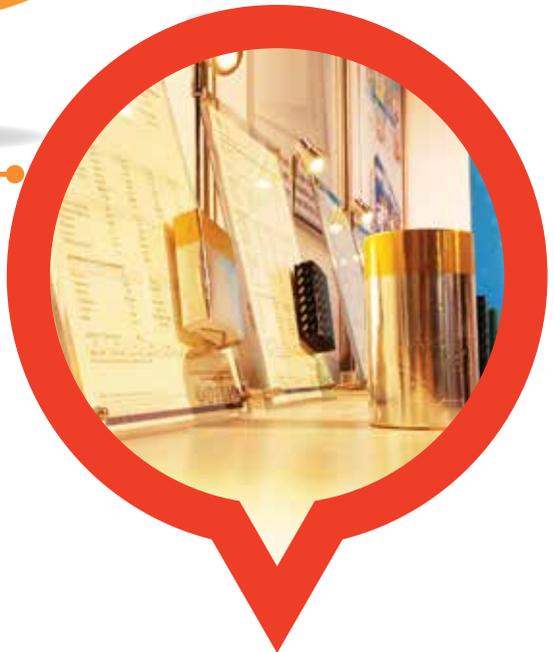




**BRIGHT PACKAGING**  
**INDUSTRY BERHAD** (161776-W)  
Laminating Quality Onto Your Products



ANNUAL REPORT  
**2017**



# CONTENTS

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CORPORATE INFORMATION	2
GROUP CORPORATE STRUCTURE	3
FINANCIAL HIGHLIGHTS	4
CHAIRMAN'S STATEMENT	6
MANAGEMENT DISCUSSION AND ANALYSIS	9
OVERVIEW OF GLOBAL CIGARETTE INDUSTRY	12
BOARD OF DIRECTORS' PROFILE	17
CORPORATE SUSTAINABILITY STATEMENT	20
STATEMENT OF DIRECTORS' RESPONSIBILITIES	21
CORPORATE GOVERNANCE STATEMENT	22
ADDITIONAL COMPLIANCE INFORMATION	39
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL	40
AUDIT COMMITTEE REPORT	43
FINANCIAL STATEMENTS	45
SHAREHOLDERS' INFORMATION/ANALYSIS OF SHAREHOLDINGS	127
LIST OF PROPERTIES	131
NOTICE OF THIRTIETH ANNUAL GENERAL MEETING	133
PROXY FORM	

# Corporate Information

## BOARD OF DIRECTORS

**Nik Mustapha bin Muhamad**

*Executive Deputy Chairman*

**Yap Kok Eng**

*Executive Director*

**Yeong Siew Lee**

*Senior Independent Non-Executive Director*

**Lye Jun Fei**

*Independent Non-Executive Director*

**Tee Wee Keat**

*Independent Non-Executive Director*

## AUDIT COMMITTEE

**Yeong Siew Lee** (*Chairperson*)

**Lye Jun Fei**

**Tee Wee Keat**

## NOMINATION COMMITTEE

**Yeong Siew Lee** (*Chairperson*)

**Lye Jun Fei**

**Tee Wee Keat**

## REMUNERATION COMMITTEE

**Yeong Siew Lee** (*Chairperson*)

**Lye Jun Fei**

**Tee Wee Keat**

## COMPANY SECRETARIES

**Ng Heng Hooi** (*MAICSA 7048492*)

**Wong Mee Kiat** (*MAICSA 7058813*)

**Jane Ong Su Ping** (*MAICSA 7059946*)

## 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

## 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](mailto:admin@brightpack.net)

Website : [www.brightpack.net](http://www.brightpack.net)

## PRINCIPLE BANKER

Affin Bank Berhad

HSBC Bank Malaysia Berhad

RHB Bank Berhad

## SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd

Level 6, Symphony House

Pusat Dagangan Dana 1,

Jalan PJU 1A/46,

47301 Petaling Jaya,

Selangor Darul Ehsan

Tel : (03) 7841 8000

Fax : (03) 7841 8008

## AUDITORS

Messrs UHY (AF 1411)

Chartered Accountants

Suite 11.05, Level 11,

The Gardens South Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Tel : (03) 2279 3088

Fax : (03) 2279 3099

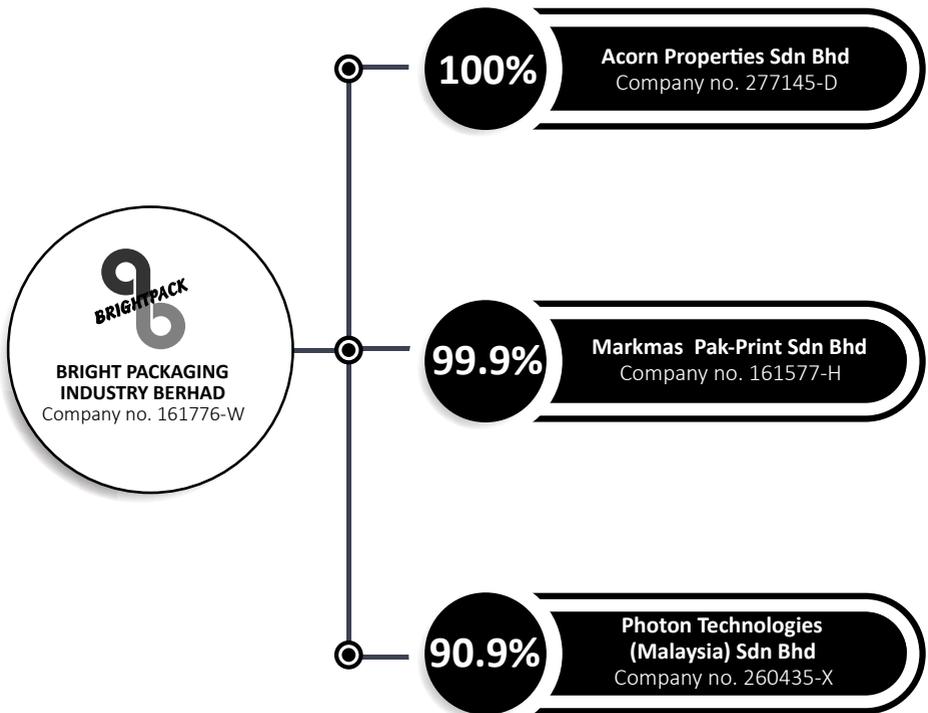
## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

Stock Name : BRIGHT

Stock Code : 9938



# Financial Highlights

## FINANCIAL ANALYSIS

AS AT 31 AUGUST	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000	2017 RM'000
Turnover	52,220	34,151	44,714	62,374	42,190
Profit Before Tax	7,459	2,095	3,458	(300)	(3,589)
Net Profit	6,910	1,647	789	1,821	(2,615)
Pre-tax Profit Margin (%)	14.28	6.13	7.73	(0.48)	(8.51)
Net Profit Margin (%)	13.23	4.82	1.76	2.92	(6.20)
Return on Shareholders' Equity (Sen)	0.15	0.02	0.01	0.01	(0.02)
Return on Total Assets (Sen)	0.13	0.02	0.01	0.01	(0.02)
Earnings Per Share (Sen)					
- Basic	15.96	1.7	0.52	0.89	(1.27)
- Diluted	15.96	1.7	0.52	0.89	(1.27)

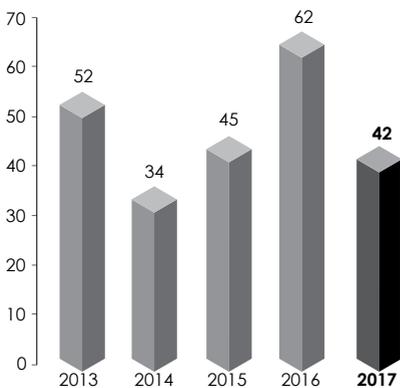
## SUMMARISED GROUP BALANCE SHEETS

AS AT 31 AUGUST	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000	2017 RM'000
Non-Current Assets	26,311	68,391	81,591	74,975	68,545
Current Assets	27,521	40,803	48,952	58,555	59,776
Total Assets	53,832	109,194	103,543	133,530	128,321
Share Capital	21,643	71,420	82,132	82,132	97,717
Retained Earning	19,857	21,504	22,293	24,113	21,498
Shareholders' Equity	46,743	104,788	120,010	121,830	119,215
Non-Controlling Interests	-	-	-	-	-
Total Equity	46,743	104,788	120,010	121,830	119,215
Non-Current Liabilities	2,568	2,993	5,658	3,552	2,695
Current Liabilities	4,521	1,413	4,875	8,148	6,411
Total Liabilities	7,089	4,406	10,533	11,700	9,106
Total Equity and Liabilities	53,832	109,194	130,543	133,530	128,321

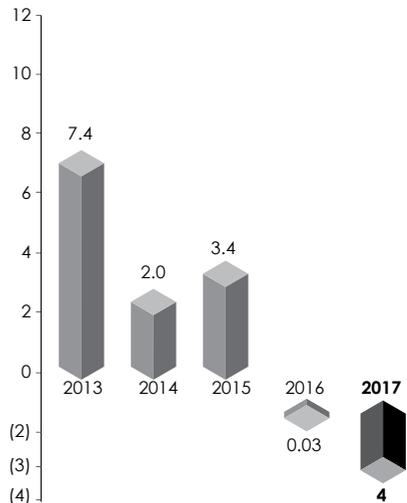
## SUMMARISED GROUP CASH FLOWS

YEAR ENDED 31 AUGUST	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000	2017 RM'000
Net Cash Flows (used in)/From Operating Activities	(4,615)	4,278	4,461	6,745	2,860
Net Cash Flows (used in)/From Investing Activities	(171)	(42,664)	(18,759)	(32)	11
Net Cash Flows From/(used in) Financing Activities	-	54,196	13,246	90	(2)
Net (Decrease)/Increase in Cash and Cash Equivalents	(4,786)	15,810	(1,052)	6,803	2,869
Effect of exchange differences	(69)	(117)	322	(231)	248
Cash and Cash Equivalents at Beginning of Year	19,850	14,995	30,688	29,958	36,530
Cash and Cash Equivalents at End of Year	14,995	30,688	29,958	36,530	39,647

Turnover (RM'million)



Profit before taxation (RM'million)



# Chairman's Statement

## *My Fellow Shareholders,*

On behalf of the Board, it gives me great pleasure to present our Annual Report and Financial Statements for the financial year ended 31st August 2017. I am pleased to report that we continue to execute our plan and strategy in-line with expectations. The Board joins me in my view that our business has great potentials and our earlier efforts to restructure the business has begun yielding results.

### **OVERVIEW**

We have an increasing visibility into our future earnings as clients continue to demonstrate commitment and confidence in our management team.

We continue to benefit from favourable exchange rate for exporters. 'The Company' continues to serve the Asia Pacific market and is expected to benefit significantly from foreign exchange. Our sales are denominated in US dollars which has appreciated against the Ringgit Malaysia in the past few years. The global macroeconomics indicators continue to show signs of dollar strength for 2018 which should bode well for us.

We have moved away from the legacy systems and the management team has invested in bringing 'best in class' management and production capabilities. Our Enterprise Resource Planning programme continues to help streamline production planning and supply chain management.

### **FINANCIALS**

Our revenue for financial year ended 31 August 2017 was RM42.19 million. Loss per share (LPS) for the year were at 1.27 cents as compared to earnings per share at 0.89 cents in year 2016. Our revenue decreased about 32.4% or RM 20.18 million as compared to previous year. The loss after taxation (LAT) for this year is RM2.615 million as compared to previous year profit of RM1.821 million after taxation.

The temporary reduction of our revenue is due to lesser order from our customer and our competitive pricing strategy in the market.

The strategies are gaining traction and we foresee the next financial year the Company is better positioned to increase its margin and its bottom line.

## OUTLOOK

Our tobacco packaging business has earned a reputation for outstanding quality both regionally and globally. Major clients include Philip Morris and its affiliates, and the Group has been their preferred supplier for over 20 years.

In the household goods and beverage segments, we supply Johnnie Walker, Chivas Regal and various affiliates of Diageo, Unilever and Procter & Gamble.

The Group's products are currently exported globally to countries including but not limited to 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 clients' supply chain and product image. 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 clients puts us in a unique position that they both value and trust. The stringent quality control our clients 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 clients, 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 economy recovers and expenditure 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)

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## **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*

## 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, 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)

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## 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.

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.

### 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

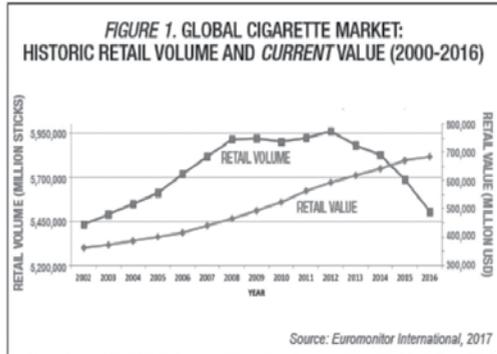
Our foil paper is easily laminated and coated, and our ink/lacquer matching centre provides the ability to create any shade from a set of base colours, allowing us to reduce inventory.

### 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.

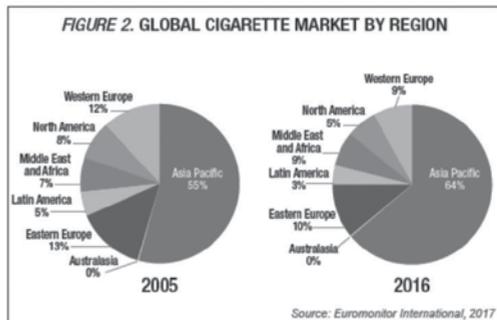
# Overview of Global Cigarette Industry

- Cigarette retail values in 2016 were worth US\$683.4 billion.
- In 2016, over 5.5 trillion cigarettes were sold to more than one billion smokers worldwide.
- Between 2002 and 2016, global cigarette volume sales increased by 1.3% while real retail values increased by 27.6%.
- Industry analysts predict that by 2021 the global cigarette volume will decline by 8.2%, and real value will decline by 1.1%.



**Globally, cigarette consumption is growing in low-and middle-income countries and decreasing in high-income countries.**

- Sales are shifting from developed markets, like those in Western Europe, where smoking prevalence is declining and where tobacco company operations are more restricted by government policies, to emerging markets, like those in Asia and Africa, where tobacco companies take full advantage of lax regulatory environments, growing populations and increasing incomes.

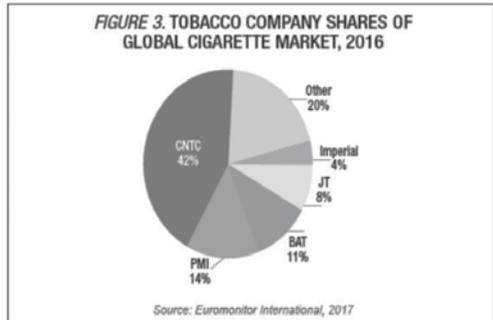


- Between 2005 and 2016, cigarette sales in the Asia Pacific and Middle East and Africa regions have increased while all other regions have experienced declining sales (Figure 2).

# Overview of Global Cigarette Industry (cont'd)

## TRANSNATIONAL TOBACCO COMPANIES

While cigarette sales are expanding to new markets, industry market shares are consolidating, and the market is increasingly controlled by a few international companies. In 2001, a little more than 43% of global market sales were controlled by the five leading transnational tobacco companies (TTC).<sup>5</sup> By 2016, 79.6% of the market was controlled by TTCs.<sup>1</sup> Over the last decade, the international cigarette market has been dominated by five companies, China National Tobacco Corporation, Philip Morris International, British American Tobacco, Japan Tobacco Inc. and Imperial Tobacco (Figure 3).



**China National Tobacco Corporation (CNTC)** is owned and operated by the Chinese government and is the world's single largest producer of cigarettes with 41.5% of the global market.<sup>1</sup> CNTC sells the majority of its product in China; just over 1% of cigarettes produced are exported to other countries.<sup>7</sup> CNTC is increasing efforts to sell heritage brands such as RDG, Dubliss and Harmony internationally.

**Philip Morris International (PMI)** is a publicly traded American company with headquarters in Lausanne, Switzerland.<sup>8</sup> PMI controls an estimated 14.4% of the international cigarette market.<sup>1</sup> Since separating from its parent company, Altria, in 2008, PMI only sells its tobacco products outside of the United States. The company operates in more than 180 markets and sells 6 of the top 15 brands, including Marlboro the world's top selling brand.<sup>8</sup> Cigarette sales in Asia and the launch of IQOS, PMI's "reduced risk product", drive PMI's growth, with the company planning to focus on growing IQOS sales across the globe and capitalize on momentum in markets such as Japan and Italy.

**British American Tobacco (BAT)** is a publicly traded company based in London. BAT operates in over 200 markets, is the third largest producer in the global tobacco market, and controls 11.4% of the international cigarette market.<sup>1,10</sup> Top selling brands include Pall Mall, Rothmans, Kent, Dunhill, and Lucky Strike, and these five brands account for half of all BAT cigarette sales. In 2016, BAT cigarette sales grew strongly in several Eastern European countries, Bangladesh, and Vietnam.<sup>1,10</sup>

**Japan Tobacco, Inc. (JT)** is headquartered in Tokyo and the parent company to Japan Tobacco International (JTI), which is headquartered in Geneva, Switzerland. International tobacco sales account for more than 66% of JT's revenue.<sup>11</sup> With JTI operations in over 120 countries, JT is the fourth largest tobacco company in the world, and controls 8.4% of the global cigarette market.<sup>1,12</sup> The Japanese government holds 33.3% of JT's issued shares.<sup>12</sup> Top brands include Winston, Mervius (formally Mild Seven), Liggett Ducat and Camel. JTI continues to expand its presence in emerging markets, with the largest growth in Brazil, Egypt, Korea, Myanmar, and Philippines.<sup>1,13</sup>

# Overview of Global Cigarette Industry (cont'd)

**Imperial Tobacco Group** is a British company. It is the fifth largest company participating in the global tobacco market and controls 3.9% of the international cigarette market.<sup>1</sup> Imperial operates in more than 160 markets.<sup>14</sup> Key growth markets are in Greece, Italy, Russia, Saudi Arabia and Taiwan.<sup>14</sup> Top brands include Davidoff, West and Gauloises.

## LARGEST CIGARETTE MARKETS: TOBACCO INDUSTRY TARGETS

The five largest cigarette consuming nations—China, Indonesia, Russia, U.S. and Japan—account for 61.4% of the volume of all cigarettes sold in 2016.<sup>1</sup> Two of the ten largest cigarette markets in 2016 were emerging markets, and five are Bloomberg Initiative Priority Countries (Figure 4).

- **China** is the largest cigarette market in the world. The retail value of China's cigarette market in 2016 was US\$206.3 billion.<sup>1</sup> High tar cigarettes dominate the market. However, their sales are decreasing while sales of lower tar cigarettes are increasing.<sup>1</sup> In 2016, the volume sales of cigarettes declined by 5.6% compared to 2015, while real retail value decreased by 5.8%. Since the peak of cigarette volume sales in 2012, the global cigarette market volume has decreased by 7.6%, but the global market declined by more (9.8%) when excluding China's retail volume.

**FIGURE 4. TOP 10 CIGARETTE MARKETS BY VOLUME**

COUNTRY	RETAIL VOLUME, 2016 (BN STICKS)
China	2,350.5
Indonesia*	316.1
Russia	278.4
USA	263.4
Japan	173.9
Turkey	105.5
Egypt	90.0
Bangladesh	86.1
India	84.9
Philippines	79.1

\*excluding hand-rolled kreteks

Source: Euromonitor International, 2017

# Overview of Global Cigarette Industry (cont'd)

## Prospects of our Group

Our Group is principally involved in the manufacturing and printing of aluminium foil packaging materials mainly for the tobacco industry. The breakdown of our segmental revenues for the past four (4) audited FYE 2014 to FYE 2017 is as follows:

	<b>FYE 2014</b>	<b>%</b>	<b>FYE 2015</b>	<b>%</b>	<b>FYE 2016</b>	<b>%</b>	<b>FYE 2017</b>	<b>%</b>
	<b>(RM'000)</b>		<b>(RM'000)</b>		<b>(RM'000)</b>		<b>(RM'000)</b>	
Revenue generated from tobacco industry	33,725	98.75	42,195	94.37	61,984	99.37	41,653	98.73
Revenue generated from non-tobacco industry <sup>(1)</sup>	426	1.25	2,519	5.63	390	0.63	537	1.27
<b>Total revenue</b>	<b>34,151</b>	<b>100</b>	<b>44,714</b>	<b>100</b>	<b>62,374</b>	<b>100</b>	<b>42,190</b>	<b>100</b>

### Note:

<sup>(1)</sup> Revenue generated from non-tobacco industry was mainly from the liquor industry and confectionary industry.

Our Group has been focusing to provide the aluminium foil packaging materials for the tobacco industry in the past one (1) decade as the profit margin generated from the tobacco industry is higher as compared to other industries. In addition, the demand for our products from the tobacco industry is more stable and consistent as compared to the demand from other industries with the increasing number of smokers despite the efforts by the Government to increase health awareness.

Our Group is exposed to the risk inherent in the tobacco industry. In order to mitigate the risk of overly reliance on a single industry, our Group has diversified our customer base in other industries, such as liquor and confectionary industries. Our Group also try to mitigate the risk by international diversification, by entering to various geographical segments.

As at today, our major customer is Philip Morris and its affiliates companies. Our Board is confident and remains positive with the consistent orders from our major customer based on our long term relationship established with them since more than a decade ago and our ability to provide them with value added services such as customising specific printing requirement for the cigarette boxes.

# Overview of Global Cigarette Industry (cont'd)

Our Group envisages the demand for our products will continue to increase in view of the continuous growth in the demand of cigarettes.

The few leading tobacco companies worldwide in 2017, based on net sales, Philip Morris International was the 2nd largest global tobacco company with about 26.7 billion U.S. dollars' worth of sales. Between 2002 and 2016, global cigarette volume sales increased by 1.3% while real retail values increased by 27.6%.

The cigarette sales and consequently tobacco packaging sales are expected to remain strong over the short to medium term as tobacco producers explore innovative product and brand positioning methods to influence consumer purchasing decision in driving the sales of cigarettes through various forms of communication, including choice of packaging materials and design. As such, the aluminium foils which represent the largest percentage of the tobacco packaging segment is expected to growth along with the sales of cigarette and will directly benefit our Group. Our management is optimistic to secure more orders in view of our past experience and track record in the tobacco industry.

Moreover, the Government has been actively promoting the printing and packaging market via the IMP2 and IMP3, which identifies the paper and paper products industry as one of the priority areas for investment and development. During the IMP2 period, the Government has approved capital investments in paper printing and publishing totalled RM19.5 billion (or 7.2% of total approved investments of RM269.7 billion in IMP2), whereby domestic investments accounted for RM11.0 billion and foreign investments accounted for the remaining RM8.5 billion) for a total of 244 projects, reflecting the movement of the paper, printing and publishing industry to a more capital intensive, higher value-added, higher technology and knowledge intensive activities.

In IMP3, the Government targets to grow private investments for the manufacturing and services sector, including the paper and packaging industry, by RM412.2 billion. In improving the competitiveness and enhancing capabilities and capacities of Malaysian-owned companies, the Government has introduced the following 11 strategic thrusts: upgrading the capacities and innovative capabilities of Malaysian-owned companies; enhancing value creation through human capital development; facilitating the development and application of knowledge-intensive technologies; developing and promoting standards and encouraging standards conformance; encouraging small medium enterprises to strive towards becoming larger and more competitive entities; encouraging strategic alliances among Malaysian-owned companies; integrating Malaysian-owned companies into the regional and global network of production, trade, investments and services; promoting outward investments; creating a more conducive environment for the development of domestic capabilities; strengthening the role of private sector institutions, including trade and industry associations, and chamber of commerce; and nurturing exemplary corporate social responsibility. Through these plans, the Government continuously promotes self-sufficiency, reduction of imports and attracting foreign capital inflow to the paper and paperboard industry.

Premised on the above, our Board is of the opinion that the prospects of our Group are expected to be positive in the future. Moving forward, our Group will continue to focus in our core business in the manufacturing and printing of aluminium foil packaging materials.

## **NIK MUSTAPHA BIN MUHAMAD**

*Executive Deputy Chairman*

---

Encik Nik Mustapha Bin Muhamad, Malaysian, male, aged 73, was appointed to the Board on 2 July 2001 as an Independent Non-Executive Director of the Company. His position was redesignated as Chairman on 30 April 2009 and subsequently redesignated as an Executive Deputy Chairman on 28 February 2014.

He graduated with a Bachelor of Economics (Hons) from University Malaya, and 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. He does not hold any other directorship in other public companies and listed issuers.

With his extensive exposure and work knowledge in various industries, he brings on board a great wealth of experience in formulating strategies and developing business plans for the Company to pursue sustainable growth and to enhance shareholders' value.

He attended all four (4) Board of Directors' Meetings of the Company held during the financial year ended 31 August 2017.

## **YAP KOK ENG**

*Executive Director*

---

Mr. Yap Kok Eng, Malaysian, male, aged 48, was appointed as an Executive Director on 11 March 2014.

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

Mr Yap 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 16 years working in the Company and extensive exposure in the tobacco/package industry, he is instrumental to formulating the marketing strategies and the organic growth of the Company. He does not hold any other directorship in other public companies and listed issuers.

He attended all four (4) Board of Directors' Meetings of the Company held during the financial year ended 31 August 2017.

# Board of Directors' Profile (cont'd)

## **YEONG SIEW LEE**

*Senior Independent Non-Executive Director*

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Ms. Yeong Siew Lee, Malaysian, female, aged 40, was appointed as an Independent Non-Executive Director on 11 October 2013. On 10 April 2017, she was redesignated as Senior Independent Non-Executive Director.

She graduated with a Bachelor of Science (Hons) degree in Accounting and Finance from University of Wales College, Newport, United Kingdom and is a member of the Association of Chartered Certified Accountants, United Kingdom.

She is a Chartered Accountant and is currently a member of the Malaysian Institute of Accountants (MIA). She began her career with GHL Systems Berhad ("GHL"), a company listed on the Main Market of Bursa Malaysia Securities Berhad, as an Assistant Accountant in 2003 and moved up the ranks and became Head/Assistant General Manager of Finance in 2008 to supervise the company's local and overseas accounting teams. She left GHL in August 2009 to venture into business in the consumer industry. She is currently an Independent Non-Executive Director of Asia Media Group Berhad and Sersol Berhad.

She is the Chairperson of Audit Committee, Nomination Committee, Remuneration Committee, and Option Committee of the Company. She attended all four (4) Board of Directors' Meetings of the Company held during the financial year ended 31 August 2017.

## **LYE JUN FEI**

*Independent Non-Executive Director*

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Mr. Lye Jun Fei, Malaysian, male, aged 37, was appointed as Independent Non-Executive Director on 21 February 2013.

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

Mr. Lye 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 firm-wide 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. He does not hold any other directorship in other public companies and listed issuers.

He is a member of Audit Committee, Nomination Committee, Remuneration Committee and Option Committee of the Company. He attended all four (4) Board of Directors' Meetings of the Company held during the financial year ended 31 August 2017.

### **TEE WEE KEAT**

*Independent Non-Executive Director*

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Mr. Tee Wee Keat, Malaysian, male, aged 37, was appointed as an Independent Non-Executive Director on 21 February 2013.

He graduated with a Bachelor of Business Marketing, LaTrobe University, Australia.

Mr. Tee began his career in 2004 as a Key Account Executive working within the distribution chain of FMCG (Fast Moving Consumer Goods) and had broad oversight servicing all Hypermarkets in Malaysia. In 2006, he joined Jasa Kita Trading (M) Berhad as a Marketing and Sales Executive where he was responsible for the distribution of Japanese Brand – Makita Power Tools, serving machinery dealers in Kuala Lumpur and the East Coast of Malaysia. He does not hold any other directorship in other public companies and listed issuers.

He is a member of Audit Committee, Nomination Committee, Remuneration Committee and Option Committee of the Company. He attended all four (4) Board of Directors' Meetings of the Company held during the financial year ended 31 August 2017.

### **YAP KOK ENG**

*Executive Director*

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The profile of Mr. Yap Kok Eng is listed under Board of Directors' Profile on page 17 of this Annual Report.

#### **Notes:**

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

# Corporate Sustainability Statement

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## Our Commitment

We perceived corporate sustainability as our commitment to create long term value for our shareholders, environment and society through innovation and overall operational Excellency.

We understand our choices today have an impact on our customers and suppliers and the success of their businesses in the future. Our business imperative is to carry out our activities responsibly and with integrity. Our people are expected to behave in an honest and ethical manner in accordance with our policies, business rules and guidelines.

## Our Corporate Sustainability Commitment

Within this context we have defined our commitment to Corporate Sustainability across five impact areas:

1. We will be a good employer, treating our people fairly and with respect, and valuing their diversity. We are committed to creating a workplace that makes people want to join, stay and enables them to work to their full potential. Our commitment to the safety and wellbeing of our people is a priority;
2. We will deliver to our customers what we have promised; we will listen to them and involve them in our solutions and innovations;
3. We will work with our suppliers to develop long term partnerships based on best practice procurement methods which reflect mutually agreeable codes of conduct and respect basic human rights;
4. We will consider the impacts of our business on the communities in which we operate, and we will engage with our community stakeholders. We will find opportunities to use our capabilities to add value to communities where they need it; and
5. We will help to protect the environment by better understanding, managing and measuring our environmental impacts while continuing the sustainable growth of our operations. Further, we will review our environmental practices to ensure their continued relevance.

## Moving Forward

We are committed to promote good corporate governance standards and building sustainability.

# Statement of Directors' Responsibilities

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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 2017.

# Corporate Governance Statement

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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 promotion and maintaining good standards of corporate governance practices in line with the Malaysia Code on Corporate Governance 2012 (“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 and the extent of compliance with the recommendations of the Code throughout the financial year ended 31 August 2017.

The Board took cognizance of the new Malaysian Code on Corporate Governance published in April 2017 (“MCCG 2017”) which is applicable to Annual Report published from 2018 onwards.

## **PRINCIPLE 1 : ESTABLISH CLEAR ROLES AND RESPONSIBILITIES**

### **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 Memorandum and Articles of Association, 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.

# Corporate Governance Statement (cont'd)

## 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.

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 Committee (please refer to the Report on Audit Committee set out on page 43 to page 44), Nomination and Remuneration Committee. The terms of reference of Board Committees detailing the responsibilities of each Committee and how they exercise their authority. 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.

## Ethical Standards and Code of Conduct

The Board has in place a Code of Conduct for the Directors and employees. The Code of Conduct includes amongst others the respect for the individual, create a culture of open and honest communication, set tone at the top, uphold the law, avoids conflicts of interest, set metrics and reports results accurately.

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.

The Code of Conduct is reviewed periodically by the Board and revised as and when appropriate.

## Strategies Promoting Sustainability

The Group's approach to governance is to drive business revenues and profits and manage risk prudently in order to deliver long-term profitability and provide value to shareholders on a sustainable basis. This approach includes meeting expectations of stakeholders such as customers, shareholders, regulators, bankers, strategic business partners and the communities in which the Group operates.

# Corporate Governance Statement (cont'd)

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The Board and management view its commitment to Business Sustainability and Environmental, Social and Governance (ESG) objectives as part of its responsibility to its stakeholders and the communities in which it operates. The Group is committed to the implementation of safe work practices and aims to provide an injury free workplace for all its employees.

Bright Group is committed to the continuous efforts in maintaining a delicate balance between its sustainability agenda and the shareholders' interest.

The details of the sustainability efforts are set out in the Corporate Sustainability Statement in this Annual Report.

## **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.

## **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

## **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.

## PRINCIPLE 2 : STRENGTHEN 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 three (3) 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. The profile of each Director is set out under the Board of Directors' profile in this Annual Report.

### Re-Appointment & Re-Election of Directors

In accordance with the Articles of Association of the Company (Articles), Directors newly appointed during the year must offer themselves to the shareholders for re-election at the first Annual General Meeting ("AGM") following their appointment and one-third of Directors are subject to retirement by rotation at every AGM but shall be eligible for re-election. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-election.

At this forthcoming AGM, the two Directors who will be retiring by rotation are Tee Wee Keat and Yap Kok Eng. All of them being eligible, offered themselves for re-election.

### Nomination Committee

The Nomination Committee 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 current Nomination Committee comprises entirely of Independent Non-Executive Directors.

The following are the Members of the Nomination Committee:

Name	Designation	Directorship
Yeong Siew Lee	Chairperson	Senior Independent Non-Executive Director
Tee Wee Keat	Member	Independent Non-Executive Director
Lye Jun Fei	Member	Independent Non-Executive Director

## Corporate Governance Statement (cont'd)

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The Board has stipulated specific Terms of Reference for the Nomination Committee, 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.

For the financial year ended 31 August 2017, the Nomination Committee met once and carried out the following key activities:

- Reviewed and recommended the re-election of Members of the Board at the AGM for Shareholders' approval, pursuant to the Articles of Association of the Company;
- Reviewed the annual assessment of the required mix of skills and experience of the individual Board Members and the Board committees;
- Assessed the annual effectiveness of the Board as a whole, the committees of the Board, the contribution of each individual director, including independent non-executive directors and chief executive officer; and
- Review the Terms of Reference of the Nomination Committee.

The following salient points would be taken into consideration pertaining to recruitment of Directors and annual assessment:

- Required mix of skills, experience, independence and diversity, including gender, where appropriate;
- Character, knowledge, expertise, professionalism, integrity, competence and time availability; and
- The Independent Directors' abilities to discharge such responsibilities/functions as expected from the Independent Directors.

## Corporate Governance Statement (cont'd)

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. Currently, our Board members comprise of one female director.

### Remuneration Committee

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

The current Remuneration Committee comprises entirely of Independent Non-Executive Directors. The following are the Members of the Remuneration Committee:

Name	Designation	Directorship
Yeong Siew Lee	Chairperson	Senior Independent Non-Executive Director
Tee Wee Keat	Member	Independent Non-Executive Director
Lye Jun Fei	Member	Independent Non-Executive Director

For the financial year ended 31 August 2017, the Remuneration Committee met once to review and recommend the Executive Directors' remuneration packages and Directors' fees in FYE 2017. 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 respectively.

## Corporate Governance Statement (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

CATEGORY	FEE (RM)	SALARIES & OTHER EMOLUMENTS (RM)
EXECUTIVE DIRECTORS	36,000	239,233
NON-EXECUTIVE DIRECTORS	105,900	75,800
	141,900	315,033

### Group

CATEGORY	FEE (RM)	SALARIES & OTHER EMOLUMENTS (RM)
EXECUTIVE DIRECTORS	36,000	239,233
NON-EXECUTIVE DIRECTORS	105,900	75,800
	141,900	315,033

RANGE OF REMUNERATION	NUMBER OF DIRECTORS	
	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
Below RM50,000	1	3
RM50,001 – RM100,000	-	1
RM100,001 – RM300,000	1	-

### Note:

The Board is of the view that the transparency and accountability aspect of the corporate governance on Directors' remuneration are appropriately served by the band disclosure made.

The Board recommends the Directors' fees and other emoluments payable for the financial year ended 31 August 2017 which are subject to the shareholders' approval at the forthcoming AGM.

# Corporate Governance Statement (cont'd)

## Options Committee

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

The current Options Committee comprises entirely of Independent Non-Executive Directors. The following are the Members of the Options Committee:

Name	Designation	Directorship
Yeong Siew Lee	Chairperson	Senior Independent Non-Executive Director
Tee Wee Keat	Member	Independent Non-Executive Director
Lye Jun Fei	Member	Independent Non-Executive Director

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 2017.

# Corporate Governance Statement (cont'd)

## **PRINCIPLE 3 : REINFORCE INDEPENDENCE OF THE BOARD**

The roles of the Chairman and Executive Director are distinct and separate with individual responsibilities.

The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. As the Executive Director, he implements the Group's strategies, policies and decision adopted by the Board and oversees the operations and business development of the Group.

The Independent Non-Executive Directors bring independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

During the financial year under review, the Board assessed the independence of its Independent Non-Executive Directors based on criteria set out in the Main Market Listing Requirements of Bursa Securities. The Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Director. However, an Independent Director may continue to serve on the Board upon reaching the nine year limit subject to the Independent Director's redesignation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Board is required to assess the candidate's suitability to continue as an Independent Director based on the criteria on independence as adopted by the Board.

## **PRINCIPLE 4 : FOSTER COMMITMENT**

The Board and Board committees have regular pre-scheduled meetings annually. As the meeting dates for the upcoming meeting are decided in advance by the Board, members of the Board are aware of the commitments with respect to time that each has to commit as a member of the Board and each committee.

Details of attendance of Board and Board Committee meetings are set out on page 34.

The Company encourages it's for all Directors to attend relevant training programmes to keep themselves abreast with the relevant changes in laws, regulations and the business development and enhance their professionalism in discharging their fiduciary duties to the Company in compliance with paragraph 15.08 of the Main Market Listing Requirements of the Bursa Securities.

Details of the trainings attended by the Directors during the financial year are set out on page 34 and 35.

## PRINCIPLE 5 : UPHOLD INTEGRITY IN FINANCIAL REPORTING

It is Board's commitment to present a balanced and meaningful assessment of the Group's financial performance prospects at the end of each reporting period and financial period, primarily through the quarterly announcement of results to Bursa Securities, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

To assist in its discharge of its duties on financial reporting, the Board has established an Audit Committee, comprising exclusively Independent Non-Executive Directors, with Yeong Siew Lee as the Committee Chairperson. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report section of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act 2016. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has adopted a policy for the types of non-audit services permitted to be provided by the external auditors, including the need for the Audit Committee's approval in writing before such services can be provided by the external auditors. To address the "self-review" that faced by the external audit firm, the procedures included in the policy require the engagement team conducting the non-audit services to be different from the external audit team.

In assessing the independence of external auditors, the Audit Committee requires written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set out by relevant professional and regulatory bodies.

# Corporate Governance Statement (cont'd)

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## **PRINCIPLE 6 : RECOGNISE AND MANAGE RISKS**

### **Sound risk management framework**

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 risks), 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.

Information on internal control of Bright Group is detailed in the Statement on Risk Management and Internal Control set out on pages 40 to 42.

### **Internal audit function reporting to the Audit Committee**

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 Audit Committee. The Internal Auditor reports to the Audit Committee which oversees the Group's risk management policy.

## **PRINCIPLE 7 : ENSURE TIMELY AND HIGH QUALITY DISCLOSURE**

### **Appropriate corporate disclosure policies and procedures**

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.

## **Using information technology for effective dissemination**

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

## **PRINCIPLE 8 : STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS**

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](http://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](mailto:admin@brightpack.net) to which shareholders can direct their queries or concerns.

## **Encourage Shareholder Participation at General Meetings**

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders. The Group makes every effort to encourage maximum participation of shareholder at the AGM and Extraordinary General Meetings. Notice of the AGM and Annual Report are sent out to shareholders at least 21 days before the date of meeting.

## **Poll Voting**

Pursuant to the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of general meeting is voted by poll. All resolutions set out in the notice of AGM will be voted by way of poll.

# Corporate Governance Statement (cont'd)

## 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 2017.

Name of Director	Designation	No. of Meetings attended	%
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee*	Independent Non-Executive Chairman	0/2	0
Nik Mustapha Bin Muhamad	Executive Deputy Chairman	4/4	100
Yap Kok Eng	Executive Director	4/4	100
Lye Jun Fei	Independent Non-Executive Director	4/4	100
Tee Wee Keat	Independent Non-Executive Director	4/4	100
Yeong Siew Lee	Senior Independent Non-Executive Director	4/4	100

\*resigned on 6 April 2017.

### Board of Committee Meetings

Name of Director	Audit Committee	Nomination Committee	Remuneration Committee
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee*	0/2	0/1	0/1
Lye Jun Fei	4/4	1/1	1/1
Tee Wee Keat	4/4	1/1	1/1
Yeong Siew Lee	4/4	1/1	1/1

\*resigned on 6 April 2017.

### 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"><li>Briefing on Companies Act 2016</li><li>Briefing on Malaysian Code on Corporate Governance 2017</li></ul>

# Corporate Governance Statement (cont'd)

## Directors

## Seminar / Trainings

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Yap Kok Eng

- Briefing on Companies Act 2016
- Briefing on Malaysian Code on Corporate Governance 2017

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Lye Jun Fei

- Briefing on Companies Act 2016
- Briefing on Malaysian Code on Corporate Governance 2017

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Tee Wee Keat

- Briefing on Companies Act 2016
- Briefing on Malaysian Code on Corporate Governance 2017

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Yeong Siew Lee

- 2018 Budget Seminar
  - MIRA Annual Conference 2017
- 

## Whistleblowing Policy

### Objectives

BRIGHT PACKAGING INDUSTRY BHD and its group of companies (“the Group”), are committed to achieving the highest standards of integrity from all its employees and vendors. The Group takes a serious view of any wrongdoing on the part of its employees, management, directors and vendors or any other stakeholders who are involved with or in the Group.

This policy establishes the Group’s position in encouraging employees or other stakeholders to raise genuine concerns about possible improprieties in matters relating to financial reporting, compliance and other malpractices or misconduct that may have occurred. The Whistle-blowing channels are established to help employees or other stakeholders raise concerns, without fear of reprisals or retaliations.

The Group expects all parties to always act in good faith and have reasonable grounds when reporting a Whistle-blowing complaint: However, malicious and false allegations by a whistle blower will be viewed seriously and treated as a gross misconduct and if proven may lead to dismissal.

The identity of parties reporting a Whistle-blowing complaint will be kept confidential. However, their consent will be sought should there be need to disclose their identity for investigation purposes.

Any attempt to retaliate, victimize or intimidate against anyone who has reported a Whistle-blowing complaint in good faith will be subjected to the appropriate disciplinary actions.

# Corporate Governance Statement (cont'd)

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## Types of Wrongdoing

Parties can report a Whistle-blowing complaint if they are aware of any wrongdoing, including but not limited to the following:-

- fraud
- misappropriation of assets
- criminal breach of trust
- corruption
- sexual harassment
- questionable or improper accounting
- misuse of confidential information
- breach of the Group policies and authorities
- acts or omissions which are deemed to be against the interest of the Group, laws, regulations or public policies
- deliberate concealment of information relating to any of the above

## Procedures

1. Any concern should be raised to the immediate superior. If for any reason, it is believed that this is not possible or appropriate, then the concern should be reported to the Managing Director. Channel of reporting to the Executive Director is as follows:-

Executive Director

Via Email

vincent@brightpack.net

Via Mail

*Mark Strictly Confidential*

### **BRIGHT PACKAGING INDUSTRY BERHAD**

No.23, Jalan Delima 1/3, Subang Hi-Tech Industrial Park,  
47500 Subang Jaya, Selangor Darul Ehsan.  
Attention : Executive Director

# Corporate Governance Statement (cont'd)

2. In the case where reporting to management is a concern, then the report should be made to the Senior Independent Director. Channel of reporting to the Senior Independent Director is as follows:-

Whistleblowing Director

Via Email

internalaudit@brightpack.net

Via Mail

*Mark Strictly Confidential*

## **BRIGHT PACKAGING INDUSTRY BERHAD**

No.23, Jalan Delima 1/3, Subang Hi-Tech Industrial Park,  
47500 Subang Jaya, Selangor Darul Ehsan.  
Attention : Whistleblowing Director

### **Consequences of Wrongdoing or Wrongful Disclosure**

If the Person (i.e. the whistle-blower) has, or is found to have :

- Committed a wrongdoing;
- Taken serious risks which would likely cause a wrongdoing to be committed;
- Made a disclosure not in accordance with the requirements of this policy (for instance, dishonest, mischievous or malicious complaints); or
- Participated or assisted in any process pursuant to this policy otherwise than in good faith, the corrective actions to be taken against that Person will be determined by the MD or, if so delegated by the MD, the Senior Management, which may include, disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services or monetary or other forms of punishment

### **Protection**

The identity and personal information of the whistle-blower will be protected and kept confidential, unless the whistle-blower agrees otherwise or unless otherwise required by law.

The whistle-blower will be protected from reprisal, including any form of harassment and victimisation, as a consequence of his disclosure.

## Corporate Governance Statement (cont'd)

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1. If a whistle-blower reasonably believes that he is being subjected to reprisal, including harassment and victimisation, as a consequence of whistle-blowing, he may consult or report to the Senior Independent Director. Channel of reporting to the Senior Independent Director is as follows:-

Whistleblowing Director

Via Email

internalaudit@brightpack.net

Via Mail

*Mark Strictly Confidential*

**BRIGHT PACKAGING INDUSTRY BERHAD**

No.23, Jalan Delima 1/3, Subang Hi-Tech Industrial Park,

47500 Subang Jaya, Selangor Darul Ehsan.

Attention : Whistleblowing Director

# Additional Compliance Information

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## **Audit and Non-Audit Fees**

During the financial year ended 31 August 2017, the amount of the audit fees paid to external auditors on the Company and Group basis were RM60,000 and RM70,000 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 2017.

## **Recurrent Related Party Transactions ("RRPT")**

There was no RRPT during the financial year ended 31 August 2017

## **Material Contracts**

There were no material contracts entered into by the Company and/or its subsidiaries during the financial year ended 31 August 2017 involving the interest of the Directors and/or Major Shareholders of the Company.

# 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 of Directors recognises and acknowledges that a sound risk management framework and internal control system play an important role in good corporate governance and efficient work processes.

The system of internal control covers not only financial controls but also non-financial controls relating to the operational management, compliance controls and risk management. The internal control system is designed to manage and mitigate the effects rather than to eliminate the risks. As such, the internal control system can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against loss or fraud.

The Group’s Executive Officer has provided assurance to the Board in writing that the Group’s system of risk management policy and internal control is operating adequately in all material aspects based on the risk management and internal control system put in place.

## **Risk Management Framework**

As an integral part of the system of risk management and internal control, there is an ongoing group wide risk management process for identifying, evaluating and managing the significant risks that may affect the achievement of the Group’s business objective.

Risk management is firmly embedded in the Group’s management systems and its policy is reviewed annually to ensure it is relevant and adequate to manage the Group’s risks, which continue to evolve along with the changing of business environment. The Board strongly believes that prudent risk management is vital for business sustainability and the progressive enhancement of the shareholders’ value.

It is the responsibility of key management, head of subsidiary companies and heads of departments to identify, evaluate and manage risks faced by the Group on an ongoing basis with defined parameters. The deliberation of risks and related mitigating responses are carried out at regular management meetings of the Group. Significant risks are conveyed to the Board at the quarterly scheduled meetings.

The Board, working together with the Management, continues to take measures to further strengthen the Group’s risk management system as one of the means to achieve the Group’s business objective and to ensure that the Group is always alert to any situation that might affect its assets, income and profits.

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

## Internal Audit Function

All Internal Audit activities were conducted by the in-house audit team. The total costs incurred by the Group for its internal audit function in 2017 amount to RM 44,450.00.

The Internal Audit Function established by the Board, provides independent assurance on the effectiveness of the Group's system of internal controls and it is centralised at the Group level and it reports to the respective Audit Committee of the Group on a quarterly basis or earlier as appropriate.

It undertakes regular and systematic reviews of the system of internal control, risk management and governance processes to provide reasonable assurance that such system operates satisfactorily and effectively within the respective subsidiaries as well as across the Group.

Details of the activities of the internal audit function are provided in the Statement of the Audit Committee.

## Key Elements of Internal Controls

The key elements of the Group's internal control system are described below:

- i. Clearly defined limits of authority, responsibility and accountability have been established through the relevant terms of reference and organizational structures to enhance the Group's ability to achieve its strategies and operational objectives;
- ii. Internal policies and procedures as set out in the Group's Policies and Procedures covering various operational and management aspects are regularly updated to address operational deficiencies and changes of risks;
- iii. All Departments are required to prepare the annual strategic plan, capital and operating expenditure budgets to be aligned with the strategic planning and budgeting process of the Group;
- iv. Major capital expenditure and assets disposals are appraised and approved by the Board as well as the board of directors of the subsidiaries, wherever applicable;
- v. The Audit Committee reviews the Group's financial performance and statements which is then reported to the Board;
- vi. Management meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key management issues; and
- vii. Sufficient physical safeguards over major assets are in place to protect the assets of the Group against calamities and / or theft that may result in material losses to the Group.

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

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## **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 2017. The Board and the Management will continue to take necessary measures and ongoing commitment to strengthen and improve its internal control environment and processes.

The above Statement on Risk Management & Internal Control is made in accordance with the resolution of the Board dated 14 December 2017.

## **Review of the Statement by External Auditors**

The External Auditors have, in accordance with the Recommended Practice Guide 5 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 2017.

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.

## A. Composition and Attendance

The members of the Audit Committee are as follows:-

Yeong Siew Lee (*Chairperson, Senior Independent Non-Executive Director*)

Lye Jun Fei (*Member, Independent Non-Executive Director*)

Tee Wee Keat (*Member, Independent Non-Executive Director*)

The Board through the Nomination Committee reviews and assesses the term of office and performance of the Audit Committee and each of its members on an annual basis to determine whether the Audit Committee and members have carried out their duties in accordance with their Terms of Reference.

During the financial year ended 31 August 2017, a total of four (4) meetings were held and the meeting attendance is set out on page 34.

## B. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The principal activities undertaken by the Audit Committee during the financial year are summarised as follows:-

- (1) Reviewed the unaudited quarterly financial results prior to submission to the Board for consideration and approval.
- (2) Reviewed the statutory audit plan for the financial year under review and updates on the development of applicable MFRS and all other related statutory requirements.
- (3) Reviewed the annual audited financial statements, Directors' and Auditors' Reports and other significant accounting issues arising from the audit of the financial year ended 31 August 2017.
- (4) Reviewed the Corporate Governance Statement, Audit Committee Report and Risk Management and Internal Control Statement prior to submission to the Board for approval and inclusion in the 2017 annual report.
- (5) Verified with the management on existence of related party transactions and/or conflict of interest situation that may arise within the Group.
- (6) Reviewed the internal audit report and follow-up report on the Group operations.
- (7) Reviewed the internal audit plan and provided recommendations.

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

During the financial year ended 31 August 2017, there were no options granted pursuant to the SIS.

# Audit Committee Report (cont'd)

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## D. INTERNAL AUDIT FUNCTION

### **Summary of Activities of Internal Audit function during Financial Year Ended 31 August 2017**

The Group's Internal Audit function performed audit visits to all relevant departments and subsidiary on a regular basis. The objectives of such visits are to determine whether adequate controls have been established and are operating in the Group.

Internal Audit reports are issued to highlight any deficiency or findings requiring the management's attention. Such reports include practical and cost effective recommendations as well as proposed corrective actions to be adopted by the management. The internal audit reports are then circulated to the Audit Committee for review and comments. Follow-up audits are then carried out to determine whether appropriate corrective actions have been taken by the management.

This statement was made in accordance with a resolution of the Board dated 14 December 2017.

# FINANCIAL STATEMENTS

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DIRECTORS' REPORT	46
STATEMENT BY DIRECTORS	51
STATUTORY DECLARATION	51
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	52
STATEMENTS OF FINANCIAL POSITION	58
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	60
STATEMENTS OF CHANGES IN EQUITY	61
STATEMENTS OF CASH FLOWS	65
NOTES TO THE FINANCIAL STATEMENTS	68

# Directors' Report

The Directors hereby present in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2017.

## Principal Activities

The principal activities of the Company are manufacturing of aluminium foil packaging materials and investment holding. The principal activities of its subsidiary companies are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## Financial Results

	Group RM	Company RM
Net (loss)/profit for the financial year		
- Attributable to owners of the parent	(2,615,454)	10,096,659

## Reserves and Provisions

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

## Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

## Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

### **Treasury Shares**

The shareholders of the Company, by a resolution passed in the Annual General Meeting held on 23 January 2017, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 100 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.335 per share. The total consideration paid for the repurchase including transaction costs was RM76.93. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

As at 31 August 2017, the total number of treasury shares held by the Company is 400 issued ordinary shares and further relevant details are disclosed in Note 14 to the financial statements.

### **Warrant Reserve**

The Warrants 2014/2019 were constituted under the Deed Poll dated 5 December 2013.

The salient features and other terms of the Warrants are disclosed in Note 15 to the financial statements.

As at 31 August 2017, the total numbers of Warrants that remain unexercised were 57,713,200.

### **Options Granted Over Unissued Shares**

No options were granted to any person to take up unissued shares of the Company during the financial year.

# Directors' Report (cont'd)

## Directors

The Directors in office during the financial year until the date of this report are:

Nik Mustapha Bin Muhamad

Tee Wee Keat

Lye Jun Fei

Yeong Siew Lee

Yap Kok Eng

YBhg. Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee

(Resigned on 06.04.2017)

## Directors' Interests

According to the Register of Directors' Shareholdings, there is no Director who is in office at the end of the financial year held any interest in the shares of the Company and its related corporations.

## Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Notes 22, 24 and 26 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business.

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

## Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

## Other Statutory Information (Cont'd)

- (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;
  - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any items, transaction or event of a material and unusual nature; and
  - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

# Directors' Report (cont'd)

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## Subsequent Event

The subsequent event is disclosed in Note 30 to the financial statements.

## Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 5 to the financial statements.

## Auditors' Remuneration

The details of auditors' remuneration are set out in Note 22 to the financial statements.

## Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 14 December 2017.

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**NIK MUSTAPHA BIN MUHAMAD**

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**YEONG SIEW LEE**

KUALA LUMPUR

## **Statement By Directors** Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 58 to 125 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2017 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 32 to the financial statements on page 126 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 14 December 2017.

\_\_\_\_\_  
**NIK MUSTAPHA BIN MUHAMAD**

\_\_\_\_\_  
**YEONG SIEW LEE**

KUALA LUMPUR

## **Statutory Declaration** Pursuant to Section 251(1) of the Companies Act, 2016

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 financial statements set out on pages 58 to 126 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 )  
abovenamed at Kuala Lumpur in the ) \_\_\_\_\_  
Federal Territory on 14 December 2017 ) **NIK MUSTAPHA BIN MUHAMAD**

Before me,

No. W710  
**MOHAN A.S. MANIAM**  
\_\_\_\_\_  
COMMISSIONER FOR OATHS

# Independent Auditors' Report

to the members of Bright Packaging Industry Berhad  
(Company No : 161776-W)  
(Incorporated in Malaysia)

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## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Bright Packaging Industry Berhad, which comprise the statements of financial position as at 31 August 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 58 to 125.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### *Basis for Opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Requirements*

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

### *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 financial 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.

## Report on the Audit of the Financial Statements (Cont'd)

### Key Audit Matters (Cont'd)

#### Key Audit Matters

#### How we addressed the key audit matters

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##### 1. Impairment of trade receivables

The Group has material credit exposures in its portfolio of trade receivables amounting to RM13.52 million as at 31 August 2017. Given the nature of these assets, the assessment of impairment involves significant estimation uncertainty, subjective assumptions and the application of significant judgement.

We have performed impairment assessments on trade receivables that were either in default or overdue as at 31 August 2017.

We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.

We also examined the recoverability by checking those subsequent receipts.

We have reviewed the appropriateness of the disclosures made in accordance with *MFRS 136 Impairment of Assets*.

##### 2. Valuation of inventories

The Group held inventories of RM6.38 million as at 31 August 2017.

There was a significant degree of judgement involved to ascertain that the cost of inventories accurately reflects the manufacturing costs incurred in bringing them to their physical location and condition. This particularly relates to the assessment of direct labour costs incurred, manufacturing overheads to be absorbed and other relevant production costs.

We agreed the cost of raw materials to suppliers' invoices on a sampling basis. For work-in-progress and finished goods, we assessed whether the absorption of fixed production overheads was based on the normal capacity of the production facilities and variable production overheads were absorbed into each unit of production on the basis of the actual use of the production facilities.

We also assessed whether all costs included as inventories comprise costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In particular, we considered the nature of the overheads absorbed to ascertain whether only directly attributable costs were included.

# **Independent Auditors' Report (cont'd)**

**to the members of Bright Packaging Industry Berhad**  
**(Company No : 161776-W)**  
**(Incorporated in Malaysia)**

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## **Report on the Audit of the Financial Statements (Cont'd)**

### *Information Other than the Financial Statements and Auditors' Report Thereon*

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Directors for the Financial Statements*

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

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

## **Report on the Audit of the Financial Statements (Cont'd)**

### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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

# Independent Auditors' Report (cont'd)

to the members of Bright Packaging Industry Berhad

(Company No : 161776-W)

(Incorporated in Malaysia)

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## Report on the Audit of the Financial Statements (Cont'd)

### *Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company 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 financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current finance 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.

### **Other Reporting Responsibilities**

The supplementary information set out on in Note 32 on page 126 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### **Other Matter**

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

UHY

Firm Number: AF 1411  
Chartered Accountants

NG LEONG TECK

Approved Number: 03168/12/2019 J  
Chartered Accountant

KUALA LUMPUR

14 December 2017

# Statements of Financial Position

As At 31 August 2017

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	68,545,109	74,975,057	53,697,909	59,986,557
Investment in subsidiary companies	5	-	-	606,030	606,030
		68,545,109	74,975,057	54,303,939	60,592,587
<b>Current Assets</b>					
Inventories	6	6,378,499	13,020,231	6,378,499	13,020,231
Trade receivables	7	13,522,680	8,794,378	13,522,680	8,794,378
Other receivables	8	210,526	136,186	180,876	106,838
Amount due from subsidiary companies	9	-	-	13,390,803	4,291,278
Tax recoverable		17,245	74,058	16,865	73,678
Fixed deposits with a licensed bank	10	3,416,400	-	3,416,400	-
Cash and bank balances	11	36,230,457	36,530,356	36,222,071	36,523,710
		59,775,807	58,555,209	73,128,194	62,810,113
<b>Total Assets</b>		<b>128,320,916</b>	<b>133,530,266</b>	<b>127,432,133</b>	<b>123,402,700</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	12	97,716,929	82,132,400	97,716,929	82,132,400
Share premium	13	-	15,584,529	-	15,584,529
Treasury shares	14	(436)	(360)	(436)	(360)
Warrants reserve	15	30,495,655	30,495,655	30,495,655	30,495,655
Other reserve		(30,495,655)	(30,495,655)	(30,495,655)	(30,495,655)
Retained earnings		21,497,971	24,113,425	16,817,113	6,720,454
<b>Total Equity</b>		<b>119,214,464</b>	<b>121,829,994</b>	<b>114,533,606</b>	<b>104,437,023</b>

# Statements of Financial Position (cont'd)

As At 31 August 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Deferred tax liabilities	16	2,568,358	3,551,937	1,001,144	1,947,154
Finance lease liabilities	17	127,074	-	127,074	-
		2,695,432	3,551,937	1,128,218	1,947,154
<b>Current Liabilities</b>					
Trade payables	18	5,698,219	7,619,511	5,679,350	7,600,642
Other payables	19	684,189	528,824	655,988	505,624
Amount due to a subsidiary company	9	-	-	5,406,359	8,912,257
Finance lease liabilities	17	28,612	-	28,612	-
		6,411,020	8,148,335	11,770,309	17,018,523
<b>Total Liabilities</b>		9,106,452	11,700,272	12,898,527	18,965,677
<b>Total Equity and Liabilities</b>		128,320,916	133,530,266	127,432,133	123,402,700

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

# Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 31 August 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Revenue	20	42,189,894	62,373,708	42,189,894	62,373,708
Cost of sales		(41,884,985)	(60,493,135)	(41,884,985)	(60,493,135)
Gross profit		304,909	1,880,573	304,909	1,880,573
Other income		1,560,704	2,540,675	14,058,852	2,540,312
Selling and distribution expenses		(721,342)	(871,509)	(721,342)	(871,509)
Administration expenses		(2,715,091)	(3,664,432)	(2,463,557)	(3,466,095)
Other expenses		(1,934,645)	(48,540)	(1,934,645)	(8,344)
Finance costs	21	(83,793)	(136,522)	(83,793)	(136,522)
(Loss)/Profit before tax	22	(3,589,258)	(299,755)	9,160,424	(61,585)
Taxation	23	973,804	2,120,301	936,235	2,066,098
Net (loss)/profit for the financial year, representing total comprehensive income for the financial year		(2,615,454)	1,820,546	10,096,659	2,004,513
Total comprehensive income attributable to:					
Owners of the parent		(2,615,454)	1,820,546		
Earnings per share attributable to owners of the parent (sen):					
Basic	25(a)	(1.27)	0.89		
Diluted	25(b)	(1.27)	0.89		

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

# Statements of Changes in Equity

For The Financial Year Ended 31 August 2017

	Attributable to Owners of the Parent		Non-Distributable				Distributable		Total Equity RM
	Share Capital RM	Share Premium RM	Treasury Shares RM	Warrants Reserve RM	Other Reserve RM	Retained Earnings RM	Total Equity RM		
<b>Group</b>									
At 1 September 2015	82,132,400	15,584,529	(281)	30,495,655	(30,495,655)	22,292,879	120,009,527		
Net profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	1,820,546	1,820,546		
<b>Transactions with owners:</b>									
Share repurchased	14	-	(79)	-	-	-	(79)		
At 31 August 2016	82,132,400	15,584,529	(360)	30,495,655	(30,495,655)	24,113,425	121,829,994		

# Statements of Changes in Equity (cont'd)

For The Financial Year Ended 31 August 2017

	Attributable to Owners of the Parent		Non-Distributable			Distributable		Total Equity RM
	Share Capital RM	Share Premium RM	Treasury Shares RM	Warrants Reserve RM	Other Reserve RM	Retained Earnings RM		
<b>Group</b>								
At 1 September 2016	82,132,400	15,584,529	(360)	30,495,655	(30,495,655)	24,113,425	121,829,994	
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	(2,615,454)	(2,615,454)	
Transaction with owners: Share repurchased	-	-	(76)	-	-	-	(76)	
Reclassification pursuant to Section 618(2) of the Companies Act 2016	15,584,529	(15,584,529)	-	-	-	-	-	
At 31 August 2017	97,716,929	-	(436)	30,495,655	(30,495,655)	21,497,971	119,214,464	

# Statements of Changes in Equity (cont'd)

For The Financial Year Ended 31 August 2017

	Attributable to Owners of the Parent		Non-Distributable				Distributable		Total Equity RM
	Share Capital RM	Share Premium RM	Treasury Shares RM	Warrants Reserve RM	Other Reserve RM	Retained Earnings RM	Total Equity RM		
<b>Company</b>									
At 1 September 2015	82,132,400	15,584,529	(281)	30,495,655	(30,495,655)	4,715,941	102,432,589		
Net profit for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	-	2,004,513	2,004,513		
<b>Transactions with owners:</b>									
Share repurchased	14	-	(79)	-	-	-	(79)		
At 31 August 2016	82,132,400	15,584,529	(360)	30,495,655	(30,495,655)	6,720,454	104,437,023		

# Statements of Changes in Equity (cont'd)

For The Financial Year Ended 31 August 2017

Company	Attributable to Owners of the Parent				Distributable			Total Equity
	Share Capital	Share Premium	Treasury Shares	Warrants Reserve	Other Reserve	Retained Earnings	RM	
Note	RM	RM	RM	RM	RM	RM	RM	
At 1 September 2016	82,132,400	15,584,529	(360)	30,495,655	(30,495,655)	6,720,454	104,437,023	
Net profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	10,096,659	10,096,659	
<b>Transaction with owners:</b>								
Share repurchased	14	-	(76)	-	-	-	(76)	
Reclassification pursuant to Section 618(2) of the Companies Act 2016	12, 13	15,584,529	(15,584,529)	-	-	-	-	
At 31 August 2017	97,716,929	-	(436)	30,495,655	(30,495,655)	16,817,113	114,533,606	

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

# Statements of Cash Flows

For The Financial Year Ended 31 August 2017

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
<b>Cash Flows From Operating Activities</b>				
(Loss)/Profit before tax	(3,589,258)	(299,755)	9,160,424	(61,585)
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment	6,616,495	6,647,396	6,475,195	6,506,096
Property, plant and equipment written off	-	715	-	715
Impairment losses on amount due from a subsidiary company	-	-	4,632	7,629
Impairment losses on trade receivables	1,778,032	-	1,778,032	-
Inventories written down	21,230	15,242	21,230	15,242
Dividend income from subsidiary companies	-	-	(12,499,999)	-
Gain on disposal of property, plant and equipment	(40,000)	-	(40,000)	-
Unrealised (gain)/loss on foreign exchange	(185,274)	805,639	(183,422)	805,639
Finance costs	83,793	136,522	83,793	136,522
Finance income	(1,184,517)	(983,448)	(1,184,517)	(983,205)
Operating profit before working capital changes	3,500,501	6,322,311	3,615,368	6,427,053
Change in working capital:				
Inventories	6,620,502	(4,471,142)	6,620,502	(4,471,142)
Trade receivables	(6,595,655)	199,979	(6,595,655)	199,979
Other receivables	(74,340)	45,447	(74,038)	45,447
Trade payables	(1,894,765)	3,788,900	(1,894,765)	3,788,900
Other payables	155,281	(93,478)	150,280	(77,445)
Amount due from/to subsidiary companies	-	-	(110,056)	(26,591)
	(1,788,977)	(530,294)	(1,903,732)	(540,852)
Cash generated from operations carried down	1,711,524	5,792,017	1,711,636	5,886,201

# Statements of Cash Flows (cont'd)

For The Financial Year Ended 31 August 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
<b>Cash Flows From Operating Activities (Cont'd)</b>					
Cash generated from operations bought down		1,711,524	5,792,017	1,711,636	5,886,201
Interest received		1,184,517	983,448	1,184,517	983,205
Interest paid		(83,793)	(136,522)	(83,793)	(136,522)
Tax refund		55,963	126,651	55,583	126,043
Tax paid		(8,925)	(20,275)	(8,545)	(19,895)
		1,147,762	953,302	1,147,762	952,831
Net cash from operating activities		2,859,286	6,745,319	2,859,398	6,839,032
<b>Cash Flows From Investing Activities</b>					
Acquisition of property, plant and equipment	4(c)	(28,547)	(31,932)	(28,547)	(31,932)
Proceed on disposal of plant and property and equipment		40,000	-	40,000	-
Net cash from/(used in) investing activities		11,453	(31,932)	11,453	(31,932)
<b>Cash Flows From Financing Activities</b>					
Payment of finance lease liabilities		(2,314)	-	(2,314)	-
Treasury shares repurchased		(76)	(79)	(76)	(79)
Decrease in fixed deposit pledged		-	90,669	-	-
Net cash (used in)/from financing activities		(2,390)	90,590	(2,390)	(79)

## Statements of Cash Flows (cont'd)

For The Financial Year Ended 31 August 2017

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
<b>Net increase in cash and cash equivalents</b>	2,868,349	6,803,977	2,868,461	6,807,021
<b>Effect of exchange translation difference</b>	248,152	(231,110)	246,300	(231,110)
<b>Cash and cash equivalents at the beginning of the financial year</b>	36,530,356	29,957,489	36,523,710	29,947,799
<b>Cash and cash equivalents at the end of the financial year</b>	39,646,857	36,530,356	39,638,471	36,523,710
<b>Cash and cash equivalents at the end of the financial year comprises:</b>				
Fixed deposits with a licensed bank	3,416,400	-	3,416,400	-
Cash and bank balances	36,230,457	36,530,356	36,222,071	36,523,710
	39,646,857	36,530,356	39,638,471	36,523,710

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

# Notes To The Financial Statements

31 August 2017

## 1. Corporate Information

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

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

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

The principal activities of the Company are manufacturing of aluminium foil packaging materials and investment holding. The principal activities of its subsidiary companies are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

## 2. Basis of Preparation

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

### Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new MFRS and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception

**2. Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

**Adoption of new and amended standards (Cont'd)**

Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012 – 2014 Cycle	

Adoption of above new MFRS and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

**Standards issued but not yet effective**

The Group and the Company have not applied the following new MFRSs, new Interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

	Effective dates for financial periods beginning on or after
Amendments to MFRS 107	1 January 2017
Amendments to MFRS 112	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycle:	
• Amendments to MFRS 12	1 January 2017
• Amendments to MFRS 1	1 January 2018
• Amendments to MFRS 128	1 January 2018
MFRS 9	1 January 2017
	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	1 January 2018
	Revenue from Contracts with Customers
Amendments to MFRS 2	1 January 2018
	Classification and Measurement of Share-based Payment Transactions

# Notes To The Financial Statements (cont'd)

31 August 2017

## 2. Basis of Preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

#### Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty Over Treatment of Income Tax	1 January 2019
Amendments to MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

#### (i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

**2. Basis of Preparation (Cont'd)**

- (a) Statement of compliance (Cont'd)

**Standards issued but not yet effective (Cont'd)**

- (i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

- (ii) MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

**2. Basis of Preparation (Cont'd)**

- (a) Statement of compliance (Cont'd)

**Standards issued but not yet effective (Cont'd)**

- (iii) MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the new MFRSs, amendments and improvements to published standard on the financial statements of the Group and of the Company are currently being assessed by management.

- (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

**2. Basis of Preparation (Cont'd)**

- (c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**Judgements**

There are no significant areas of critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

**Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 4

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 6.

## 2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

### **Key sources of estimation uncertainty (Cont'd)**

#### Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the end of the reporting date for loans and receivables are disclosed in Notes 7, 8 and 9 respectively.

#### Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 August 2017, the Group and the Company has tax recoverable of RM17,245 and RM16,865 (2016: RM74,058 and RM73,678) respectively.

### 3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

### 3. Significant Accounting Policies (Cont'd)

#### (a) Basis of consolidation (Cont'd)

##### (i) Subsidiary companies (Cont'd)

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(j) to the financial statements on impairment of non-financial assets.

##### (ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

##### (iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

**3. Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(j) to the financial statements on impairment of non-financial assets.

(b) Foreign currency translations and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

**3. Significant Accounting Policies (Cont'd)**

(b) Foreign currency translations and balances (Cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j).

(i) Recognition and measurement

The Group and the Company have adopted the MFRSs framework during the financial year ended 31 August 2013, with the exemptions in MFRS 1 *First-time Adoption* of MFRS, the Group and the Company elected to retain the revalued amount of their land and buildings as at date of transition as their deemed cost.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

**3. Significant Accounting Policies (Cont'd)**

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	10 to 50 years
Plant and machineries	10 years
Furniture, fitting and office equipment	5 to 10 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed at each reporting period end 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 property, plant and equipment.

## 3. Significant Accounting Policies (Cont'd)

### (d) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

#### As lessee

##### (i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

##### (ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognized on the statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expenses, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

**3. Significant Accounting Policies (Cont'd)**

(e) Financial assets

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

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into loans and receivables.

Loans and receivables and amount due from subsidiary companies are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in profit or loss.

### 3. Significant Accounting Policies (Cont'd)

#### (f) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

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

The Group and the Company classify their financial liabilities at initial recognition, into other financial liabilities measured at amortised cost.

The Group's and the Company's other financial liabilities comprise trade and other payables, amount due to a subsidiary companies.

Trade and other payables, amount due to a subsidiary companies are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### (g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**3. Significant Accounting Policies (Cont'd)**

(h) Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material is determined on a weighted average basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits and short term highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

**3. Significant Accounting Policies (Cont'd)**

(j) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units).

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiary companies, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

**3. Significant Accounting Policies (Cont'd)**

- (j) Impairment of Assets (Cont'd)
- (ii) Financial asset (Cont'd)

Financial assets carried at amortised cost (Cont'd)

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

- (k) Share capital

- (i) Ordinary share

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

**3. Significant Accounting Policies (Cont'd)**

(k) Share Capital (Cont'd)

(ii) Treasury shares

When issued shares of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares in the statements of changes in equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction of the share premium account or the distributable retained earnings or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(l) Employee benefits

(i) Short term employee benefits

Wages, 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 and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

**3. Significant Accounting Policies (Cont'd)**

(m) Revenue

(i) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(n) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

**3. Significant Accounting Policies (Cont'd)**

(n) Income taxes (Cont'd)

Deferred tax assets and liabilities are offset if there is a 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, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(o) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

**4. Property, Plant and Equipment**

Group 2017	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Total RM
<b>Cost</b>						
At 1 September 2016	15,300,000	10,169,303	68,562,858	3,346,804	266,185	97,645,150
Additions	-	-	-	1,641	184,906	186,547
Disposal	-	-	-	-	(144,853)	(144,853)
At 31 August 2017	15,300,000	10,169,303	68,562,858	3,348,445	306,238	97,686,844
<b>Accumulated depreciation</b>						
At 1 September 2016	-	1,409,734	20,092,262	904,116	263,981	22,670,093
Charge for the financial year	-	282,676	6,020,789	309,170	3,860	6,616,495
Disposal	-	-	-	-	(144,853)	(144,853)
At 31 August 2017	-	1,692,410	26,113,051	1,213,286	122,988	29,141,735
<b>Carrying amount</b>						
At 31 August 2017	15,300,000	8,476,893	42,449,807	2,135,159	183,250	68,545,109

# Notes To The Financial Statements (cont'd)

31 August 2017

## 4. Property, Plant and Equipment (Cont'd)

	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Total RM
<b>Group 2016</b>						
<b>Cost</b>						
At 1 September 2015	15,300,000	10,160,303	70,987,843	3,325,772	521,099	100,295,017
Additions	-	9,000	1,900	21,032	-	31,932
Written off	-	-	(2,700)	-	-	(2,700)
At 31 August 2016	15,300,000	10,169,303	70,987,043	3,346,804	521,099	100,324,249
<b>Accumulated depreciation</b>						
At 1 September 2015	-	1,127,137	16,474,935	594,377	507,332	18,703,781
Charge for the financial year	-	282,597	6,043,497	309,739	11,563	6,647,396
Written off	-	-	(1,985)	-	-	(1,985)
At 31 August 2016	-	1,409,734	22,516,447	904,116	518,895	25,349,192
<b>Carrying amount</b>						
At 31 August 2016	15,300,000	8,759,569	48,470,596	2,442,688	2,204	74,975,057

## 4. Property, Plant and Equipment (Cont'd)

Company 2017	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Total RM
<b>Cost</b>						
At 1 September 2016	6,615,000	3,104,303	68,617,858	3,346,804	266,185	81,950,150
Additions	-	-	-	1,641	184,906	186,547
Disposal	-	-	-	-	(144,853)	(144,853)
At 31 August 2017	6,615,000	3,104,303	68,617,858	3,348,445	306,238	81,991,844
<b>Accumulated depreciation</b>						
At 1 September 2016	-	703,234	20,092,262	904,116	263,981	21,963,593
Charge for the financial year	-	141,376	6,020,789	309,170	3,860	6,475,195
Disposal	-	-	-	-	(144,853)	(144,853)
At 31 August 2017	-	844,610	26,113,051	1,213,286	122,988	28,293,935
<b>Carrying amount</b>						
At 31 August 2017	6,615,000	2,259,693	42,504,807	2,135,159	183,250	53,697,909

# Notes To The Financial Statements (cont'd)

31 August 2017

## 4. Property, Plant and Equipment (Cont'd)

	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Total RM
<b>Company 2016</b>						
<b>Cost</b>						
At 1 September 2015	6,615,000	3,095,303	68,618,658	3,325,772	266,185	81,920,918
Additions	-	9,000	1,900	21,032	-	31,932
Written off	-	-	(2,700)	-	-	(2,700)
At 31 August 2016	6,615,000	3,104,303	68,617,858	3,346,804	266,185	81,950,150
<b>Accumulated depreciation</b>						
At 1 September 2015	-	561,937	14,050,750	594,377	252,418	15,459,482
Charge for the financial year	-	141,297	6,043,497	309,739	11,563	6,506,096
Written off	-	-	(1,985)	-	-	(1,985)
At 31 August 2016	-	703,234	20,092,262	904,116	263,981	21,963,593
<b>Carrying amount</b>						
At 31 August 2016	6,615,000	2,401,069	48,525,596	2,442,688	2,204	59,986,557

# Notes To The Financial Statements (cont'd)

31 August 2017

## 4. Property, Plant and Equipment (Cont'd)

- (a) The freehold land and buildings of the Company are pledged as securities for credit facilities granted to the Company.
- (b) As at the financial year end, the Group and the Company gross carrying amount of fully depreciated property, plant and equipment that are still in use is RM8,877,540 (2016: RM8,902,088) and RM8,877,540 (2016: RM8,902,088) respectively.
- (c) The aggregate additional cost for the property, plant and equipment of the Group and of the Company under finance lease financing and cash payments are as follows:

	Group and Company	
	2017	2016
	RM	RM
Aggregate costs	186,547	31,932
Less: Finance lease financing	(158,000)	-
Cash payments	28,547	31,932

- (d) The carrying amount of leased property, plant and equipment of the Group and of the Company acquired under finance lease are as follows:

	Group and Company	
	2017	2016
	RM	RM
Motor vehicles	181,824	-

## 5. Investment in Subsidiary Companies

	Company	
	2017	2016
	RM	RM
<b>In Malaysia</b>		
Unquoted shares, at cost	24,278,267	24,278,267
Less: Accumulated impairment losses	(23,672,237)	(23,672,237)
	606,030	606,030

# Notes To The Financial Statements (cont'd)

31 August 2017

## 5. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest		Principal activities
		2017 %	2016 %	
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	Printing and manufacturing of packaging boxes and materials

\* Non-controlling interest's share of losses is not recognised in the consolidated financial statement as the amount is minimal.

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

## 6. Inventories

	Group and Company	
	2017 RM	2016 RM
Raw materials	4,577,202	11,105,391
Work-in-progress	503,981	587,934
Finished goods	1,297,316	1,326,906
	6,378,499	13,020,231
Recognised in profit or loss:		
Inventories recognised as cost of sales	32,031,193	49,468,962
Inventories written down	21,230	15,242

# Notes To The Financial Statements (cont'd)

31 August 2017

## 7. Trade Receivables

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables	15,300,712	8,794,378	15,300,712	8,794,378
Less: Accumulated impairment losses	(1,778,032)	-	(1,778,032)	-
	13,522,680	8,794,378	13,522,680	8,794,378

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2016: 30 to 120 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in allowance for impairment losses of trade receivables are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 September	-	11,954	-	-
Impairment losses recognised	1,778,032	-	1,778,032	-
Written off	-	(11,954)	-	-
At 31 August	1,778,032	-	1,778,032	-

Analysis of the trade receivables ageing as at the end of the reporting period is as follow:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Neither past due nor impaired	5,276,437	7,591,456	5,276,437	7,591,456
<i>Past due not impaired:</i>				
Less than 30 days	4,740,089	1,202,922	4,740,089	1,202,922
Less than 60 days	3,506,154	-	3,506,154	-
	8,246,243	1,202,922	8,246,243	1,202,922
Impaired	13,522,680	8,794,378	13,522,680	8,794,378
	1,778,032	-	1,778,032	-
	15,300,712	8,794,378	15,300,712	8,794,378

# Notes To The Financial Statements (cont'd)

31 August 2017

## 7. Trade Receivables (Cont'd)

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

As at 31 August 2017, trade receivables of the Group and of the Company amounting to RM8,246,243 and RM8,246,243 (2016: RM1,202,922 and RM1,202,922) respectively were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM1,778,032 and RM1,778,032 (2016: RMNil and RMNil) respectively, related to customers that have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

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

	<b>Group and Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
United States Dollar	13,492,961	8,744,254

## 8. Other Receivables

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other receivables	86,689	51,828	86,689	51,828
Deposits	33,701	32,777	17,751	16,827
Prepayments	90,136	51,581	76,436	38,183
	210,526	136,186	180,876	106,838

**9. Amounts Due from/to Subsidiary Companies**

(a) Amount due from subsidiary companies

	<b>Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Amounts due from subsidiary companies	38,225,265	29,121,108
Less: Accumulated impairment losses	(24,834,462)	(24,829,830)
	13,390,803	4,291,278

This represents unsecured, non-interest bearing advances and repayable on demand.

Movements in the allowance for impairment of amount due from subsidiary companies are as follows:

	<b>Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
At 1 September	24,829,830	24,822,201
Impairment losses recognised	4,632	7,629
At 31 August	24,834,462	24,829,830

(b) Amount due to a subsidiary company

This represents unsecured, non-interest bearing advances and repayable on demand.

# Notes To The Financial Statements (cont'd)

31 August 2017

## 10. Fixed Deposits with a Licensed Bank

The fixed deposits of the Group and of the Company bear effective interest rates of 1.20% (2016: Nil) per annum with maturity period ranging from 30 to 35 days (2016: Nil).

The foreign currency exposure profile of fixed deposits with a licensed bank is as follows:

	Group and Company	
	2017	2016
	RM	RM
United States Dollar	3,416,400	-

## 11. Cash and Bank Balances

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

	Group and Company	
	2017	2016
	RM	RM
United States Dollar	1,074,649	7,531,673

## 12. Share Capital

	Group and Company			
	Number of shares		Amount	
	2017	2016	2017	2016
	Units	Units	RM	RM
<b>Authorised</b>				
At 1 September, ordinary share of RM0.50 each	400,000,000	400,000,000	200,000,000	200,000,000
Adjustment for effect of Companies Act, 2016	(400,000,000)		(200,000,000)	-
At 31 August, ordinary share with no par value (2016: Par value of RM0.50 each)	-	400,000,000	-	200,000,000

**12. Share Capital (Cont'd)**

	Group and Company			
	Number of shares		Amount	
	2017 Units	2016 Units	2017 RM	2016 RM
<b>Issued and fully paid shares</b>				
At 1 September, ordinary share of RM0.50 each	164,264,800	164,264,800	82,132,400	82,132,400
Adjustment for transition to no par regime on 31 January 2017	-	-	15,584,529	-
<hr/>				
At 31 August, ordinary share with no par value (2016: Par value of RM0.50 each)	164,264,800	164,264,800	97,716,929	82,132,400

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserves become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM15,584,529 for purposes as set out in Sections 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

On 18 September 2017, the Company completed the listing of 41,066,094 Bonus Shares and 14,428,148 Adjustment Warrants issued pursuant to the Bonus Issue of Shares on the Main Market of Bursa Securities.

# Notes To The Financial Statements (cont'd)

31 August 2017

## 13. Share Premium

	Group and Company	
	2017	2016
	RM	RM
At 1 September	15,584,529	15,584,529
Adjustment for transition to no-par regime on 31 January 2017	(15,584,529)	-
At 31 August	-	15,584,529

Pursuant to Section 618(2) of the Companies Act 2016, the sum of RM15,584,529 standing to the credit of the Company's share premium account has been transferred and became part of the Company's share capital.

## 14. Treasury Shares

	Group and Company			
	Number of shares		Amount	
	2017	2016	2017	2016
	Units	Units	RM	RM
At 1 September	300	200	360	281
Own shares acquired	100	100	76	79
At 31 August	400	300	436	360

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by a resolution passed in the Annual General Meeting held on 23 January 2017, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 100 (2016: 100) ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.335 (2016: RM0.35) per share. The total consideration paid for the repurchase, including transaction costs, was RM76.93 (2016: RM78.43). The repurchased transactions were financed by internally generated funds. The shares repurchased were held as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act, 2016 in Malaysia.

**14. Treasury Shares (Cont'd)**

The Company has the right to resell these shares at a later date. As treasury shares, the right attached as to voting, dividend and participate in other distribution as suspended.

Details of the repurchased of shares of treasury shares are as follows:

	Average price RM	Highest price RM	Lowest price RM	Number of shares repurchased Units	Cost RM
<b>2017</b>					
January 2017	0.335	0.335	0.335	100	34
<b>2016</b>					
January 2016	0.35	0.36	0.33	100	35

**15. Warrants Reserve**

Warrants reserve represents reserve allocated to free detachable warrants issued with right issue.

On 23 January 2014, the Company issued renounceable rights issue of 86,569,800 new ordinary shares of RM0.50 each in the Company ("Bright Shares") ("Right Shares") on the basis of two (2) Rights Shares for every one (1) existing Bright Shares held, together with 57,713,200 free detachable warrants ("Warrants") on the basis of two (2) Warrants for every three (3) Rights Shares.

The Company executed a Deed Poll constituting the Warrants and the exercise price of the Warrants have been fixed at RM0.82. The Warrants may be exercised at any time commencing on the date of issue of Warrants on 13 January 2014 but not later than 12 January 2019. Any Warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants.

As at 31 August 2017, the total number of Warrants that remain unexercised was 57,713,200 (2016: 57,713,200).

# Notes To The Financial Statements (cont'd)

31 August 2017

## 16. Deferred Tax Liabilities

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 September	3,551,937	5,658,005	1,947,154	4,015,653
Recognised in profit or loss	(983,579)	(2,106,068)	(946,010)	(2,068,499)
At 31 August	2,568,358	3,551,937	1,001,144	1,947,154

The net deferred tax assets and liability shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Deferred tax liabilities	7,673,343	7,176,385	6,106,129	5,571,602
Deferred tax assets	(5,104,985)	(3,624,448)	(5,104,985)	(3,624,448)
	2,568,358	3,551,937	1,001,144	1,947,154

The components and movements of deferred tax liabilities and assets are as follows:

	Accelerated capital allowances RM	Surplus arising from revaluation of land and buildings RM	Others RM	Total RM
	<b>Group</b>			
<b>Deferred tax liabilities</b>				
At 1 September 2016	5,276,221	1,900,164	-	7,176,385
Recognised in profit or loss	498,379	(45,447)	44,026	496,958
At 31 August 2017	5,774,600	1,854,717	44,026	7,673,343
At 1 September 2015	5,832,461	1,945,611	-	7,778,072
Recognised in profit or loss	(556,240)	(45,447)	-	(601,687)
At 31 August 2016	5,276,221	1,900,164	-	7,176,385

# Notes To The Financial Statements (cont'd)

31 August 2017

## 16. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax liabilities and assets are as follows:  
(Cont'd)

	Accelerated capital allowances RM	Surplus arising from revaluation of land and buildings RM	Others RM	Total RM
<b>Company</b>				
<b>Deferred tax liabilities</b>				
At 1 September 2016	5,197,999	373,603	-	5,571,602
Recognised in profit or loss	509,768	(19,267)	44,026	534,527
At 31 August 2017	5,707,767	354,336	44,026	6,106,129
At 1 September 2015	5,742,849	392,871	-	6,135,720
Recognised in profit or loss	(544,850)	(19,268)	-	(564,118)
At 31 August 2016	5,197,999	373,603	-	5,571,602

	Unutilised capital allowances RM	Others RM	Total RM
<b>Group and Company</b>			
<b>Deferred tax assets</b>			
At 1 September 2016	(3,431,095)	(193,353)	(3,624,448)
Recognised in profit or loss	(1,673,890)	193,353	(1,480,537)
At 31 August 2017	(5,104,985)	-	(5,104,985)
At 1 September 2015	(2,120,067)	-	(2,120,067)
Recognised in profit or loss	(1,311,028)	(193,353)	(1,504,381)
At 31 August 2016	(3,431,095)	(193,353)	(3,624,448)

# Notes To The Financial Statements (cont'd)

31 August 2017

## 16. Deferred Tax Liabilities (Cont'd)

Deferred tax assets have not been recognised in respect of the following temporary differences:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Unused tax losses	25,402,419	25,347,454	-	-
Unutilised capital allowance	7,656,969	7,656,969	-	-
Unutilised reinvestment allowances	5,409,952	5,409,952	-	-
	38,469,340	38,414,375	-	-

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

## 17. Finance Lease Liabilities

	Group and Company	
	2017 RM	2016 RM
<b>Minimum lease payments</b>		
Within one year	35,568	-
Later than one year and not later than two years	35,568	-
Later than two year and not later than five years	103,729	-
	174,865	-
Less: Future finance charges	(19,179)	-
<b>Present value of minimum lease payments</b>	155,686	-
<b>Present value of minimum lease payments</b>		
Within one year	28,612	-
Later than one year and not later than two years	30,171	-
Later than two year and not later than five years	96,903	-
	155,686	-

**17. Finance Lease Liabilities (Cont'd)**

The finance lease payable bears interest at rate of 2.51% (2016: Nil) per annum.

The Group leases motor vehicles under finance lease [Note 4(d)]. At the end of the lease term, the Group has the option to acquire the assets at a nominal price deemed to be a bargain purchase option. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

**18. Trade Payables**

The normal trade credit term granted by trade creditors to the Group and to the Company ranging from 30 to 120 days (2016: 30 to 120 days).

The foreign currency exposure profile of trade payables is at follow:

	<b>Group and Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
United States Dollar	4,839,111	7,344,911

**19. Other Payables**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	553,046	424,249	537,745	408,949
Accruals	131,143	104,575	118,243	96,675
	684,189	528,824	655,988	505,624

**20. Revenue**

Revenue represents invoiced value of goods sold less discounts and returns.

# Notes To The Financial Statements (cont'd)

31 August 2017

## 21. Finance Costs

	Group and Company	
	2017 RM	2016 RM
<b>Interest expenses on:</b>		
Letter of credit and revolving credit	83,143	136,522
Finance lease liabilities	650	-
	83,793	136,522

## 22. (Loss)/Profit Before Tax

(Loss)/Profit before tax is derived after charging/(crediting) amongst other, the following items:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Auditors' remuneration				
- Statutory audit	65,000	50,000	55,000	48,000
- Non-statutory audit				
- current year	5,000	8,000	5,000	8,000
- underprovision in prior year	-	3,000	-	-
Impairment losses on trade receivables	1,778,032	-	1,778,032	-
Depreciation of property, plant and equipment	6,616,495	6,647,396	6,475,195	6,506,096
Foreign exchange loss/(gain)				
- Realised	130,751	(385,482)	130,751	(385,482)
- Unrealised	(185,274)	805,639	(183,422)	805,639
Impairment loss on amount due from a subsidiary company	-	-	4,632	7,629
Dividend income from subsidiary companies	-	-	12,499,999	-
Gain on disposal of property, plant and equipment	(40,000)	-	(40,000)	-
Interest income	(1,184,517)	(983,448)	(1,184,517)	(983,205)

# Notes To The Financial Statements (cont'd)

31 August 2017

## 22. (Loss)/Profit Before Tax (Cont'd)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Inventories written down	21,230	15,242	21,230	15,242
Non-executive Directors' remunerations				
- Fees	105,900	138,000	105,900	138,000
- Other emoluments	75,800	72,100	75,800	72,100
Property, plant and equipment written off	-	715	-	715
Rental of premises	-	-	132,000	132,000

## 23. Taxation

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
<b>Tax expenses recognised in profit or loss:</b>				
Current income tax:				
Current tax provision	9,100	1,800	9,100	1,800
Under/(Over) provision in prior years	675	(16,033)	675	601
	9,775	(14,233)	9,775	2,401
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary difference	(998,431)	(1,278,801)	(960,862)	(1,241,232)
Under/(Over) provision in prior years	14,852	(827,267)	14,852	(827,267)
	(983,579)	(2,106,068)	(946,010)	(2,068,499)
	(973,804)	(2,120,301)	(936,235)	(2,066,098)

Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the financial year.

# Notes To The Financial Statements (cont'd)

31 August 2017

## 23. Taxation (Cont'd)

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
(Loss)/Profit before tax	(3,589,258)	(299,755)	9,160,424	(61,585)
At Malaysian statutory tax rate of 24% (2016: 24%)	(861,400)	(71,900)	2,198,500	(14,800)
Expenses not deductible for tax purposes	183,252	213,078	147,488	179,448
Income not subject to tax	(278,928)	(256,300)	(3,278,483)	(256,300)
Deferred tax assets not recognised	13,192	12,080	-	-
Effect of utilisation of previously unrecognised deferred tax assets	-	(1,128,512)	-	(1,128,512)
Reversal of deferred tax liability arising from revaluation surplus	(45,447)	(45,447)	(19,267)	(19,268)
Under/(Over) provision in prior years:				
- Current tax	675	(16,033)	675	601
- Deferred tax	14,852	(827,267)	14,852	(827,267)
Tax expense for the financial year	(973,804)	(2,120,301)	(936,235)	(2,066,098)

**23. Taxation (Cont'd)**

The Group and the Company have the following estimated unused tax losses, unutilised capital allowances and unutilised reinvestment allowances available for set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unused tax losses	25,402,419	25,347,454	-	-
Unutilised capital allowances	28,927,741	21,953,198	21,270,772	14,296,229
Unutilised reinvestment allowances	5,409,952	5,409,952	-	-
	<b>59,740,112</b>	<b>52,710,604</b>	<b>21,270,772</b>	<b>14,296,229</b>

The Group is entitled to claim reinvestment incentives under the Schedule 7A of the Income Tax Act, 1967. These reinvestment allowances claimed, when approved by the Inland Revenue Board, will enable the Group to distribute tax exempt dividends to the shareholders. As at the financial year end, the Group has unutilised reinvestment allowances of approximately RM5,409,952 (2016: RM5,409,952), subject to the agreement by the Inland Revenue Board.

**24. Staff Costs**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Fees	36,000	36,000	36,000	36,000
Salaries, wages and other emoluments	2,755,549	3,119,675	2,755,549	3,119,675
Defined contribution plans	242,480	249,256	242,480	249,256
Social security contributions	29,537	31,324	29,537	31,324
Other benefits	35,371	40,964	35,371	40,964
	<b>3,098,937</b>	<b>3,477,219</b>	<b>3,098,937</b>	<b>3,477,219</b>

# Notes To The Financial Statements (cont'd)

31 August 2017

## 24. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	<b>Group and Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
<b>Executive Directors of the Company</b>		
- Fee	36,000	36,000
- Salaries	204,000	197,700
- Defined contribution plans	33,576	32,376
- Social security contributions	1,657	1,309
	<b>275,233</b>	<b>267,385</b>

## 25. Earnings Per Share

### (a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated (loss)/profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Net (loss)/profit for the financial year attributable to the owners of the parent	(2,615,454)	1,820,546
Weighted average number of ordinary shares in issue	164,264,800	164,264,800
Adjusted for:		
Treasury shares	(60)	(61)
Bonus issues	41,066,094	41,066,094
	<b>205,330,834</b>	<b>205,330,833</b>
Basic earnings per share (sen)	(1.27)	0.89

**25. Earnings Per Share (Cont'd)**

(b) Diluted earnings per share

Diluted earnings per share are calculated based on the adjusted consolidated (loss)/profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Net (loss)/profit for the financial year attributable to the owners of the parent	(2,615,454)	1,820,546
Weighted average number of ordinary shares in issue	164,264,800	164,264,800
Adjusted for:		
Treasury shares	(60)	(61)
Assumed conversion of Warrants	*	*
Bonus issues	41,066,094	41,066,094
	205,330,834	205,330,833
Diluted earnings per share (sen)	(1.27)	0.89

\* The outstanding warrants do not have any impact on the diluted earnings per share as the exercise price of the warrants exceeded the average market price of the Company's ordinary shares.

**26. Related Party Disclosures**

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

# Notes To The Financial Statements (cont'd)

31 August 2017

## 26. Related Party Disclosures (Cont'd)

### (a) Identity of related parties (Cont'd)

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

### (b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Note 9 to the financial statements, the significant related party transactions of the Company are as follows:

	<b>Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Rental of premises paid and payable to a subsidiary company	132,000	132,000
Dividends income received and receivable from subsidiary companies	12,499,999	-

### (c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	<b>Group and Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Fee	141,900	174,000
Salaries	204,000	197,700
Defined contribution plans	33,576	32,376
Social security contributions	1,657	1,309
Other emoluments	75,800	72,100
	456,933	477,485

**27. Segment Information**

For management purposes, the Group is organised into operating segments based on a similar basis to that for internal reporting. The Group's chief operation decision maker reviews the decision on resource allocation and assesses the performance of the reportable segments.

Reporting Segment

The Group operates predominately in manufacturing of aluminium foil packaging materials segment. Other operating segments include printing and manufacturing of packaging boxes and materials and property investment, none of which are of sufficient size to be reported separately. Hence, no reporting segment is presented.

Geographic information

The Group's operations, assets and liabilities are in Malaysia, hence no geographical segment is presented.

Revenue information based on the geographical location of customers and assets respectively are as follow:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
Malaysia	594,050	764,896
Philippines	20,897,169	34,088,272
Indonesia	6,880,904	11,617,216
Thailand	2,635,972	2,593,754
Korea	5,127,855	7,090,387
Pakistan	4,000,815	3,440,703
Others	2,053,129	2,778,480
	42,189,894	62,373,708

Major Customers

Revenue from transactions with a major customer of the Group and of the Company amounted to RM36,892,066 (2016: RM55,709,531) arising from the manufacturing of aluminum foil packaging materials segment.

# Notes To The Financial Statements (cont'd)

31 August 2017

## 28. Financial Instruments

### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total carrying amount RM
<b>Group</b>			
<b>2017</b>			
<b>Financial assets</b>			
Trade receivables	13,522,680	-	13,522,680
Other receivables	120,390	-	120,390
Fixed deposits with licensed bank	3,416,400	-	3,416,400
Cash and bank balances	36,230,457	-	36,230,457
	53,289,927	-	53,289,927
<b>Financial liabilities</b>			
Trade payables	-	5,698,219	5,698,219
Other payables	-	684,189	684,189
Finance lease liabilities	-	155,686	155,686
	-	6,538,094	6,538,094
<b>2016</b>			
<b>Financial assets</b>			
Trade receivables	8,794,378	-	8,794,378
Other receivables	84,605	-	84,605
Cash and bank balances	36,530,356	-	36,530,356
	45,409,339	-	45,409,339
<b>Financial liabilities</b>			
Trade payables	-	7,619,511	7,619,511
Other payables	-	528,824	528,824
	-	8,148,335	8,148,335

# Notes To The Financial Statements (cont'd)

31 August 2017

## 28. Financial Instruments (Cont'd)

### (a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total carrying amount RM
<b>Company</b>			
<b>2017</b>			
<b>Financial assets</b>			
Trade receivables	13,522,680	-	13,522,680
Other receivables	104,440	-	104,440
Amount due from subsidiary companies	13,390,803	-	13,390,803
Fixed deposits with licensed bank	3,416,400	-	3,416,400
Cash and bank balances	36,222,071	-	36,222,071
	66,656,394	-	66,656,394
<b>Financial liabilities</b>			
Trade payables	-	5,679,350	5,679,350
Other payables	-	655,988	655,988
Amount due to a subsidiary company	-	5,406,359	5,406,359
Finance lease liabilities	-	155,686	155,686
	-	11,897,383	11,897,383
<b>2016</b>			
<b>Financial assets</b>			
Trade receivables	8,794,378	-	8,794,378
Other receivables	68,655	-	68,655
Amount due from subsidiary companies	4,291,278	-	4,291,278
Cash and bank balances	36,523,710	-	36,523,710
	49,678,021	-	49,678,021
<b>Financial liabilities</b>			
Trade payables	-	7,600,642	7,600,642
Other payables	-	505,624	505,624
Amount due to a subsidiary company	-	8,912,257	8,912,257
	-	17,018,523	17,018,523

**28. Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from its receivables from customers. The Company's exposure to credit risk arises principally from trade and other receivables and advances to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides advances to subsidiary companies. The Company does not specifically monitor on an ongoing basis the result of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

**28. Financial Instruments (Cont'd)**

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

(i) Credit risk (Cont'd)

Credit risk concentration

As at 31 August 2017, the Group has no significant concentration of credit risk except for an amount owing from three customers (2016: three customers) constituting 83% (2016: 87%) of total receivables of the Group.

The Group has no significant concentration of credit risks except for advance to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

# Notes To The Financial Statements (cont'd)

31 August 2017

## 28. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for 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 and the Company can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>Group</b>					
<b>2017</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	5,698,219	-	-	5,698,219	5,698,219
Other payables	684,189	-	-	684,189	684,189
Finance lease liabilities	35,568	35,568	103,729	174,865	155,686
	6,417,976	35,568	103,729	6,557,273	6,538,094
<b>2016</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	7,619,511	-	-	7,619,511	7,619,511
Other payables	528,824	-	-	528,824	528,824
	8,148,335	-	-	8,148,335	8,148,335

**28. Financial Instruments (Cont'd)**

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

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>Company 2017</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	5,679,350	-	-	5,679,350	5,679,350
Other payables	655,988	-	-	655,988	655,988
Amount due to a subsidiary company	5,406,359	-	-	5,406,359	5,406,359
Finance lease liabilities	35,568	35,568	103,729	174,865	155,686
	11,777,265	35,568	103,729	11,916,562	11,897,383
<b>2016</b>					
<b>Non-derivative financial liabilities</b>					
Trade payables	7,600,642	-	-	7,600,642	7,600,642
Other payables	505,624	-	-	505,624	505,624
Amount due to a subsidiary company	8,912,257	-	-	8,912,257	8,912,257
	17,018,523	-	-	17,018,523	17,018,523

# Notes To The Financial Statements (cont'd)

31 August 2017

## 28. Financial Instruments (Cont'd)

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

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar (USD). The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in USD	
	2017	2016
	RM	RM
<b>Group and Company</b>		
<b>Financial assets</b>		
Trade receivables	13,492,961	8,744,254
Fixed deposits with a licensed bank	3,416,400	-
Cash and bank balances	1,074,649	7,531,673
<b>Financial liability</b>		
Trade payables	(4,839,111)	(7,344,911)
	13,144,899	8,931,016

**28. Financial Instruments (Cont'd)**

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

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and of the Company's (loss)/profit before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

		<b>2017</b>		<b>2016</b>	
		Change in currency rate RM	Effect on profit before taxation RM	Change in currency rate RM	Effect on profit before taxation RM
<b>Group and Company</b>					
USD	Strengthened 10%		1,314,490	Strengthened 10%	893,102
	Weakened 10%		(1,314,490)	Weakened 10%	(893,102)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

**28. Financial Instruments (Cont'd)**

- (b) Financial risk management objectives and policies (Cont'd)
  - (iii) Market risks (Cont'd)
    - (b) Interest rate risk (Cont'd)

The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	<b>2017</b>	<b>2016</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
<b>Fixed rate instrument</b>		
<b>Financial asset</b>		
Fixed deposits with a licensed bank	3,416,400	-

**Interest rate risk sensitivity analysis**

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

- (c) Fair value of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

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

**28. Financial Instruments (Cont'd)**

(c) Fair value of financial instruments (Cont'd)

	Fair value of financial instruments not carried at fair value			Carrying amount  RM
	Level 1	Level 2	Level 3	
	RM	RM	RM	
<hr/>				
<b>Group and Company</b>				
<b>2017</b>				
<b>Financial liability</b>				
<b>(Non-current)</b>				
Finance lease liabilities	-	127,870	-	127,074
<hr/>				

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iii) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

# Notes To The Financial Statements (cont'd)

31 August 2017

## 29. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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 using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants which is net debt, loan and borrowings, trade and other payables, less cash and cash equivalents. Capital represents equity attributable to the owners of the Company. The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Total finance lease liabilities (Note 17)	155,686	-	155,686	-
Less: Fixed deposits, cash and bank balances	(39,646,857)	(36,530,356)	(39,638,471)	(36,523,710)
Net debt	(39,491,171)	(36,530,356)	(39,482,785)	(36,523,710)
Total equity	119,214,464	121,829,994	114,533,606	104,437,023
Net debt	(39,491,171)	(36,530,356)	(39,482,785)	(36,523,710)
Equity	79,723,293	85,299,638	75,050,821	67,913,313
Gearing ratio	*	*	*	*

\* Gearing ratio is not presented as the Group and the Company is in net cash position as at 31 August 2017 and 31 August 2016.

There were no changes in the Group's approach to capital management during the financial year.

**30. Subsequent Event**

On 18 September 2017, the Company completed the listing of 41,066,094 Bonus Shares and 14,428,148 Adjustment Warrants issued pursuant to the Bonus Issue of Shares on the Main Market of Bursa Securities.

**31. Date of Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 December 2017.

# Notes To The Financial Statements (cont'd)

31 August 2017

## 32. Supplementary Information on the Disclosure of Realised and Unrealised Profit or Losses

The following analysis of realised and unrealised retained earnings of the Group and of the Company at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Total retained earnings of the Company and its subsidiary companies				
- Realised	(29,623,680)	(18,851,860)	13,088,590	4,846,722
- Unrealised	11,920,877	10,135,745	3,728,523	1,873,732
	(17,702,803)	(8,716,115)	16,817,113	6,720,454
Less: Consolidation adjustments	39,200,774	32,829,540	-	-
Total retained earnings	21,497,971	24,113,425	16,817,113	6,720,454

The disclosure of realised and unrealised profits or loss above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

## Shareholders' Information / Analysis Of Shareholdings

Number of Issued Shares	: 205,330,894 Ordinary Shares (inclusive of 400 as Treasury Shares)
Class of shares	: Ordinary shares
Voting rights	: One vote per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS AS AT 30 NOVEMBER 2017

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	31	0.91	1,252	0.00
100 – 1,000	119	3.49	32,527	0.02
1,001 – 10,000	1,433	42.05	5,922,269	2.88
10,001 – 100,000	1,603	47.04	51,070,675	24.87
100,001 – 10,266,523*	221	6.48	80,675,175	39.29
10,266,524 and above **	1	0.03	67,628,596	32.94
<b>Total</b>	<b>3,408</b>	<b>100.00</b>	<b>205,330,494</b>	<b>100.00</b>

Notes:

\* Less than 5% of issued holdings

\*\* 5% and above of issued holdings

### DIRECTORS' SHAREHOLDINGS AS AT 30 NOVEMBER 2017

No.	Name	Direct interest		Deemed interest	
		No. of Shares	%	No. of Shares	%
1.	Nik Mustapha Bin Muhamad	-	-	-	-
2.	Yap Kok Eng	-	-	-	-
3.	Yeong Siew Lee	-	-	-	-
4.	Lye Jun Fei	-	-	-	-
5.	Tee Wee Keat	-	-	-	-

# Shareholders' Information / Analysis Of Shareholdings (cont'd)

## SUBSTANTIAL SHAREHOLDERS AS AT 30 NOVEMBER 2017

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 <sup>(i)</sup>	-	-	67,628,596	32.94
3.	TEH SEW WAN <sup>(i)</sup>	-	-	67,628,596	32.94

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

## THIRTY LARGEST SHAREHOLDERS AS AT 30 NOVEMBER 2017

No.	Shareholders	No. of Shares	% of issued share capital
1	WONG SK HOLDINGS SDN BHD	67,628,596	32.94
2	MATRIX ANGLE SDN BHD	10,025,000	4.88
3	TEE YOK POH	8,876,250	4.32
4	HK WONG HOLDINGS SDN BHD	3,025,000	1.47
5	LAU KIM WAH	1,600,000	0.78
6	TEH SIEW YAN	1,481,000	0.72
7	TIAH THEE KUAN	1,464,625	0.71
8	WONG YET LONG	1,261,250	0.61
9	WILLIAM WONG CHEE KIN	1,250,000	0.61
10	TEE AH SWEE	1,247,500	0.61
11	NG KWEE KUAN	1,000,000	0.49
12	LEE CHIP HWA	947,600	0.46
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD NOMURA SINGAPORE LIMITED FOR LIM LIAN HOCK (410242)	875,000	0.43
14	OON PHAIK SIEW	875,000	0.43
15	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KENG CHEW HAR	874,700	0.43
16	LIM KAU	750,000	0.37
17	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG LIN CHIN (E-BPT)	750,000	0.37
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO AH SENG (PB)	748,875	0.36
19	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING BEE TOO	717,900	0.35
20	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING HENG SEEK	700,000	0.34

# Shareholders' Information / Analysis Of Shareholdings (cont'd)

## THIRTY LARGEST SHAREHOLDERS AS AT 30 NOVEMBER 2017 (cont'd)

No.	Shareholders	No. of Shares	% of issued share capital
21	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	687,500	0.33
22	LIM TEE GUAN	675,000	0.33
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR WONG AI MING (E-KLC)	639,225	0.31
24	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR LEE LI SEE (SOLARIS-CL)	625,000	0.30
25	LIEW TEEN CHAI	625,000	0.30
26	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	614,250	0.30
27	EUGENE LIEW WENG LEONG	613,750	0.30
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	600,000	0.29
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LEE HENG CHOON (MY1672)	573,375	0.28
30	WEE SENG HUAT	543,750	0.26

## WARRANT HOLDERS' INFORMATION / ANALYSIS OF WARRANT HOLDINGS

No. of Warrants Issued	: 72,141,348
Exercise Price of the Warrants	: RM0.65
Exercise Period	: 13 January 2014 – 12 January 2019

## DISTRIBUTION OF WARRANT HOLDINGS AS AT 30 NOVEMBER 2017

Size of Holdings	Number of Holders	%	Number of Holdings	%
1 – 99	114	10.34	5,960	0.01
100 – 1,000	18	1.63	7,668	0.01
1,001 – 10,000	354	32.09	1,599,329	2.22
10,001 – 100,000	440	39.89	18,276,327	25.33
100,001 – 3,607,066*	177	16.05	52,252,064	72.43
3,607,067 and above**	0	0.00	0	0.00
<b>Total</b>	<b>1,103</b>	<b>100.00</b>	<b>72,141,348</b>	<b>100.00</b>

### Notes:

- \* Less than 5% of issued holdings
- \*\* 5% and above of issued holdings

# Shareholders' Information / Analysis Of Shareholdings (cont'd)

## DIRECTORS' WARRANT HOLDINGS AS AT 30 NOVEMBER 2017

No.	Name	Direct interest		Deemed interest	
		No. of Holdings	%	No. of Holdings	%
1.	Nik Mustapha Bin Muhamad	-	-	-	-
2.	Yap Kok Eng	-	-	-	-
3.	Yeong Siew Lee	-	-	-	-
4.	Lye Jun Fei	-	-	-	-
5.	Tee Wee Keat	-	-	-	-

## THIRTY LARGEST WARRANT HOLDERS AS AT 30 NOVEMBER 2017

No.	Warrant holders	No. of Warrant	% of issued Warrant
1.	EE KIM CHENG	1,600,000	2.22
2.	HON HOCK FATT	1,500,000	2.08
3.	EE KIM CHENG	1,200,000	1.66
4.	LEE CHIP HWA	1,192,200	1.65
5.	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KENG CHEW HAR (SMT)	1,150,000	1.59
6.	ANGELA KUNG CHUI PING	1,090,000	1.51
7.	NG SIEW LEE	932,250	1.29
8.	TAN TEONG HENG	846,250	1.17
9.	SEAH YONG KWONG	812,500	1.13
10.	FOONG WEI HON	800,000	1.11
11.	CHANG AH BOON	608,875	0.84
12.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR YONG CHEE CHOONG (MY2638)	600,000	0.83
13.	SIA CHUN PERN	600,000	0.83
14.	TAN PEIN CHUEN	600,000	0.83
15.	LEE CHIOU LUAN	590,000	0.82
16.	HO MEE LAN	569,375	0.79
17.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR TEOH SEOW LIN	563,400	0.78
18.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG NAM FATT (08CJ544Q-008)	562,541	0.78
19.	TAN KAR HENG	554,600	0.77

## Shareholders' Information / Analysis Of Shareholdings (cont'd)

### THIRTY LARGEST WARRANT HOLDERS AS AT 30 NOVEMBER 2017 (cont'd)

No.	Warrant holders	No. of Warrant	% of issued Warrant
20.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THOONG KAM HOE	532,700	0.74
21.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG AH MENG	525,000	0.73
22.	KHOR KIM HOCK	513,750	0.71
23.	AU SHIUN CHOUR	513,200	0.71
24.	CHIA LAI JOO	500,000	0.69
25.	LEE CHENG BOON	500,000	0.69
26.	LEE ZHI HAO	500,000	0.69
27.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO AH SENG (PB)	499,250	0.69
28.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH YIN KIAN (E-PTS)	495,000	0.69
29.	LEONG CHENG SOONG	493,000	0.68
30.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR CHANG AH BOON	491,250	0.68

# List Of Properties

The list of properties held by the Group as at 31 August 2017 is set out as follows:

Location	Description of Land	Existing use	Land Area in sq. ft.	Tenure/ Lease Period	Net Book Value (RM000')	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	Industrial land	Office cum factory building	56,555	Freehold	8,875	26	3 January 2013
No.20, Jalan Delima 1/1 Subang Hi-Tech Industrial Park 40000 Shah Alam, Selangor Darul Ehsan	Industrial land	Factory building	80,482	Freehold	14,902	22	3 January 2013

# Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of the Company will be held at Tioman Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 22 January 2018 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 2017 and the Reports of Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To re-elect Tee Wee Keat who is retiring as a Director in accordance with Article 108 of the Company's Articles of Association. **Ordinary Resolution 1**
3. To re-elect Yap Kok Eng who is retiring as a Director in accordance with Article 108 of the Company's Articles of Association. **Ordinary Resolution 2**
4. To re-appoint Nik Mustapha Bin Muhamad as a Director of the Company. **Ordinary Resolution 3**
5. To re-appoint Messrs UHY as the Auditors of the Company and authorise the Directors to determine their remuneration. **Ordinary Resolution 4**
6. To approve the payment of Directors' fees of RM141,900.00 for the financial year ended 31 August 2017. **Ordinary Resolution 5**
7. To approve the payment of Directors' fees of up to RM136,000.00 from 1 September 2017 until the next Annual General Meeting of the Company. **Ordinary Resolution 6**

### As Special Business

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

# Notice Of Annual General Meeting (cont'd)

## 8. AUTHORITY TO ISSUE SHARES

Ordinary Resolution 7

“THAT subject always to the Companies Act, 2016, Articles of Association 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 Companies Act, 2016 to issue not more than ten per centum (10%) of the issued capital 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.”

## 9. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

Ordinary Resolution 8

“THAT subject always to compliance with the Companies Act, 2016 (“Act”), the Articles of Association 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 issued share capital 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

## Notice Of Annual General Meeting (cont'd)

- (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;
  - (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 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."

# Notice Of Annual General Meeting (cont'd)

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

BY ORDER OF THE BOARD

**NG HENG HOOI (MAICSA 7048492)**  
**WONG MEE KIAT (MAICSA 7058813)**  
**JANE ONG SU PING (MAICSA 7059946)**  
Secretaries

Kuala Lumpur  
29 December 2017

## Notes:

1. 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 15 January 2018 and only members whose name appear on such Record of Depositors shall be entitled to attend and vote at the meeting.
2. 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.
3. 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.
4. 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.
5. The instrument appointing a proxy shall be deposited at the office of the Share Registrar of the Company situated at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.
6. 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

Under the new Companies Act 2016, the requirement to put forth the re-appointment of Directors of or over the age of 70 years had been repealed. At the Twenty-Ninth Annual General Meeting ("AGM") held on 23 January 2017, the Company had obtained shareholders' approval for the re-appointment of Encik Nik Mustapha Bin Muhamad as Director of the Company and for him to continue in office as Director until the conclusion of the next AGM of the Company. In this regard, the Company is seeking shareholders' approval for the re-appointment of Encik Nik Mustapha Bin Muhamad as Director of the Company.

Encik Nik Mustapha Bin Muhamad's retirement by rotation at subsequent AGMs will be in accordance with the Company's Articles of Association.

### 3. Item 7 of the Agenda

Pursuant to Section 230(1) of the Companies Act 2016 which came into force on 31 January 2017, 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 for the period commencing 1 September 2017 up till the next AGM of the Company in 2019.

### 4. Item 8 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 7, if passed, will authorize the Directors of the Company to issue not more than 10% of the issued share capital of the Company subject to the approvals of all relevant governmental/regulatory bodies. This authorization will empower the Directors of the Company to issue shares notwithstanding that the authorization has ceased to be in force if the shares are issued in pursuance of an offer, agreement or option made or granted by the Directors while the authorization was in force. 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.

### 5. Item 9 of the Agenda

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the total issued share capital 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.

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BRIGHT PACKAGING INDUSTRY BERHAD  
(Company No. 161776-W)  
(Incorporated in Malaysia)

## FORM OF PROXY

CDS account no.
No. of shares held

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			

and/or (delete as appropriate)

Full name (in block)	NRIC/Passport no.	Proportion of shareholdings	
		No. of shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll at the Thirtieth Annual General Meeting of the Company to be held at **Tioman Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 22 January 2018 at 9.00 a.m.** or any adjournment thereof, and to vote as indicated below:

Resolution	Agenda	For	Against
<b>Ordinary Resolution 1</b>	Re-election of Tee Wee Keat		
<b>Ordinary Resolution 2</b>	Re-election of Yap Kok Eng		
<b>Ordinary Resolution 3</b>	Re-appointment of Nik Mustapha Bin Muhamad		
<b>Ordinary Resolution 4</b>	Re-appointment of Messrs UHY as the Auditors of the Company and authorise the Directors to determine their remuneration		
<b>Ordinary Resolution 5</b>	Payment of Directors' Fees for the financial year ended 31 August 2017		
<b>Ordinary Resolution 6</b>	Payment of Directors' Fees from 1 September 2017 until the next Annual General Meeting		
<b>Ordinary Resolution 7</b>	Authority to Issue Shares		
<b>Ordinary Resolution 8</b>	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 ..... 2018

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

**Notes:**

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6. 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.

**Fold this flap for sealing**



Affix  
Stamp

**BRIGHT PACKAGING INDUSTRY BERHAD (161776-W)**  
c/o Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

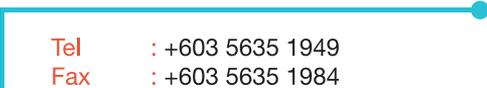
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## **BRIGHT PACKAGING INDUSTRY BERHAD**

(161776-W)

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