key findings of investigations made and proposed corrective actions to be taken by Management to address and resolve issues. Follow-up discussions are then carried in subsequent quarterly meeting to ensure these were adequately addressed on a timely basis.

FINANCIAL STATEMENTS

DIRECTORS' REPORT	46
STATEMENT BY DIRECTORS	50
STATUTORY DECLARATION	50
INDEPENDENT AUDITORS' REPORT	51
STATEMENTS OF COMPREHENSIVE INCOME	56
STATEMENTS OF FINANCIAL POSITION	57
STATEMENTS OF CHANGES IN EQUITY	59
STATEMENTS OF CASH FLOWS	61
NOTES TO THE FINANCIAL STATEMENTS	64

Directors' Report

The directors submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 August 2022.

Principal activities

The Company is principally a manufacturer of aluminium foil packaging materials and investment holding. The details of the subsidiaries, including their principal activities, are disclosed in Note 12 to the financial statements.

Financial results

	Group RM	Company RM
Net loss for the financial year attributable to:		
Owners of the Company	2,539,533	2,488,614
Non controlling interests	95	-
	2,539,628	2,488,614

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

Dividends

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

Reserves and provisions

There were no material transfers to and 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 shares and debentures during the financial year.

Directors' Report (cont'd)

Treasury shares

There were no shares being repurchased by the Company during the financial year.

As at 31 August 2022, the Company held a total of 500 treasury shares of its 205,330,894 issued ordinary shares. The treasury shares are held at carrying amount of RM505. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

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.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Directors

The directors of the Company in office since the end of the previous financial year to the date of this report are:

Nik Mustapha Bin Muhamad
Yap Kok Eng
Ong Chooi Lee
Ng Koh Wah
Lye Jun Fei

Directors' interests in shares

None of the directors in office at the end of the financial year had an interest in shares of the Company and its related companies during the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 59 of the Companies Act 2016.

Directors' Report (cont'd)

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of the directors' remuneration are disclosed in Note 5 to the financial statements.

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

Indemnity and insurance

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and the Company were prepared, 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 that adequate provision had been made for doubtful debts; 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 expected realisable values.

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

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

Directors' Report (cont'd)

Other statutory information (Cont'd)

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Group and the Company.

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

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

Auditors

The auditors, Messrs Russell Bedford LC PLT, retire and do not seek reappointment.

The auditors' remuneration is disclosed in Note 5 to the financial statements.

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

NIK MUSTAPHA BIN MUHAMAD

ONG CHOOI LEE

Kuala Lumpur

Dated: 14 December 2022

Statement By Directors

The directors of BRIGHT PACKAGING INDUSTRY BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2022, and of their financial performance and their cash flows for the year ended on that date.

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

NIK MUSTAPHA BIN MUHAMAD

ONG CHOOI LEE

Kuala Lumpur

Dated: 14 December 2022

Statutory Declaration

I, NIK MUSTAPHA BIN MUHAMAD, being the director primarily responsible for the financial management of BRIGHT PACKAGING INDUSTRY BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the above named NIK MUSTAPHA BIN MUHAMAD)
at Kuala Lumpur in Wilayah Persekutuan on)
14 December 2022

NIK MUSTAPHA BIN MUHAMAD

Before me,

COMMISSIONER FOR OATHS

Independent Auditors' Report

To The Members Of Bright Packaging Industry Berhad (Incorporated in Malaysia)

1. Report on the audit of the financial statements

1.1 Opinion

We have audited the accompanying financial statements which comprise the statements of financial position of the Group and of the Company as at 31 August 2022, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2022, and of their financial performance and their cash flows for the year then ended in accordance with the Companies Act 2016 (the "Act") and the Malaysian Financial Reporting Standards.

1.2 Basis for opinion

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in paragraph 1.6.

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

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

1.3 Key audit matters

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

Independent Auditors' Report (cont'd)

To The Members Of Bright Packaging Industry Berhad
(Incorporated in Malaysia)

1. Report on the audit of the financial statements (Cont'd)

1.3 Key audit matters (Cont'd)

1.3.1 Impairment of trade receivables of the Group and the Company

The Group and Company have significant trade receivables as at 31 August 2022 which include certain amounts that exceeded credit terms and are subject to credit risk exposure.

We have identified this as a key audit matter due to the assessment of expected credit losses of trade receivables involved management judgement and estimation uncertainty in determining the probability of default occurring by considering ageing of trade receivables, historical loss experience and forward-looking information.

How the matter was addressed in the audit

Our audit procedures included, amongst others:

- Obtained an understanding on how the Group and the Company identified and assessed impairment of trade receivables;
- Reviewed the ageing of trade receivables and tested the reliability thereof;
- Reviewed and verified subsequent collections and historical payment trends for major customers and overdue amounts;
- Reviewed management's basis of estimation on the adequacy of the Group's and the Company's allowance for expected credit losses on trade receivables.

We are satisfied with the results of our procedures performed.

1.4 Other information

Management is responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

Independent Auditors' Report (cont'd)

To The Members Of Bright Packaging Industry Berhad (Incorporated in Malaysia)

1. Report on the audit of the financial statements (Cont'd)

1.4 Other information (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard to the directors' report.

1.5 Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and/or its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

1.6 Auditors' responsibilities for the audit of the financial statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 266 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

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

Independent Auditors' Report (cont'd)

**To The Members Of Bright Packaging Industry Berhad
(Incorporated in Malaysia)**

1. Report on the audit of the financial statements (Cont'd)

1.6 Auditors' responsibilities for the audit of the financial statements (Cont'd)

As part of our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and/or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention on our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (cont'd)

**To The Members Of Bright Packaging Industry Berhad
(Incorporated in Malaysia)**

1. Report on the audit of the financial statements (Cont'd)

1.6 Auditors' responsibilities for the audit of the financial statements (Cont'd)

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

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

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

2. Engagement partner

The engagement partner on the audit resulting in this independent auditors' report is Teoh Wuey Sze.

RUSSELL BEDFORD LC PLT
LLP0030621-LCA & AF 1237
CHARTERED ACCOUNTANTS

TEOH WUEY SZE
02831/01/2024 J
CHARTERED ACCOUNTANT

Kuala Lumpur

Date: 14 December 2022

Statements Of Comprehensive Income

For The Year Ended 31 August 2022

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
Revenue	4	46,495,577	37,499,303	46,495,577	37,499,303
Cost of sales		(37,943,421)	(36,290,988)	(38,073,006)	(36,420,573)
Gross profit		8,552,156	1,208,315	8,422,571	1,078,730
Other operating income		1,126,646	241,123	1,126,646	241,123
Selling and distribution expenses		(2,930,772)	(1,150,958)	(2,930,772)	(1,150,958)
Administrative expenses		(3,831,041)	(4,162,809)	(3,817,004)	(4,149,343)
Other operating expenses		(5,273,097)	(337,582)	(5,005,959)	(59,852)
Loss from operations	5	(2,356,108)	(4,201,911)	(2,204,518)	(4,040,300)
Finance income	6	660,894	846,014	660,894	846,014
Finance costs	7	(715)	(2,280)	(69,036)	(79,822)
Net finance income		660,179	843,734	591,858	766,192
Loss before tax		(1,695,929)	(3,358,177)	(1,612,660)	(3,274,108)
Income tax expense	8	(843,699)	710,420	(875,954)	693,265
Net loss/Total comprehensive loss for the year		(2,539,628)	(2,647,757)	(2,488,614)	(2,580,843)
Net loss/Total comprehensive loss attributable to:					
Owners of the Company		(2,539,533)	(2,647,194)		
Non controlling interests		(95)	(563)		
		(2,539,628)	(2,647,757)		
Loss per share (sen)					
- Basic	9	(1.24)	(1.29)		

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

Statements Of Financial Position

As At 31 August 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Non current assets					
Property, plant and equipment	10	48,280,998	51,771,637	34,140,299	37,489,638
Right of use assets	11	-	33,900	647,926	811,411
Investment in subsidiaries	12	-	-	2	2
Other receivables	15	-	-	13,360,095	13,394,499
Deferred tax assets	21	-	-	-	2,800
		48,280,998	51,805,537	48,148,322	51,698,350
Current assets					
Inventories	13	15,166,088	7,056,134	15,166,088	7,056,134
Trade receivables	14	20,055,552	10,773,270	20,055,552	10,773,270
Other receivables, deposits and prepayments	15	363,384	613,642	333,884	584,142
Tax recoverable		6,881	4,262	6,125	3,746
Other financial assets	16	37,935,320	46,855,795	37,935,320	46,855,795
Cash and bank balances	17	5,304,326	6,724,450	5,303,217	6,723,295
		78,831,551	72,027,553	78,800,186	71,996,382
Total assets		127,112,549	123,833,090	126,948,508	123,694,732
Equity					
Share capital	18	97,716,929	97,716,929	97,716,929	97,716,929
Reserves	19	13,606,356	16,145,889	9,488,340	11,976,954
Equity attributable to owners of the Company		111,323,285	113,862,818	107,205,269	109,693,883
Non controlling interests		(3,134)	(3,039)	-	-
Total equity		111,320,151	113,859,779	107,205,269	109,693,883

Statements Of Financial Position (cont'd)

As At 31 August 2022

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
Non current liabilities					
Lease liabilities	20	-	-	606,816	728,548
Deferred tax liabilities	21	2,800,310	1,959,465	870,300	-
		2,800,310	1,959,465	1,477,116	728,548
Current liabilities					
Trade payables	22	12,543,787	6,993,043	12,524,918	6,974,174
Other payables and accruals	23	448,301	988,926	5,619,473	6,154,571
Lease liabilities	20	-	31,877	121,732	143,556
		12,992,088	8,013,846	18,266,123	13,272,301
Total liabilities		15,792,398	9,973,311	19,743,239	14,000,849
Total equity and liabilities		127,112,549	123,833,090	126,948,508	123,694,732

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

Statements Of Changes In Equity

For The Year Ended 31 August 2022

Group	Share capital RM	Treasury shares RM	Retained profits RM	Equity attributable to owners of the Company RM	Non controlling interests RM	Total RM
At 1 September 2020	97,716,929	(505)	18,793,588	116,510,012	(2,476)	116,507,536
Net loss/Total comprehensive loss for the year	-	-	(2,647,194)	(2,647,194)	(563)	(2,647,757)
At 31 August 2021	97,716,929	(505)	16,146,394	113,862,818	(3,039)	113,859,779
Net loss/Total comprehensive loss for the year	-	-	(2,539,533)	(2,539,533)	(95)	(2,539,628)
At 31 August 2022	97,716,929	(505)	13,606,861	111,323,285	(3,134)	111,320,151

Statements Of Changes In Equity (cont'd)

For The Year Ended 31 August 2022

Company	Share capital RM	Treasury shares RM	Retained profits RM	Total RM
At 1 September 2020	97,716,929	(505)	14,558,302	112,274,726
Net loss/Total comprehensive loss for the year	-	-	(2,580,843)	(2,580,843)
At 31 August 2021	97,716,929	(505)	11,977,459	109,693,883
Net loss/Total comprehensive loss for the year	-	-	(2,488,614)	(2,488,614)
At 31 August 2022	97,716,929	(505)	9,488,845	107,205,269

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

Statements Of Cash Flows

For The Year Ended 31 August 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from/(used in) operating activities				
Loss before tax	(1,695,929)	(3,358,177)	(1,612,660)	(3,274,108)
Adjustments for:				
Bad debt written off	-	-	5,959	6,165
Depreciation	3,548,450	3,597,264	3,536,735	3,585,549
Gain on disposal of plant and equipment	-	(2,900)	-	(2,900)
Plant and equipment written off	885	-	885	-
Interest expense	715	2,280	69,036	79,822
Interest income	(660,894)	(846,014)	(660,894)	(846,014)
Realised gain on foreign exchange – cash and cash equivalents	(402,403)	19,595	(402,403)	19,595
Unrealised gain on foreign exchange	(391,566)	(11,990)	(391,566)	(11,990)
Operating profit/(loss) before working capital changes	399,258	(599,942)	545,092	(443,881)
(Increase)/Decrease in inventories	(8,109,954)	4,415,754	(8,109,954)	4,415,754
(Increase)/Decrease in trade and other receivables	(8,428,094)	4,547,361	(8,434,053)	4,541,196
Increase/(Decrease) in trade and other payables	4,797,755	(6,342,169)	4,810,377	(6,342,103)
Cash (used in)/generated from operations	(11,341,035)	2,021,004	(11,188,538)	2,170,966
Income tax refunded	225	-	225	-
Income tax paid	(5,698)	(5,696)	(5,458)	(5,456)
Net cash (used in)/from operating activities	(11,346,508)	2,015,308	(11,193,771)	2,165,510

Statements Of Cash Flows (cont'd)

For The Year Ended 31 August 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from/(used in) investing activities				
Purchase of plant and equipment	(24,796)	(18,924)	(24,796)	(18,924)
Proceeds from disposal of plant and equipment	-	2,900	-	2,900
Interest received	11,825	11,888	11,825	11,888
Decrease/(Increase) in investment in quoted money market funds	9,569,544	(3,041,145)	9,569,544	(3,041,145)
Repayment from subsidiaries	-	-	34,404	37,143
Net cash from/(used in) investing activities	9,556,573	(3,045,281)	9,590,977	(3,008,138)
Cash flows from/(used in) financing activities				
Repayments of lease liabilities	(31,877)	(33,293)	(143,556)	(135,751)
Repayments to a subsidiary	-	-	(7,095)	(7,499)
Interest paid	(715)	(2,280)	(69,036)	(79,822)
Net cash used in financing activities	(32,592)	(35,573)	(219,687)	(223,072)
Net decrease in cash and cash equivalents	(1,822,527)	(1,065,546)	(1,822,481)	(1,065,700)
Cash and cash equivalents at beginning of year	6,724,450	7,809,591	6,723,295	7,808,590
Effect of exchange differences	402,403	(19,595)	402,403	(19,595)
Cash and cash equivalents at end of year	5,304,326	6,724,450	5,303,217	6,723,295
Cash and cash equivalents are represented by:				
Cash and bank balances	5,304,326	6,724,450	5,303,217	6,723,295

Statements Of Cash Flows (cont'd)

For The Year Ended 31 August 2022

Reconciliation of liabilities arising from financing activities

	1.9.2021 RM	Cash flows RM	31.8.2022 RM
Group			
Lease liabilities	31,877	(31,877)	-

	1.9.2020 RM	Cash flows RM	31.8.2021 RM
Group			
Lease liabilities	65,170	(33,293)	31,877

	1.9.2021 RM	Cash flows RM	31.8.2022 RM
Company			
Lease liabilities			
- hire purchase	31,877	(31,877)	-
- others	840,227	(111,679)	728,548
Amount due to a subsidiary	5,222,763	(7,095)	5,215,668

	1.9.2021 RM	Cash flows RM	31.8.2022 RM
Company			
Lease liabilities			
- hire purchase	65,170	(33,293)	31,877
- others	942,685	(102,458)	840,227
Amount due to a subsidiary	5,230,262	(7,499)	5,222,763

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

Notes To The Financial Statements

31 August 2022

1. General information

The Company is principally a manufacturer of aluminium foil packaging materials and investment holding. The details of the subsidiaries, including their principal activities, are disclosed in Note 12.

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

The registered office is located at B-11-10, Level 11, Megan Avenue II, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The principal place of business is located at 23, Jalan Delima 1/3, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue by the board of directors on 14 December 2022.

2. Principal accounting policies

2.1 Statement of compliance

The financial statements of the Group and the Company have been prepared and presented in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised below.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRS") and their related IC Interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRS and IC Interpretations does not result in significant changes in the accounting policies of the Group.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.1 Basis of accounting (Cont'd)

The Group has not adopted the new standards, amendments to published standards and IC Interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Group upon their initial application.

2.2.2 Significant accounting policies

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Basis of consolidation (Cont'd)

For each business combination, non controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at the present ownership instruments' proportionate share of the recognised amounts of the acquiree's identifiable net assets. All other components of non controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's net identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Non controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the reporting period between non controlling interests and the owners of the Company. Losses applicable to the non controlling interests in a subsidiary are allocated to the non controlling interests even if doing so causes the non controlling interests to have a deficit balance.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Basis of consolidation (Cont'd)

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as an equity investment at fair value depending on the level of influence retained.

Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is recognised only when it is probable that the Group will collect the consideration to which it will be entitled to in exchange for goods or services sold.

Foreign currencies

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Foreign currencies (Cont'd)

The principal exchange rates for every unit of foreign currency ruling at reporting date used are as follows:

	2022 RM	2021 RM
United States Dollar	4.4790	4.1595

Employee benefits

(i) Short term benefits

Wages, allowances, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. 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.

(ii) Defined contribution plans

Obligations for contribution to defined contribution plans such as Employees Provident Fund are recognised as an expense in profit or loss as incurred.

Income tax

Income tax on the profit or loss for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Income tax (Cont'd)

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the reporting period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Impairment of assets

The carrying amount of assets subject to accounting for impairment (primarily non financial assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in profit or loss in the reporting period in which it arises.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Impairment of assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the profit or loss.

Property, plant and equipment and depreciation

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

No depreciation is provided on freehold land. Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to its residual value on a straight line basis based on their estimated useful lives:

Buildings	50 years
Plant and machineries	10 – 20 years
Furniture, fittings and office equipment	10 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Investment in subsidiaries

Subsidiary is a company controlled by the Company. Control exists when the Company has power over its investee, exposed or has rights to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

The Company's investment in subsidiaries is stated at cost less impairment losses, if any.

Inventories

Inventories, comprising raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of inventories is determined on a weighted average basis. Net realisable value represents the estimated selling prices less all estimated costs to completion and costs to be incurred in selling and distribution.

Cost of raw materials comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Cost of work in progress and finished goods comprises the cost of raw materials used, direct labour, other direct costs and appropriate production overheads.

Leases

As a lessee

i) Right of use assets

The Group recognises a right of use asset at the commencement date of the lease. The right of use asset is initially measured at cost. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

As a lessee (Cont'd)

i) Right of use assets (Cont'd)

Subsequent to initial measurement, the right of use asset is depreciated on a straight line basis over the shorter of the lease term and the estimated useful life as follows:

Premises	8 years
Motor vehicle	5 years

Right of use asset is subject to impairment and is adjusted for any remeasurement of lease liabilities.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payment to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the assessment of lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payments occurs. The present value of lease payments is discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

As a lessee (Cont'd)

ii) Lease liabilities (Cont'd)

The amount of lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Financial instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

A financial instrument (unless it is a trade receivable without a significant financing component) is recognised initially at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. A trade receivable without significant financing component is initially measured at the transaction price.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income in profit or loss.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

On initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at fair value through profit or loss or at amortised cost, as appropriate.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(i) Financial assets at amortised cost

A financial asset is classified at amortised cost if it meets both of the following conditions:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortised cost are measured using the effective interest method and are subject to impairment. Gains or losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process (finance income).

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss does not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(iii) Financial liabilities at amortised cost

Financial liabilities are classified at amortised cost if they are not:

- a) contingent consideration of an acquirer in a business combination;
- b) financial guarantee contracts;
- c) loan commitments;
- d) designated at fair value through profit or loss; or
- e) liabilities that arise when a transfer of a financial asset that does not qualify for derecognition or when the continuing involvement approach applies.

Subsequent to initial recognition, financial liabilities at amortised cost are measured using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities at amortised cost are derecognised, and through the amortisation process (finance cost).

(iv) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the reporting period in which they are approved.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the 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.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

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.

Expected credit losses

The Group recognises an allowance for expected credit losses ("ECL") on financial assets at amortised cost.

ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECL are recognised in profit or loss.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECL. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Where appropriate, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Loss allowances for debt instruments measured at amortised cost are deducted from the gross carrying amount of the assets.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Expected credit losses (Cont'd)

Low credit risk

A financial instrument is determined to have low credit risk if:

- a) the financial instrument has a low risk of default;
- b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definition.

Significant increase in credit risk

When determining whether the credit risk of a debt instrument has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Definition of default

The Group considers a debt instrument to be in default when:

- a) The Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group; or
- b) The financial asset is more than 90 days past due.

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Expected credit losses (Cont'd)

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable events:

- a) Significant financial difficulties of the debtor;
- b) A breach of contract, such as a default or past due event;
- c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) It becoming probable that the borrower will enter into bankruptcy or other financial reorganisations; or
- e) Disappearance of an active market for that financial asset because of financial difficulties.

Write off

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Subsequent recoveries of a financial asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Current versus non-current classification

Assets and liabilities are presented based on a current/non-current classification. An asset is current when it is:

- a) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realised within twelve months after the reporting period; or

Notes To The Financial Statements (cont'd)

31 August 2022

2. Principal accounting policies (Cont'd)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Current versus non-current classification (Cont'd)

- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in the normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Statements of cash flows

Statements of cash flows are prepared using the indirect method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

Notes To The Financial Statements (cont'd)

31 August 2022

3. Critical accounting estimates and judgments

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

In the process of applying the Group's accounting policies, which are described above, 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.

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

(a) Impairment loss of trade receivables

The Group and the Company recognised impairment loss of trade receivables based on an assessment of credit risk. Such assessment involved judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these estimates will affect the carrying amounts of trade receivables.

Notes To The Financial Statements (cont'd)

31 August 2022

4. Revenue

4.1 Disaggregation of revenue

	Group and Company	
	2022	2021
	RM	RM
Philippines	21,481,944	16,172,926
Indonesia	12,166,305	11,342,464
Pakistan	-	1,437,096
Korea	4,284,520	2,708,862
Russia	3,399,112	-
Thailand	676,158	3,202,368
Malaysia	704,753	622,218
Others	3,782,785	2,013,369
	46,495,577	37,499,303

	Group and Company	
	2022	2021
	RM	RM
Timing of revenue recognition		
Goods transferred at a point in time	46,495,577	37,499,303

4.2 Performance obligations

The Group manufactures and sells aluminium foil packaging materials. The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 120 days from delivery.

4.3 Transaction price allocated to the remaining performance obligations

For practical expediency, no information is provided on the remaining performance obligation at the reporting date that have an original expected duration of one year or less as allowed under the paragraph 121(a) of MFRS 15.

4.4 Financing components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Notes To The Financial Statements (cont'd)

31 August 2022

5. Loss from operations

	Group		Company	
	2022 RM	2021 RM	2022 RM	2020 RM
Loss from operations is arrived at after charging/ (crediting):				
Auditors' remuneration				
- auditors' of the Company				
- audit services	110,000	75,000	97,000	66,000
- other services	6,000	5,000	6,000	5,000
Bad debt written off	-	-	5,959	6,165
Expenses relating to short term leases	50,017	60,014	50,017	60,014
Joint venture in plantation project	5,000,000	-	5,000,000	-
Plant and equipment written off	885	-	885	-
Gain on disposal of plant and equipment	-	(2,900)	-	(2,900)
(Gain)/Loss on foreign exchange				
- realised	(629,979)	53,687	(629,979)	53,687
- unrealised	(391,566)	(11,990)	(391,566)	(11,990)

	Group and Company	
	2022 RM	2021 RM
Staff costs comprise:		
Defined contribution plan	231,959	259,749
Salaries, wages and allowances	3,113,198	3,042,321
Other employee related expenses	555,714	614,358
	3,900,871	3,916,428
Executive directors:		
Fees	48,000	48,000
Remuneration other than fees	284,412	284,412
	332,412	332,412
Non executive directors:		
Fees	60,000	60,500
Remuneration other than fees	161,724	131,291
	221,724	191,791
	4,455,007	4,440,631

Notes To The Financial Statements (cont'd)

31 August 2022

5. Loss from operations (Cont'd)

The number of directors of the Company where total remuneration during the reporting period falls within the following bands are as follows:

	2022	2021
Executive directors:		
Below RM50,000	1	1
RM200,001 to RM250,000	-	1
RM250,001 to RM300,000	1	-
Non executive directors:		
Below RM50,000	2	3
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	1	-

6. Finance income

	Group and Company	
	2022	2021
	RM	RM
Interest income from cash deposits	11,825	11,888
Interest income from quoted money market funds	649,069	834,126
	660,894	846,014

7. Finance costs

	Group		Company	
	2022	2021	2022	2020
	RM	RM	RM	RM
Interest expense on:				
- hire purchase liabilities	715	2,280	715	2,280
- other lease liabilities	-	-	68,321	77,542
	715	2,280	69,036	79,822

Notes To The Financial Statements (cont'd)

31 August 2022

8. Income tax expense

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Expected income tax payable				
- current year	(5,457)	(5,456)	(5,457)	(5,456)
- over provision in prior years	2,603	3,521	2,603	3,521
	(2,854)	(1,935)	(2,854)	(1,935)
Deferred tax (Note 21)				
- current year	(812,345)	737,155	(844,600)	720,000
- under provision in prior years	(28,500)	(24,800)	(28,500)	(24,800)
	(840,845)	712,355	(873,100)	695,200
	(843,699)	710,420	(875,954)	693,265

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Loss before tax	(1,695,929)	(3,358,177)	(1,612,660)	(3,274,108)
Taxation at statutory tax rate of 24% (2021: 24%)	407,000	806,000	387,000	785,800
Expenses not deductible for tax purposes	(1,602,802)	(333,801)	(1,615,057)	(330,756)
Income not subject to tax	378,000	259,500	378,000	259,500
Over/(Under) provision in prior years				
- income tax	2,603	3,521	2,603	3,521
- deferred tax	(28,500)	(24,800)	(28,500)	(24,800)
Income tax expense for the year	(843,699)	710,420	(875,954)	693,265

Notes To The Financial Statements (cont'd)

31 August 2022

9. Loss per share

Basic

Basic loss per ordinary share is calculated based on the net loss attributable to ordinary shareholders and weighted average number of ordinary shares in issue as follows:

	Group	
	2022	2021
	RM	RM
Net loss attributable to owners of the Company	(2,539,533)	(2,647,194)
Weighted average number of ordinary shares in issue	205,330,894	205,330,894
Basic loss per share (sen)	(1.24)	(1.29)

Diluted

Diluted loss per share are not presented in the financial statements since there are no dilutive potential ordinary share.

Notes To The Financial Statements (cont'd)

31 August 2022

10. Property, plant and equipment

Group	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Total RM
Cost						
At 1 September 2020	15,300,000	10,169,303	69,268,720	3,362,870	121,332	98,222,225
Additions	-	-	590	10,834	7,500	18,924
Disposals	-	-	-	-	(3,889)	(3,889)
Write offs	-	-	-	(935)	-	(935)
At 31 August 2021	15,300,000	10,169,303	69,269,310	3,372,769	124,943	98,236,325
Additions	-	-	23,800	996	-	24,796
Reclassification from right of use assets (Note 11)	-	-	-	-	-	-
Write offs	-	-	-	(2,580)	184,906	184,906
At 31 August 2022	15,300,000	10,169,303	69,293,110	3,371,185	309,849	98,443,447
Accumulated depreciation						
At 1 September 2020	-	2,367,706	38,289,291	2,130,900	121,332	42,909,229
Charge for the year	-	205,273	3,052,815	301,320	875	3,560,283
Disposals	-	-	-	-	(3,889)	(3,889)
Write offs	-	-	-	(935)	-	(935)
At 31 August 2021	-	2,572,979	41,342,106	2,431,285	118,318	46,464,688
Charge for the year	-	203,386	3,012,000	297,664	1,500	3,514,550
Reclassification from right of use assets (Note 11)	-	-	-	-	-	-
Write offs	-	-	-	(1,695)	184,906	184,906
At 31 August 2022	-	2,776,365	44,354,106	2,727,254	304,724	50,162,449
Carrying amount						
At 31 August 2022	15,300,000	7,392,938	24,939,004	643,931	5,125	48,280,998
At 31 August 2021	15,300,000	7,596,324	27,927,204	941,484	6,625	51,771,637

Notes To The Financial Statements (cont'd)

31 August 2022

10. Property, plant and equipment (continued)

Company	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Total RM
Cost						
At 1 September 2020	6,615,000	3,104,303	69,323,721	3,362,870	121,332	82,527,226
Additions	-	-	590	10,834	7,500	18,924
Disposals	-	-	-	-	(3,889)	(3,889)
Write offs	-	-	-	(935)	-	(935)
At 31 August 2021	6,615,000	3,104,303	69,324,311	3,372,769	124,943	82,541,326
Additions	-	-	23,800	996	-	24,796
Reclassification from right of use assets (Note 11)	-	-	-	-	-	-
Write offs	-	-	-	(2,580)	184,906	184,906
At 31 August 2022	6,615,000	3,104,303	69,348,111	3,371,185	309,849	82,748,448
Accumulated depreciation						
At 1 September 2020	-	1,096,006	38,289,291	2,130,900	121,332	41,637,529
Charge for the year	-	63,973	3,052,815	301,320	875	3,418,983
Disposals	-	-	-	-	(3,889)	(3,889)
Write offs	-	-	-	(935)	-	(935)
At 31 August 2021	-	1,159,979	41,342,106	2,431,285	118,318	45,051,688
Charge for the year	-	62,086	3,012,000	297,664	1,500	3,373,250
Reclassification from right of use assets (Note 11)	-	-	-	-	-	-
Write offs	-	-	-	(1,695)	184,906	184,906
At 31 August 2022	-	1,222,065	44,354,106	2,727,254	304,724	48,608,149
Carrying amount						
At 31 August 2022	6,615,000	1,882,238	24,994,005	643,931	5,125	34,140,299
At 31 August 2021	6,615,000	1,944,324	27,982,205	941,484	6,625	37,489,638

Notes To The Financial Statements (cont'd)

31 August 2022

11. Right of use assets

Group	Motor vehicle RM	Total RM
Cost		
At 1 September 2020/31 August 2021	184,906	184,906
Reclassification to property, plant and equipment (Note 10)	(184,906)	(184,906)
At 31 August 2022	-	-
Accumulated depreciation		
At 1 September 2020	114,025	114,025
Charge for the year	36,981	36,981
At 31 August 2021	151,006	151,006
Charge for the year	33,900	33,900
Reclassification to property, plant and equipment (Note 10)	(184,906)	(184,906)
At 31 August 2022	-	-
Carrying amount		
At 31 August 2022	-	-
At 31 August 2021	33,900	33,900

Notes To The Financial Statements (cont'd)

31 August 2022

11. Right of use assets (Cont'd)

Company	Premises RM	Motor vehicle RM	Total RM
Cost			
At 1 September 2020 / 31 August 2021	1,036,681	184,906	1,221,587
Reclassification to property, plant and equipment (Note 10)	-	(184,906)	(184,906)
At 31 August 2022	1,036,681	-	1,036,681
Accumulated depreciation			
At 1 September 2020	129,585	114,025	243,610
Charge for the year	129,585	36,981	166,566
At 31 August 2021	259,170	151,006	410,176
Charge for the year	129,585	33,900	163,485
Reclassification to property, plant and equipment (Note 10)	-	(184,906)	(184,906)
At 31 August 2022	388,755	-	388,755
Carrying amount			
At 31 August 2022	647,926	-	647,926
At 31 August 2021	777,511	33,900	811,411

Notes To The Financial Statements (cont'd)

31 August 2022

12. Investment in subsidiaries

	Company	
	2022 RM	2021 RM
Unquoted shares at cost		
At beginning/end of year	24,278,267	24,278,267
Accumulated impairment losses		
At beginning/end of year	24,278,265	24,278,265
Carrying amount	2	2

The details of the subsidiaries are as follows:

Subsidiaries of the Company	Country of incorporation	Group's effective and voting interest		Principal activities
		2022 %	2021 %	
Acorn Properties Sdn. Bhd.	Malaysia	100	100	Property investment
Photon Technologies (Malaysia) Sdn. Bhd.	Malaysia	90.9	90.9	Ceased operation
Markmas Pak-Print Sdn. Bhd.	Malaysia	99.9	99.9	Ceased operation

Notes To The Financial Statements (cont'd)

31 August 2022

13. Inventories

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At cost:				
Raw materials				
- on hand	9,366,827	3,381,756	9,366,827	3,381,756
- in transit	1,596,110	1,238,284	1,596,110	1,238,284
Work in progress	714,357	923,094	714,357	923,094
Finished goods	3,488,794	1,513,000	3,488,794	1,513,000
	15,166,088	7,056,134	15,166,088	7,056,134
Amount of inventories recognised as an expense	37,943,421	36,290,988	38,073,006	36,420,573

14. Trade receivables

The Group's normal trade credit terms range from 30 days to 120 days (2021: 30 days to 120 days). Trade receivables are not secured by any collateral or credit enhancements.

The following table provides information on the trade receivables credit risk exposure.

	Group and Company	
	2022 RM	2021 RM
Not past due	16,446,112	8,602,051
1 - 30 days past due	3,110,553	2,152,156
31 - 60 days past due	498,887	19,063
	20,055,552	10,773,270

Notes To The Financial Statements (cont'd)

31 August 2022

14. Trade receivables (Cont'd)

The foreign currency exposure profile of trade receivables is as follows:

	Group and Company	
	2022 RM	2021 RM
United States Dollar	19,978,257	10,752,268

15. Other receivables, deposits and prepayments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Amount due from subsidiaries	-	-	38,194,557	38,228,961
Less: Allowance for expected credit losses	-	-	(24,834,462)	(24,834,462)
	-	-	13,360,095	13,394,499
Deposits	67,582	37,582	51,632	21,632
Prepayments	139,152	576,060	125,602	562,510
Amount due from a director (Note 15.2)	156,650	-	156,650	-
	363,384	613,642	13,693,979	13,978,641
Less: Non current portion (Note 15.1)	-	-	(13,360,095)	(13,394,499)
	363,384	613,642	333,884	584,142

Notes To The Financial Statements (cont'd)

31 August 2022

15. Other receivables, deposits and prepayments (Cont'd)

15.1 Amount due from subsidiaries

Amount due from subsidiaries represents unsecured interest free advances receivable on demand.

The amount due from subsidiaries has been presented under non current assets as these advances are not expected to be realised within 12 months after the reporting date.

15.2 Amount due from a director

The amount due from a director represents advances to defray expenditure of the Company in the ordinary course of business.

16. Other financial assets

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets at fair value through profit or loss				
- Quoted money market funds in Malaysia	37,935,320	46,855,795	37,935,320	46,855,795

The investment in quoted money market funds relates to portfolio of money market fund investments placed with a licensed financial institution. These funds aim to provide liquidity and regular income through investment in short term money market instruments. These investments could be redeemed for cash from the funds within a short notice period.

Notes To The Financial Statements (cont'd)

31 August 2022

17. Cash and bank balances

The foreign currency exposure profile of cash and bank balances is as follows:

	Group and Company	
	2022	2021
	RM	RM
United States Dollar	4,499,852	5,258,494

18. Share capital

	Group and Company	
	2022	2021
	RM	RM
Issued and fully paid 205,330,894 ordinary shares	97,716,929	97,716,929

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. In respect of the Company's treasury shares, all rights are suspended until those shares are reissued.

19. Reserves

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Distributable:				
Retained profits	13,606,861	16,146,394	9,488,845	11,977,459
Non distributable:				
Treasury shares (Note 19.1)	(505)	(505)	(505)	(505)
	13,606,356	16,145,889	9,488,340	11,976,954

19.1 Treasury shares

Treasury shares comprises cost of acquisition of the Company's own shares. At 31 August 2022, the Group held 500 (2021: 500) of the Company's own shares.

Notes To The Financial Statements (cont'd)

31 August 2022

20. Lease liabilities

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Hire purchase liabilities	-	31,877	-	31,877
Other lease liabilities				
- a subsidiary	-	-	728,548	840,227
	-	31,877	728,548	872,104
Less: Portion due within one year	-	(31,877)	(121,732)	(143,556)
Non current portion	-	-	606,816	728,548

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
The non current portion of the lease liabilities is payable as follows:				
Later than 1 year and not later than 2 years	-	-	132,688	121,732
Later than 2 years and not later than 5 years	-	-	474,128	434,976
Later than 5 years	-	-	-	171,840
	-	-	606,816	728,548

Notes To The Financial Statements (cont'd)

31 August 2022

20. Lease liabilities (Cont'd)

The weighted average effective interest rates are as follows:

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
Hire purchase liabilities	-	4.80	-	4.80
Other lease liabilities	-	-	8.65	8.65

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Total cash outflows for leases	82,609	95,587	262,609	275,587

21. Deferred tax assets/(liabilities)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At beginning of year	(1,959,465)	(2,671,820)	2,800	(692,400)
Recognised in profit or loss (Note 8)				
- current year	(812,345)	737,155	(844,600)	720,000
- under provision in prior years	(28,500)	(24,800)	(28,500)	(24,800)
	(840,845)	712,355	(873,100)	695,200
At end of year	(2,800,310)	(1,959,465)	(870,300)	2,800

Notes To The Financial Statements (cont'd)

31 August 2022

21. Deferred tax assets/(liabilities) (Cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Presented after appropriate offsetting as follows:				
Deferred tax assets	5,980,100	7,506,100	5,995,200	7,521,200
Deferred tax liabilities	(8,780,410)	(9,465,565)	(6,865,500)	(7,518,400)
	(2,800,310)	(1,959,465)	(870,300)	2,800

Deferred tax liabilities are in respect of the following:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Tax effects of:				
Differences between tax capital allowances and accounting depreciation	6,499,359	7,192,159	6,176,100	6,875,000
Revaluation reserve	2,187,051	2,228,006	595,400	598,000
Other temporary taxable differences	94,000	45,400	94,000	45,400
	8,780,410	9,465,565	6,865,500	7,518,400

Notes To The Financial Statements (cont'd)

31 August 2022

21. Deferred tax assets/(liabilities) (Cont'd)

Deferred tax assets are in respect of the following:

Group	Gross		Tax effects	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax losses to be utilised up to year ending:				
- 31 August 2025	-	25,402,700	-	6,096,700
- 31 August 2028	25,402,700	29,700	6,096,700	7,100
Differences between accounting depreciation and finance lease payments	17,700	-	4,300	-
Unabsorbed capital allowances	32,550,800	38,897,800	7,812,300	9,335,500
	57,971,200	64,330,200	13,913,300	15,439,300
Less: Deferred tax assets recognised	(24,916,700)	(31,275,700)	(5,980,100)	(7,506,100)
Deferred tax assets not recognised	33,054,500	33,054,500	7,933,200	7,933,200

Notes To The Financial Statements (cont'd)

31 August 2022

21. Deferred tax assets/(liabilities) (Cont'd)

Company	Gross		Tax effects	
	2022 RM	2021 RM	2022 RM	2021 RM
Differences between accounting depreciation and finance lease payments	80,600	62,700	19,400	15,100
Unutilised tax losses to be utilised up to year ending 31 August 2028	-	29,700	-	7,100
Unabsorbed capital allowances	24,899,000	31,246,000	5,975,800	7,499,000
	24,979,600	31,338,400	5,995,200	7,521,200
Less: Deferred tax assets recognised	(24,979,600)	(31,338,400)	(5,995,200)	(7,521,200)
Deferred tax assets not recognised	-	-	-	-

Portion of deferred tax assets have not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these tax benefits.

22. Trade payables

The normal trade credits granted to the Group and Company range from 30 days to 120 days (2021: 30 days to 75 days).

The foreign currency exposure profile of trade payables are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
United States Dollar	12,322,718	6,469,065	12,309,484	6,455,831

Notes To The Financial Statements (cont'd)

31 August 2022

23. Other payables and accruals

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Amount due to a subsidiary	-	-	5,215,668	5,222,763
Other payables	274,625	566,917	230,129	509,799
Accruals	173,676	422,009	173,676	422,009
	448,301	988,926	5,619,473	6,154,571

The amount due to a subsidiary represents unsecured interest free advances repayable on demand.

24. Significant related party disclosures

24.1 Related party transactions

Significant transactions with related parties are as follows:

	Type of transactions	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
With a subsidiary					
Acorn Properties Sdn. Bhd.	Lease payments	-	-	180,000	180,000
With a non-independent non-executive director					
Lye Jun Fei	Accommodation rental	37,000	-	37,000	-
	Equipment rental	49,500	-	49,500	-
Company in which a director has interest					
Datai Plantations Sdn. Bhd.	Joint venture in plantation project	5,000,000	-	5,000,000	-

Notes To The Financial Statements (cont'd)

31 August 2022

24. Significant related party disclosures (Cont'd)

24.2 Related party balances

Individually significant outstanding balances arising from transactions (other than normal trade transactions) are as follows:

		Group	
	Type of transactions	2022 RM	2021 RM
Financial assets			
With a non-independent non-executive director			
Lye Jun Fei	Advances	156,650	-
		Company	
	Type of transactions	2022 RM	2021 RM
Financial assets			
With subsidiaries			
Acorn Properties Sdn. Bhd.	Advances	13,360,095	13,394,499
Photon Technologies (Malaysia) Sdn. Bhd.	Advances	24,834,462	24,834,462
	Allowance for expected credit losses	(24,834,462)	(24,834,462)
		-	-
With a non-independent non-executive director			
Lye Jun Fei	Advances	156,650	-
Financial liabilities			
With subsidiaries			
Acorn Properties Sdn. Bhd.	Lease liabilities	728,548	840,227
Markmas Pak-Print Sdn. Bhd.	Advances	5,215,668	5,222,763

Notes To The Financial Statements (cont'd)

31 August 2022

24. Significant related party disclosures (Cont'd)

24.3 Compensation of key management personnel

The key management personnel comprises mainly executive directors of the Company whose remuneration is disclosed in Note 5.

25. Segment information

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. Management monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment.

No reporting segment is presented as the Group and the Company are predominantly involved in the business of manufacturing aluminium foil packaging materials.

Revenue from transactions with major customers that individually accounted for 10 percent or more of the Group's revenue are summarised below:

	2022 RM	2021 RM
Customer A	41,496,532	31,976,495

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on geographical location of the assets.

2022 Geographical information	Revenue RM	Group Non-current assets RM
Philippines	21,481,944	-
Indonesia	12,166,305	-
Korea	4,284,520	-
Russia	3,399,112	-
Thailand	676,158	-
Malaysia	704,753	48,280,998
Others	3,782,785	-
	46,495,577	48,280,998

Notes To The Financial Statements (cont'd)

31 August 2022

25. Segment information (Cont'd)

2021 Geographical information	Revenue RM	Group Non-current assets RM
Philippines	16,172,926	-
Indonesia	11,342,464	-
Pakistan	1,437,096	-
Korea	2,708,862	-
Thailand	3,202,368	-
Malaysia	622,218	51,805,537
Others	2,013,369	-
	37,499,303	51,805,537

Non current assets information presented above consist of property, plant and equipment as presented in the statements of financial position.

26. Financial instruments and financial risks management

26.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets				
Fair value through profit and loss				
- other financial assets	37,935,320	46,855,795	37,935,320	46,855,795
Amortised costs				
- trade and other receivables	20,279,784	10,810,852	33,623,929	24,189,401
- cash and bank balances	5,304,326	6,724,450	5,303,217	6,723,295
	63,519,430	64,391,097	76,862,466	77,768,491

Notes To The Financial Statements (cont'd)

31 August 2022

26. Financial instruments and financial risks management (Cont'd)

26.1 Categories of financial instruments (Cont'd)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial liabilities				
Amortised cost				
- lease liabilities (fixed rate)	-	31,877	728,548	872,104
- trade and other payables	12,992,088	7,981,969	18,144,391	13,128,745
	12,992,088	8,013,846	18,872,939	14,000,849

26.2 Financial risk management policies and objectives

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities. The Group finances its operations by equity and keeping committed credit lines available.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Notes To The Financial Statements (cont'd)

31 August 2022

26. Financial instruments and financial risks management (Cont'd)

26.2 Financial risk management policies and objectives (Cont'd)

Company	Carrying amount RM	Contractual cash flows (including interest payments)					More than 5 Years RM
		Total RM	On demand or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM		
2022							
Non interest bearing debts	12,992,088	12,992,088	12,992,088	-	-	-	-
2021							
Non interest bearing debts	7,981,969	7,981,969	7,981,969	-	-	-	-
Interest bearing debts	31,877	32,593	32,593	-	-	-	-
	8,013,846	8,014,562	8,014,562	-	-	-	-

Notes To The Financial Statements (cont'd)

31 August 2022

26. Financial instruments and financial risks management (Cont'd)

26.2 Financial risk management policies and objectives (Cont'd)

Company 2022	Carrying amount RM	Contractual cash flows (including interest payments)					More than 5 Years RM
		Total RM	On demand or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM		
Non interest bearing debts	18,144,391	18,144,391	18,144,391	-	-	-	
Interest bearing debts	728,548	900,000	180,000	180,000	540,000	-	
	18,872,939	19,044,391	18,324,391	180,000	540,000	-	
2021							
Non interest bearing debts	13,128,745	13,128,745	13,128,745	-	-	-	
Interest bearing debts	872,104	1,112,593	212,593	180,000	540,000	180,000	
	14,000,849	14,241,338	13,341,338	180,000	540,000	180,000	

Notes To The Financial Statements (cont'd)

31 August 2022

26. Financial instruments and financial risks management (Cont'd)

26.2 Financial risk management policies and objectives (Cont'd)

Foreign exchange risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company transacts business in various currencies, and therefore is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities at the end of reporting period are disclosed in respective notes.

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of the Group and the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted at the reporting period end for a 10% change in foreign currency rates. If the relevant foreign currencies strengthen by 10% against the functional currency of the Group and the Company, loss before tax will decrease by:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
United States Dollar	1,216,000	954,000	1,217,000	955,000

The opposite applies if the relevant foreign currencies weaken by 10% against the functional currency of the Group and the Company.

Notes To The Financial Statements (cont'd)

31 August 2022

26. Financial instruments and financial risks management (Cont'd)

26.2 Financial risk management policies and objectives (Cont'd)

Credit risk management

The Group's and the Company's credit risk is primarily attributable to its trade and other receivables and other financial assets. The Group and the Company minimises credit risk by dealing exclusively with high credit worthy counterparties. At reporting date, there were no significant concentrations of credit risk other than as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Quoted money market funds with one financial institution (2021: One)	37,935,320	46,855,795	37,935,320	46,855,795
Amount due from a subsidiary	-	-	13,360,095	13,394,499
	37,935,320	46,855,795	51,295,415	60,250,294

Management believes that the sound financial standing of the financial institution and of its subsidiary substantially mitigates Group's and the Company's exposure to credit risk.

Notes To The Financial Statements (cont'd)

31 August 2022

26. Financial instruments and financial risks management (Cont'd)

26.2 Financial risk management policies and objectives (Cont'd)

The Group's and the Company credit risk grading framework for expected credit losses ("ECL") model is as follows:

Category	Definition	Basis for recognition of ECL
Performing	The debtor has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
Default	Amount is > 90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery or the debtor is two years past due.	Amount is written off

i) Trade receivables

For trade receivables, the Group and the Company has applied the simplified approach to measure the loss allowance at lifetime expected credit losses. In determining the ECL of trade receivables, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Notes To The Financial Statements (cont'd)

31 August 2022

26. Financial instruments and financial risks management (Cont'd)

26.2 Financial risk management policies and objectives (Cont'd)

ii) Other receivables

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. The loss allowance for the amount due from subsidiaries of RM24,834,462 is measured at an amount equal to the lifetime ECL as there has been a significant increase in credit risk since initial recognition. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

iii) Other investments and cash and bank balances

The other investments and cash and bank balances are held with reputable financial institutions with high credit ratings and no history of default. Impairment on cash and bank balances has been measured on a 12-month ECL and reflects the short term maturities of the exposures. The Group and the Company considers that its cash and bank balances have low credit risk based on the external credit ratings of the financial institutions. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

None of the receivables that have been written off is subject to enforcement activities.

Notes To The Financial Statements (cont'd)

31 August 2022

27. Capital structure and capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while providing an adequate return to stakeholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the statements of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity and reserves that are managed as capital.

During the reporting period ended 31 August 2022, the Group's and the Company's strategy were unchanged from 31 August 2021 which is to maintain the debt-to-adjusted capital ratio at a level deemed appropriate considering business, economic and investment conditions. The debt-to-adjusted capital ratios at 31 August 2022 and 31 August 2021 were as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Total debts	-	31,877	728,548	872,104
Less: Cash and bank balances	(5,304,326)	(6,724,450)	(5,303,217)	(6,723,295)
Net cash	(5,304,326)	(6,692,573)	(4,574,669)	(5,851,191)
<hr/>				
Total equity/Adjusted capital	111,320,151	113,859,779	107,205,269	109,693,883
<hr/>				
Debt-to-adjusted capital ratio (times)	N/A	N/A	N/A	N/A
<hr/>				

Notes To The Financial Statements (cont'd)

31 August 2022

28. Fair value measurements

28.1 Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

28.2 Assets carried at fair value

The following table provides an analysis of each class of assets measured at fair value at the end of the reporting period:

Group and Company	2022			
	Fair value measurements at the end of the reporting period using			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
Recurring fair value measurements				
Financial assets				
Other financial assets				
- Quoted money market funds in Malaysia	37,935,320	-	-	37,935,320

Notes To The Financial Statements (cont'd)

31 August 2022

28. Fair value measurements (Cont'd)

28.2 Assets carried at fair value (Cont'd)

Group and Company	2021			
	Fair value measurements at the end of the reporting period using			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
<hr/>				
Recurring fair value measurements				
Financial assets:				
Other financial assets				
- Quoted money market funds in Malaysia	46,855,795	-	-	46,855,795

There were no transfers between these levels of fair values in the current and previous reporting period.

28.3 Financial assets and financial liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and bank balances, receivables and payables, approximate their respective fair values due to the respectively short-term maturity of these financial instruments.

The fair values of the Group's and Company's lease liabilities approximate their carrying amount as these instruments were initially recognised with interest rates which are reasonable approximation of the market interest rates on or near reporting date.

The fair values of financial assets and financial liabilities are determined with standard terms and conditions.

Shareholders' Information / Analysis Of Shareholdings

Number of Issued Shares : 205,330,894 Ordinary Shares (inclusive of 500 as Treasury Shares)

Class of shares : Ordinary shares

Voting rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 9 DECEMBER 2022

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	150	5.03	6,244	0.00
100 – 1,000	173	5.80	60,695	0.03
1,001 – 10,000	1,335	44.77	5,959,605	2.90
10,001 – 100,000	1,173	39.34	38,707,204	18.85
100,001 – 10,266,518*	149	5.00	82,568,050	40.21
10,266,519 and above **	2	0.06	78,028,596	38.00
Total	2,982	100.00	205,330,394	99.99

Notes:

* Less than 5% of issued holdings

** 5% and above of issued holdings

DIRECTORS' SHAREHOLDINGS AS AT 9 DECEMBER 2022

No.	Name	Direct interest		Deemed interest	
		No. of Shares	%	No. of Shares	%
1.	Nik Mustapha Bin Muhamad	-	-	-	-
2.	Yap Kok Eng	-	-	-	-
3.	Ong Chooi Lee	-	-	-	-
4.	Lye Jun Fei	10,400,000	5.07	-	-
5.	Ng Kok Wah	-	-	-	-

SUBSTANTIAL SHAREHOLDERS AS AT 9 DECEMBER 2022

No.	Name	Direct interest		Deemed interest	
		No. of Shares	%	No. of Shares	%
1.	WONG SK HOLDINGS SDN BHD	67,628,596	32.94	-	-
2.	DATO' WONG SHEE KAI ⁽ⁱ⁾	-	-	67,628,596	32.94
3.	TEH SEW WAN ⁽ⁱ⁾	-	-	67,628,596	32.94
4.	LYE JUN FEI	10,400,000	5.07	-	-

(i) Deemed interested by virtue of his/her shareholdings in Wong SK Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

Shareholders' Information / Analysis Of Shareholdings

(cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 9 DECEMBER 2022

No.	Shareholders	No. of Shares	% of Issued Share Capital
1	WONG SK HOLDINGS SDN BHD	67,628,596	32.94
2	LYE JUN FEI	10,400,000	5.07
3	MATRIX ANGLE SDN BHD	10,025,000	4.88
4	TEE YOK POH	8,876,250	4.32
5	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)	8,718,900	4.25
6	SOUTHERN REALTY RESOURCE SDN. BHD.	8,000,000	3.90
7	HK WONG HOLDINGS SDN BHD	3,700,000	1.80
8	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	3,000,000	1.46
9	LIM WUAY CHERN	1,600,000	0.78
10	TAH THEE KUAN	1,564,625	0.76
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR TEH CHONG JIN	1,500,000	0.73
12	TEH SIEW YAN	1,481,000	0.72
13	NG KWEE KUAN	1,270,000	0.62
14	WONG YET LONG	1,261,250	0.61
15	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR TEH SHIOU CHERNG (J D B TUNGGAL BR-CL)	1,000,000	0.49
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR TAN PEK HOOI (KLC/KAF)	880,000	0.43
17	CIMSEC NOMINEES (TEMPATAN) SDN BHD		
	CIMB FOR TEO AH SENG (PB)	748,875	0.43
18	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR LEE LI SEE (SOLARIS-CL)	671,200	0.33
19	LAU KIM WAH	667,800	0.33
20	LIM SAY HAN	599,000	0.29
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR NG LIM DIING (PENANG-CL)	584,900	0.28
22	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR LEE HENG CHOON (MY1672)	573,375	0.28
23	ON THIAM CHAI 519,300	0.25	
24	CHIN CHIN SEONG	500,000	0.24
25	CHONG TECK SENG	487,500	0.24
26	TOH SU-N 475,000	0.23	
27	CHAN SIEW KUEN	450,000	0.22
28	CIMSEC NOMINEES (TEMPATAN) SDN BHD		
	CIMB FOR LEE SOI GEK (PB)	437,500	0.21
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR YEOH JOEY KENG (E-TSA)	436,050	0.21
30	TA NOMINEES (TEMPATAN) SDN BHD		
	PLEDGED SECURITIES ACCOUNT FOR CHU YEE LIM	435,475	0.21

List Of Properties

The list of properties held by the Group as at 31 August 2021 is set out as follows:

Location	Description Of Land	Existing Use	Land Area (Sq. ft.)	Tenure/ Lease Period	Net Book Value (RM'000)	Approximate Age Of Building (Years)	Date Of Last Revaluation
No. 23, Jalan Delima 1/3, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia.	Industrial Land	Office Cum Factory Building	56,555	Freehold	8,685	30	3 January 2013
No. 20, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia.	Industrial Land	Factory Building	80,482	Freehold	14,902	26	3 January 2013

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting ("35th AGM") of the Company will be conducted on a fully virtual basis via live streaming from the broadcast venue at Board Meeting Room at Bright Packaging Industry Berhad of No. 23, Jalan Delima 1/3, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia on Tuesday, 31st January 2023 at 9.00 a.m. to transact the following businesses:



A G E N D A

As Ordinary Business

- | | | |
|----|--|--------------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 August 2022 and the Reports of Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. | To re-elect Mr. Ong Chooi Lee who is retiring as a Director in accordance with Article 131 of the Company's Constitution. | Ordinary Resolution 1 |
| 3. | To re-elect Mr. Ng Kok Wah who is retiring as a Director in accordance with Article 131 of the Company's Constitution. | Ordinary Resolution 2 |
| 4. | To approve the payment of Directors' fees of up to RM212,400 and Directors' benefits of up to RM12,000 from 1 February 2023 to next Annual General Meeting of the Company. | Ordinary Resolution 3 |

As Special Business

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

- | | | |
|----|---|-----------------------|
| 5. | AUTHORITY TO ISSUE SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS

"THAT subject always to the Companies Act 2016 ("the Act"), Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 and Section 76 of the Act to issue not more than ten per centum (10%) of the total number of issued shares of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof. | Ordinary Resolution 4 |
|----|---|-----------------------|

Notice Of Annual General Meeting (cont'd)

AND FURTHER THAT pursuant to Section 85 of the Act read together with Rule 76.1 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Act; AND THAT the Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.”

6. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

Ordinary Resolution 5

“THAT subject always to compliance with the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) or any other regulatory authorities and all other applicable rules, regulations, guidelines or approval for the time being in force or as may be amended from time to time, the Directors be and are hereby authorised to make purchases of ordinary shares in the Company’s issued share capital as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings of the Company at the time of the said purchase(s); and
- (iii) the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and shall continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

Notice Of Annual General Meeting (cont'd)

- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier;

AND THAT upon completion of the purchase by the Company of its own shares, the Directors be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (i) cancel all or part of the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder;

and in any other manner as prescribed by the Act, rules and regulations made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT authority be and is hereby given to the Directors and/or anyone of them to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors in their discretion deem fit and expedient to give effect to the aforesaid purchase(s) contemplated and/or authorised by this Ordinary Resolution.”

7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

Ng Heng Hooi (MAICSA 7048492) (SSM PC No.: 202008002923)
Wong Mee Kiat (MAICSA 7058813) (SSM PC No.: 202008001958)
Secretaries

Kuala Lumpur
28 December 2022

Notice Of Annual General Meeting (cont'd)

Notes:

1. As part of the initiatives to curb the spread of Coronavirus Disease 2019 (COVID-19), the 35th AGM will be conducted on a virtual basis entirely through live streaming and online remote voting which are available on <https://vps.megacorp.com.my/HodquP>. Please follow the procedures provided in the Administrative Guide of 35th AGM in order to register, participate and vote remotely.
2. The Broadcast Venue of the 35th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be at the main venue of the meeting. No shareholders/proxies from the public should be physically present at the Broadcast Venue on the day of the 35th AGM.
3. Members may submit questions to the Board of Directors prior to the 35th AGM to shaun@brightpack.net no later than 9.00 a.m. on Sunday, 29 January 2023 or to use the Question and Answer platform to transmit questions to Board of Directors during live streaming.
4. Since the 35th AGM will be conducted via a virtual meeting, a member entitled to attend and vote at the meeting may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
5. For the purpose of determining who shall be entitled to attend this 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 17 January 2023 and only members whose name appear on such Record of Depositors shall be entitled to attend and vote at the meeting.
6. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company.
7. 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 authorised nominee may appoint in respect of each Omnibus Account it holds.
8. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
9. The instrument appointing a proxy shall be deposited at the office of the Poll Administrator office, Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.BPI@megacorp.com.my not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

Notice Of Annual General Meeting (cont'd)

Explanatory Note on Ordinary and Special Business:

1. Item 1 of the Agenda

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Item 4 of the Agenda

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the Directors of the Company will have to be approved by the shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of fees and benefits for the period commencing 1 February 2023 up till the next Annual General Meeting of the Company in 2024. The benefits comprise meeting allowances payable to directors.

3. Item 5 of the Agenda

This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilized and accordingly no proceeds were raised.

The proposed Ordinary Resolution 4, if passed, will authorize the Directors of the Company to issue not more than 10% of the total number of issued shares of the Company subject to the approvals of all relevant governmental/regulatory bodies. This authorization will expire at the conclusion of the next Annual General Meeting of the Company.

The purpose of the renewal mandate is for further possible fund-raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 ("the Act") shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Act and Rule 76.1 of the Constitution of the Company, which will result in a dilution to their shareholding percentage in the Company.

4. Item 6 of the Agenda

The proposed Ordinary Resolution 5, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the total number of issued shares of the Company by utilizing the funds allocated which shall not exceed the total retained earnings of the Company.

The authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Further information on the Proposed Share Buy-Back is set out in the Share Buy-Back Statement dated 28 December 2022.

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BRIGHT PACKAGING INDUSTRY BERHAD
[Registration No.:198701003105 (161776-W)]
(Incorporated in Malaysia)

CDS account no.

No. of shares held

FORM OF PROXY

I/We,
[Full Name in block, NRIC no./company no.]

of
[Address]

being the shareholder(s) of **Bright Packaging Industry Berhad**, hereby appoint:

Full name (in block)	NRIC/Passport no.	Proportion of shareholdings	
		No. of shares	%
Address			
E-mail address		Mobile Nos	

and/or (delete as appropriate)

Full name (in block)	NRIC/Passport no.	Proportion of shareholdings	
		No. of shares	%
Address			
E-mail address		Mobile Nos	

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 Thirty-Fifth Annual General Meeting of the Company to be conducted on a fully virtual basis via live streaming from the broadcast venue at Board Meeting Room at Bright Packaging Industry Berhad of No. 23, Jalan Delima 1/3, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia on Tuesday, 31st January 2023 at 9.00 a.m. or any adjournment thereof, and to vote as indicated below:

Resolution	Agenda	FOR	AGAINST
Ordinary Resolution 1	Re-election of Mr. Ong Chooi Lee		
Ordinary Resolution 2	Re-election of Mr. Ng Kok Wah		
Ordinary Resolution 3	Payment of Directors' Fees and Directors' Benefits from 1 February 2023 until the next Annual General Meeting		
Ordinary Resolution 4	Authority to Issue Shares and Waiver of Pre-Emptive Rights		
Ordinary Resolution 5	Proposed Renewal of Authority for Share Buy-Back		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed on this day of 2023

.....
Signature of Shareholder(s)/Common Seal

Notes:

1. As part of the initiatives to curb the spread of Coronavirus Disease 2019 (COVID-19), the 35th AGM will be conducted on a virtual basis entirely through live streaming and online remote voting which are available on <https://vps.megacorp.com.my/HodquP>. Please follow the procedures provided in the Administrative Guide of 35th AGM in order to register, participate and vote remotely.
2. The Broadcast Venue of the 35th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. No shareholders/proxies from the public should be physically present at the Broadcast Venue on the day of the 35th AGM.
3. Members may submit questions to the Board of Directors prior to the 35th AGM to shaun@brightpack.net no later than 9.00 a.m. on Sunday, 29 January 2023 or to use the Question and Answer platform to transmit questions to Board of Directors during live streaming.
4. Since the 35th AGM will be conducted via a virtual meeting, a member entitled to attend and vote at the meeting may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
5. For the purpose of determining who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 17 January 2023 and only members whose name appear on such Record of Depositors shall be entitled to attend and vote at the meeting.
6. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company.
7. 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 authorised nominee may appoint in respect of each Omnibus Account it holds.
8. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
9. The instrument appointing a proxy shall be deposited at the office of the Poll Administrator office, Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jln Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.BPI@megacorp.com.my not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

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BRIGHT PACKAGING INDUSTRY BERHAD

[Registration No.:198701003105 (161776-W)]

The Poll Administrator
Bright Packing Industries Berhad
c/o Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur.

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BRIGHT PACKAGING INDUSTRY BERHAD

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