

## Chairman 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 2023 ("FY2023").

#### 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 RM61.9 million in FY2023. 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 RM61.9 million in 2023 compared with RM46.5 million in 2022. The increase in revenue for 2023 compared with 2022 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 profit of RM5.4 million and earning per share (EPS) of 2.45 sen for 2023 compared with RM2.5 million of net profit and EPS 1.2 sen for 2022. It was attributable to the higher revenue attained in 2023.

The Group' balance sheet continued to maintain a healthy position with other financial assets and cash and bank balances of RM46.0 million and a positive net working capital of RM68.0 million.

#### 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.

## Chairman Statement (cont'd)

### 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.

### 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*