

THIS ABRIDGED PROSPECTUS (“AP”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your shares in Bright Packaging Industry Berhad (“Bright” or the “Company”), you should immediately hand this AP together with the Notice of Provisional Allotment (“NPA”) and Rights Subscription Form (“RSF”) (collectively referred to as “Documents”) to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Rights Issue of Shares with Warrants (as defined herein) to our share registrar, Symphony Share Registrars Sdn Bhd (“Share Registrar”) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor.

The Documents are only despatched to our shareholders (“Entitled Shareholders”) (other than an authorised nominee who has subscribed for Nominee Rights Subscription service (“NRS”)) whose names appear in our Record of Depositors as at 5.00 p.m. on 19 December 2013 (“Entitlement Date”) at their registered addresses in Malaysia. If you are an authorised nominee who has subscribed for NRS with Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”), an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominee (as defined herein). The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue of Shares with Warrants or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue of Shares with Warrants in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renounees (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance or renunciation (as the case may be) of his/her entitlement to the Rights Issue of Shares with Warrants would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounees (if applicable) should note the additional terms and restrictions as set out in Section 3 of this AP. Neither our Company nor TA Securities Holdings Berhad (“TA Securities”) shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or sale/renunciation made by the Entitled Shareholders, and/or their renounees (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholder and/or his renounee (if applicable) is a resident.

A copy of this AP has been registered with the Securities Commission Malaysia (“SC”). The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue of Shares with Warrants or assumes responsibility for the correctness or any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

Our shareholders have approved the Rights Issue of Shares with Warrants at the Extraordinary General Meeting held on 2 December 2013. Bursa Malaysia Securities Berhad (“Bursa Securities”) had vide its letter dated 31 October 2013 approved the admission of Warrants to the official list and the listing of and quotation for the Rights Shares (as defined herein), Warrants (as defined herein) and the new Bright Shares (as defined herein) to be issued upon the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of Shares with Warrants. The listing of and quotation for the Rights Shares, Warrants and new Bright Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of Shares with Warrants. Neither Bursa Securities nor the SC takes any responsibility for the correctness of any statement made or opinions expressed in the Documents. The listing of and quotation for the Rights Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Central Depository System accounts of the Entitled Shareholders and/or their renounees (if applicable) have been duly credited and notices of allotment have been despatched to the Entitled Shareholders and/or their renounees (if applicable).

Our directors (“Directors”) have seen and approved all the documentation relating to this Rights Issue of Shares with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

TA Securities, being the Adviser for the Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue of Shares with Warrants.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 6 HEREIN.



BRIGHT PACKAGING INDUSTRY BERHAD

(Company No. 161776-W)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 86,569,800 NEW ORDINARY SHARES OF RM0.50 EACH IN BRIGHT (“BRIGHT SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING BRIGHT SHARE HELD AS AT 5.00 P.M. ON 19 DECEMBER 2013 AT AN ISSUE PRICE OF RM0.55 PER RIGHTS SHARE, TOGETHER WITH 57,713,200 FREE DETACHABLE WARRANTS (“WARRANTS”) ON THE BASIS OF TWO (2) WARRANTS FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED FOR

Adviser and Joint Underwriter



TA SECURITIES
A MEMBER OF THE TA GROUP

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriter



A Participating Organisation of Bursa Malaysia Securities Berhad
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

Joint Underwriter



AFFIN INVESTMENT BANK BERHAD (9999-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME

Entitlement date	:	Thursday, 19 December 2013 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights	:	Friday, 27 December 2013 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Thursday, 2 January 2014 at 4.00 p.m.
Acceptance and payment	:	Tuesday, 7 January 2014 at 5.00 p.m.*
Excess application and payment	:	Tuesday, 7 January 2014 at 5.00 p.m.*

* or such later date and time as our Directors may decide in its absolute discretion and announce not less than two (2) market days before the stipulated date and time

This Abridged Prospectus is dated 19 December 2013

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

BURSA SECURITIES HAS APPROVED THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, WARRANTS AND THE NEW SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE WARRANTS ON THE MAIN MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE OF SHARES WITH WARRANTS.

THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

WE AND OUR ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS AP.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP and the accompanying appendices:

“5D-VWAP”	: Five (5)-day volume weighted average market price
“Act”	: Companies Act, 1965 as amended, modified or re-enacted from time to time
“Affin”	: Affin Investment Bank Berhad
“Announcement”	: The announcement of the Rights Issue of Shares with Warrants dated 14 October 2013
“AP”	: This Abridged Prospectus issued by our Company dated 19 December 2013
“ATM”	: Automated teller machine within Malaysia
“Authorised Nominee”	: A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
“Board”	: Our Board of Directors
“Bright” or “Company”	: Bright Packaging Industry Berhad
“Bright Group” or “Group”	: Bright and our subsidiaries, collectively
“Bright Shares” or “Shares”	: Ordinary shares of RM0.50 each in our Company
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“CAGR”	: Compounded annual growth rate
“CDS”	: Central Depository System
“Code”	: Malaysian Code on Take-Overs and Mergers, 2010, as amended from time to time
“Deed Poll”	: The document constituting the Warrants dated 5 December 2013
“DSSA”	: Y.Bhg Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee
“EBITDA”	: Earnings before interest, taxation, depreciation and amortisation
“EGM”	: Extraordinary general meeting of our Company held on 2 December 2013
“Electronic Application”	: Application for the Rights Shares with Warrants through the ATMs of Participating Financial Institution
“Entitled Shareholders”	: Our shareholders whose names appear in our Company’s Record of Depositors on the Entitlement Date
“Entitlement Date”	: 19 December 2013 at 5.00 p.m. being the date and time on which our shareholders must be registered on the Record of Depositors in order to be entitled to the Rights Issue of Shares with Warrants
“EPS”	: Earnings per Bright Share
“ERP”	: Enterprise resources planning
“FYE”	: Financial year ended/ending 31 August

DEFINITIONS (CONT'D)

“GP”	:	Gross profit
“IMP2”	:	Second Industrial Master Plan (1996 to 2005)
“IMP3”	:	Third Industrial Master Plan (2006 to 2020)
“Internet Application”	:	Application for the Rights Shares with Warrants within Malaysia through an Internet Participating Financial Institution
“Internet Participating Financial Institution”	:	Participating financial institution for the Internet Applications as referred to in Section 3.5.3 of this AP
“IPS”	:	Inter-Pacific Securities Sdn Bhd
“Issue Price”	:	The issue price pursuant to the Rights Issue of Shares with Warrants of RM0.55 per Rights Share
“Joint Underwriters”	:	TA Securities, IPS and Affin, collectively
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	4 December 2013, being the latest practicable date prior to the registration of this AP
“Market Day”	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
“NA”	:	Net assets
“NPA”	:	Notice of Provisional Allotment in relation to the Rights Issue of Shares with Warrants
“NRS”	:	Nominee Rights Subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares with Warrants through Bursa Depository’s existing network facility with the Authorised Nominees
“NTA”	:	Net tangible assets
“Participating Financial Institution”	:	Participating financial institution for Electronic Applications as referred to in Section 3.5.2 of this AP
“Par Value Reduction”	:	The reduction of the issued and paid-up share capital of our Company pursuant to Section 64(1) of the Act involving the cancellation of RM0.50 par value of all existing ordinary shares of RM1.00 each in our Company which was completed on 22 August 2013
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“Price Fixing Date”	:	5 December 2013, being the date on which the Issue Price of the Rights Shares were determined and announced
“Record of Depositors”	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
“Rights Issue Entitlement File”	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee’s entitlements under the Rights Issue of Shares with Warrants as at the Entitlement Date

DEFINITIONS (CONT'D)

“Rights Issue of Shares with Warrants”	:	Renounceable rights issue of 86,569,800 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing Bright Share held, together with 57,713,200 Warrants on the basis of two (2) Warrants for every three (3) Rights Shares subscribed at the Entitlement Date
“Rights Shares”	:	86,569,800 new Bright Shares to be issued pursuant to the Rights Issue of Shares with Warrants
“Rights Shares Subscription File”	:	An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee’s subscription of the Rights Shares with Warrants
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RSF”	:	Rights Subscription Form in relation to the Rights Issue of Shares with Warrants
“Rules of Bursa Depository”	:	Rules of Bursa Depository including the rules in relation to a central depository as described in Section 2 of the SICDA
“SC”	:	Securities Commission Malaysia
“Share Premium Reduction”	:	Reduction of RM2.16 million from the share premium account of our Company pursuant to Sections 60(2) and 64(1) of the Act which was completed on 22 August 2013
“Share Registrar”	:	Symphony Share Registrars Sdn Bhd
“SICDA”	:	Securities Industry (Central Depositories) Act, 1991
“Smith Zander”	:	SMZA Consulting Sdn Bhd
“TA Securities”	:	TA Securities Holdings Berhad
“TERP”	:	Theoretical ex-rights price of Bright Shares
“Undertakings”	:	Irrevocable and unconditional written undertakings from DSSA and WHSB that they will not dispose any of their Bright Shares following the Announcement (and subsequent to the Announcement for WHSB in view of the increase of its shareholding in our Company) up to the completion of the Rights Issue of Shares with Warrants and that they will subscribe in full for their entitlements of Rights Shares with Warrants pursuant to the Rights Issue of Shares with Warrants
“Undertaking Shareholders”	:	DSSA and WHSB, collectively
“Underwriting Agreement”	:	Underwriting agreement dated 5 December 2013 entered into between Bright and the Joint Underwriters
“Underwritten Shares”	:	58,169,800 Rights Shares, representing approximately 67.19% of the total size of the Rights Issue of Shares with Warrants, underwritten by the Joint Underwriters (severally but not jointly) based on the terms and conditions of the Underwriting Agreement
“Warrants”	:	57,713,200 free detachable warrants to be issued pursuant to the Rights Issue of Shares with Warrants
“WSHB”	:	Wong SK Holdings Sdn Bhd

DEFINITIONS (*CONT'D*)

All references to “our Company” and/or “Bright” in this AP are to Bright Packaging Industry Berhad. References to “our Group” and/or “Bright Group” are to Bright and our subsidiaries and references to “we”, “us” “our” and “ourselves” are to Bright and where the context does require, shall include our subsidiaries.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

Name	Address	Age	Nationality	Profession
Nik Mustapha Bin Muhamad <i>(Executive Chairman)</i>	1714 Jalan Mutiara Off Jalan Pengkalan Chepa Panji 15150 Kota Bahru Kelantan Darul Naim	68	Malaysian	Company Director
Ang Lay Chieng <i>(Executive Director)</i>	Block A, Level 28-2 Verve Suites Jalan Kiara 5 Mont Kiara 50480 Kuala Lumpur	41	Malaysian	Company Director
Y.Bhg Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee <i>(Independent Non-Executive Director)</i>	No. 35-1 Jalan Bandar 16 Pusat Bandar Puchong 47100 Puchong Selangor Darul Ehsan	51	Malaysian	Company Director
Lye Jun Fei <i>(Independent Non-Executive Director)</i>	No.12, Jalan SP3 Taman Sri Putra 47000 Sungai Buloh Selangor Darul Ehsan	32	Malaysian	Company Director
Tee Wee Keat <i>(Independent Non-Executive Director)</i>	No. 9, Jalan Desa Residen 1 Levenue Desa Parkcity 52200 Kuala Lumpur	32	Malaysian	Company Director
Yeong Siew Lee <i>(Independent Non-Executive Director)</i>	307 Block A Kondo Rozella Jalan Merbah 10/1 Seksyen 10, Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan	35	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Y.Bhg Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee	Chairman	Independent Non-Executive Director
Tee Wee Keat	Member	Independent Non-Executive Director
Yeong Siew Lee	Member	Independent Non-Executive Director
Lye Jun Fei	Member	Independent Non-Executive Director

COMPANY SECRETARIES

: Wong Wei Fong (MAICSA 7006751)
C-17-3A, Level 17, Block C
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel. no. : 03-2166 9718
Fax. no. : 03-2166 9728

CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARIES (cont'd)** : Ang Hong Peng (MAICSA 7052695)
B4-9 Pangsapuri Vista Serdang
Jalan Kasturi
Taman Bukit Serdang Sek 12
43300 Seri Kembangan
Selangor Darul Ehsan
- REGISTERED OFFICE** : B-11-10, Level 11
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel. no. : 03-2166 9718
Fax. no. : 03-2166 9728
- HEAD/MANAGEMENT OFFICE/
PRINCIPAL PLACE OF BUSINESS** : 23, Jalan Delima 1/3
Subang Hi-Tech Industrial Park
40000 Shah Alam
Selangor Darul Ehsan
Tel. no. : 03-5635 1949
Fax. no. : 03-5635 1984
Website : www.brightpack.net
E-mail address : marketing@brightpack.net
- 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. no. : 03-7849 0777
- AUDITORS** : Messrs Baker Tilly Montciro Heng
Level 10 Tower 1 Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel. no. : 03-2297 1000
- AUDITORS FOR THE FIVE (5)-
MONTH PERIOD ENDED 31
JANUARY 2013** : Crowe Horwath
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel. no. : 03-2788 9999
- REPORTING ACCOUNTANTS** : UHY
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel. no. : 03-2279 3088
- SOLICITORS FOR THE RIGHTS
ISSUE OF SHARES WITH
WARRANTS** : Lee, Perara & Tan
Advocates and Solicitors
55, Jalan Thambypillai
Off Jalan Tun Sambanthan
Brickfields
50470 Kuala Lumpur
Tel. no. : 03-2273 4307

CORPORATE DIRECTORY (CONT'D)

- INDEPENDENT MARKET RESEARCHER** : SMZA Consulting Sdn Bhd
Level 23, Premier Suite
One Mont Kiara
1, Jalan Kiara
Month Kiara
50480 Kuala Lumpur
Tel. no. : 03-2785 6822
- PRINCIPAL BANKER** : Affin Bank Berhad
No. 20 & 22, Jalan 21/12
Seapark
46300 Petaling Jaya
Selangor Darul Ehsan
Tel no. : 03-7875 6255
- ADVISER FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS** : TA Securities Holdings Berhad
32nd Floor, Menara TA One
22, Jalan P.Ramlee
50250 Kuala Lumpur
Tel. no. : 03-2072 1277
- JOINT UNDERWRITERS** : TA Securities Holdings Berhad
32nd Floor, Menara TA One
22, Jalan P.Ramlee
50250 Kuala Lumpur
Tel. no. : 03-2072 1277
- Inter-Pacific Securities Sdn Bhd
Level 13, West Wing
Berjaya Times Square
No.1, Jalan Imbi
55100 Kuala Lumpur
Tel. no. : 03-2117 1888
- Affin Investment Bank Berhad
27th Floor, Menara Bousted
69, Jalan Raja Chulan
50200 Kuala Lumpur
Tel. no. : 03-2143 3700
- STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

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BRIGHT PACKAGING INDUSTRY BERHAD

(Company No. 161776-W)
(Incorporated in Malaysia under the Act)

Registered Office:

B-11-10, Level 11
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur

19 December 2013

Our Board of Directors:

Nik Mustapha Bin Muhamad (*Executive Chairman*)
Ang Lay Cheing (*Executive Director*)
Y.Bhg Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee (*Independent Non-Executive Director*)
Lye Jun Fei (*Independent Non-Executive Director*)
Tee Wee Keat (*Independent Non-Executive Director*)
Yeong Siew Lee (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/Madam,

RIGHTS ISSUE OF SHARES WITH WARRANTS

1. INTRODUCTION

Our shareholders had, at the EGM held on 2 December 2013 approved the Rights Issue of Shares with Warrants.

A certified true extract of the resolution in relation to the Rights Issue of Shares with Warrants passed at the EGM is set out in the Appendix I of this AP.

Bursa Securities has vide its letter dated 31 October 2013 approved the following:

- (i) listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue of Shares with Warrants;
- (ii) admission to the Official List and the listing of and quotation for the Warrants to be issued pursuant to the Rights Issue of Shares with Warrants; and
- (iii) listing of and quotation for the new Bright Shares to be issued pursuant to the exercise of the Warrants,

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	Bright and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of Shares with Warrants;	To be complied
(b)	Bright and TA Securities to inform Bursa Securities upon the completion of the Rights Issue of Shares with Warrants;	To be complied
(c)	Bright to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of Shares with Warrants is completed;	To be complied
(d)	Bright to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a details computation of listing fees payable; and	To be complied
(e)	To incorporate Bursa Securities' comments in respect of the draft Circular to shareholders.	Complied

On 5 December 2013, TA Securities had on our behalf announced that our Board has fixed the issue price of the Rights Shares at RM0.55 per Rights Share and the exercise price of the Warrants of RM0.82 per Warrant.

On 5 December 2013, TA Securities had on our behalf announced that the Entitlement Date has been fixed on 19 December 2013 at 5.00 p.m. and the other relevant dates pertaining to the Rights Issue of Shares with Warrants.

No person is authorised to give any information or to make any representation not contained in this AP in connection with the Rights Issue of Shares with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or by TA Securities in connection with the Rights Issue of Shares with Warrants.

If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. DETAILS OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS

The Rights Issue of Shares with Warrants entails the issuance of 86,569,800 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing Bright Share held, together with 57,713,200 Warrants on the basis of two (2) Warrants for every three (3) Rights Shares subscribed by the Entitled Shareholders at an issue price of RM0.55 per Rights Share.

The Rights Shares with Warrants which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renounees (if applicable). It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable basis specified under Section 3.9 herein. The entitlements for the Rights Shares with Warrants are renounceable in full or in part. The Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded. The renunciation of Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue of Shares with Warrants. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in the proportion of their Rights Shares entitlements. Any unsubscribed Rights Shares with the attached Warrants shall be offered to other Entitled Shareholders and/or their renounees (if applicable) under the excess Rights Shares with Warrants application.

In determining the entitlements of the Entitled Shareholders, any fractional entitlement to the Rights Shares with Warrants will be disregarded and shall be dealt with in such a manner as our Board in their absolute discretion deems fit, expedient and in the best interest of our Company.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisional allotted Rights Shares with Warrants, which you are entitled to subscribe for in full or in part under terms of the Rights Issue of Shares with Warrants. You (other than an Authorised Nominee who has subscribed for NRS) will find enclosed with this AP, the NPA notifying you of the crediting of such provisional Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for the provisional Rights Shares with Warrants, as well as to apply for the excess Rights Shares with Warrants if you choose to.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 3.5.4 and 3.9.4 of this AP for the procedures for acceptance as well as to apply for excess Rights Shares with Warrants, if you choose to do so.

Any dealing in our securities will be subject to the SICDA and the Rules of Bursa Depository. Accordingly, the Rights Shares with Warrants and new Shares to be issued arising from the exercise of the Warrants will be credited directly to the respective CDS Accounts of the successful applicants and exercising Warrant holders (as the case may be). No physical share certificates and warrant certificates will be issued to the Entitled Shareholders and/or their renounee, if applicable. A notice of allotment will be despatched to the successful applicants within eight (8) Market Days from the last date of acceptance and payment for the Rights Issue of Shares with Warrants and a notice of allotment will be despatched to the exercising Warrant holders within eight (8) Market Days after the date of receipt of the subscription form together with the requisite payment (for exercise of Warrants) from the date of exercise of the Warrants.

2.1 Basis of determining the Issue Price of the Rights Shares and exercise price of the Warrants

(i) Rights Shares

Our Board had on 5 December 2013 fixed the issue price for the Rights Shares at RM0.55 per Rights Share after taking into consideration the following:

- (a) the TERP of Bright Shares of RM0.8152, based on the 5D-VWAP of Bright Shares up to and including 4 December 2013 (being the last trading date immediately preceding the Price Fixing Date) of RM1.3456;
- (b) the prevailing market sentiments at the point of price fixing;
- (c) the par value of Bright Shares of RM0.50 each; and
- (d) the funding requirements of our Group, details of which are set out in Section 5 of this AP.

The Issue Price of Rights Shares at RM0.55 per Rights Share represents a discount of approximately RM0.2652 or 32.53% to the TERP of Bright Shares of RM0.8152, based on the 5D-VWAP per Bright Share up to and including 4 December 2013 (being the last trading date immediately preceding the Price Fixing Date) of RM1.3456.

(ii) Warrants

The Warrants will be issued at no cost to the Entitled Shareholders who successfully subscribed for the Rights Shares, and are exercisable into new Bright Shares. Each Warrant will entitle its holder to subscribe for one (1) Bright Share at the exercise price of RM0.82 per Warrant.

The exercise price of the Warrants at RM0.82 per Warrant is determined and fixed by our Board on 5 December 2013 after taking into consideration the following:

- (a) the TERP of Bright Shares based on 5D-VWAP of Bright Shares up to and inclusive of 4 December 2013 of RM0.8152;
- (b) the prevailing market sentiments; and
- (c) the par value of Bright Shares of RM0.50 each.

The exercise price of the Warrants at RM0.82 per Warrant is approximate to the TERP of Bright Shares of RM0.8152, calculated based on the 5D-VWAP of Bright Shares up to the 4 December 2013 of RM1.3456.

2.2 Ranking of the Rights Shares and the new Bright Shares arising from the exercise of the Warrants

The holders of the Warrants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Warrants exercise their Warrants into new Bright Shares.

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

2.3 Salient terms of the Warrants

The salient terms of the Warrants are as follows:

Terms	Details
Issue size	: 57,713,200 Warrants.
Form and denomination	: The Warrants which are free will be issued in registered form and will be constituted by the Deed Poll.
Exercise period	: The Warrants may be exercised at any time commencing on and including the date of issuance of the Warrants until 5.00 p.m. on the expiry date. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise price	: The exercise price of the Warrants has been fixed at RM0.82 each, subject to adjustments in accordance with the provisions of the Deed Poll.
Expiry date	: The day falling five (5) years from and including the date of issue of the Warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day.
Exercise rights	: Each Warrant entitles the registered holder to subscribe for one (1) new Bright Share at any time during the exercise period at the exercise price (subject to adjustments in accordance with the provisions of the Deed Poll).

- Mode of exercise : The registered holder of the Warrants is required to lodge an exercise form, as set out in the Deed Poll, with our Company's registrar, duly completed, signed and stamped together with payment of the exercise price for the new Bright Shares subscribed for by banker's draft or cashier's order or money order or postal order in Ringgit Malaysia drawn on a bank or post office operating in Malaysia.
- Board lot : For the purpose of trading on Bursa Securities, one (1) board lot of Warrant shall comprise one hundred (100) Warrants carrying the right to subscribe for one hundred (100) new Bright Shares at any time during the exercised period, or such other denomination as determined by Bursa Securities from time to time.
- Adjustments in the exercise price and/or number of the Warrants : The exercise price and/or number of unexercised Warrants shall be adjusted in the event of alternation to the share capital by reason of any issue of shares, consolidation, subdivision, conversion or capital distribution in accordance with the provisions of the Deed Poll.
- Rights of the Warrants : The Warrants holders are not entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new Bright Shares upon the exercise of the Warrants. The Warrants holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in our Company until and unless such Warrant holders exercise their Warrants into new Bright Shares.
- Rights in the event of winding-up, liquidation, compromise and/or arrangement : If a resolution is passed for a members' voluntary winding up of our Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then:
- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant holder (or some person designated by them for such purpose by special resolution) shall be a party, the terms of such winding up, compromise and arrangement shall be binding on all the Warrant holders; and

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- (ii) in any other case, every Warrant holder shall be entitled upon and subject to the conditions at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or the granting of the court order approving the compromise or arrangement (as the case may be), to exercise their Warrants by submitting the exercise form duly completed authorising the debiting of his Warrants together with payment of the relevant exercise price to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the exercise rights to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.

Listing status : The Warrants will be listed and traded on the Main Market of Bursa Securities. Approval has been obtained from Bursa Securities for the admission of the Warrants to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the Warrants and the new Bright Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

Governing law : The laws of Malaysia.

2.4 Substantial shareholders' undertakings and Underwriting

The Rights Issue of Shares with Warrants will be undertaken on full subscription basis.

To meet the full subscription level, our Company has obtained written unconditional and irrevocable undertakings from our substantial shareholders, namely DSSA and WHSB that they will not dispose any of their Bright Shares following the Announcement up to the completion of the Rights Issue of Shares with Warrants and that they will subscribe in full for their entitlements of the Rights Shares with Warrants.

The Undertaking Shareholders have confirmed that they have sufficient financial resources to subscribe for their entitlements as mentioned above pursuant to the Undertakings. As the adviser for the Rights Issue of Shares with Warrants, TA Securities has verified the confirmation made by the Undertaking Shareholders.

For the remaining portion of the Rights Shares, we have entered into an Underwriting Agreement with the Joint Underwriters to severally but not jointly underwrite 58,169,800 Rights Shares representing approximately 67.19% of the Rights Shares, for which no unconditional and irrevocable written undertaking to subscribe has been obtained from other shareholders. The underwriting commission is two per cent (2%) of the value of Underwritten Shares, amounting to RM639,867.80. The underwriting commission payable to the Joint Underwriters and all other costs in relation to the Underwriting shall be fully borne by our Company.

Details of the Undertakings and the Underwriting are as follows:

Undertaking Shareholders	As at the LPD		Entitlement of Rights Shares	
	No. of Bright Shares	%	No. of Rights Shares	% ⁽¹⁾
DSSA	4,000,000	9.24	8,000,000	9.24
WHSB	10,200,000	23.56	20,400,000	23.56

Note:

(1) Percentage calculated based on 86,569,800 Rights Shares available for subscription under the Rights Issue of Shares with Warrants.

Joint Underwriters	No. of Underwritten Shares	Issue value of Underwritten Shares (RM)	% of total Underwritten Shares (%)
TA Securities	3,636,000	1,999,800	6.25
IPS	42,700,000	23,485,000	73.41
Affin	11,833,800	6,508,590	20.34
TOTAL	58,169,800	31,993,390	100.00

After considering the Undertakings and the Underwriting, we confirm that the abovementioned subscription of Rights Shares by the Undertaking Shareholders will not give rise to any consequences of mandatory general offer obligation pursuant to the Code. Nevertheless, the Undertaking Shareholders have given their respective confirmations to observe and comply at all times with the provisions of the Code.

2.5 Details of other corporate exercises

Save for the Rights Issue of Shares with Warrants, our Board is not aware of any outstanding corporate proposal which has been announced but pending completion as at the LPD.

3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS

3.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part, under the terms of the Rights Issue of Shares with Warrants. You (other than an Authorised Nominee who has subscribed for NRS) will find enclosed with this AP, the NPA notifying you of the crediting of such provisional Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for the provisional Rights Shares with Warrants, as well as to apply for excess Rights Shares with Warrants if you choose to do so.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 3.5.4 and 3.9.4 of this AP for the procedures for acceptance as well as to apply for excess Rights Shares with Warrants, if you choose to do so.

3.2 NPA

The provisional allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the provisional Rights Shares with Warrants will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renounees (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

3.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the provisional Rights Shares with Warrants is at **5.00 p.m. on 7 January 2014**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.4 Methods of application

You may subscribe for such number of Rights Shares with Warrants that you have been provisionally allotted as well as to apply for excess Rights Shares with Warrants, if you so choose, using either of the following methods:

<u>Method of application</u>	<u>Category of Entitled Shareholders</u>
RSF ⁽¹⁾	All Entitled Shareholders
Electronic Application ⁽²⁾ or Internet Application ⁽³⁾	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Notes:

- (1) A copy of the RSF will be enclosed together with this AP. The RSF is also available on the website of Bursa Securities (<http://www.bursamalaysia.com>).
- (2) The following surcharge per Electronic Application will be charged by the Participating Financial Institution:
 - Public Bank Berhad – RM4.00; and
- (3) The following processing fee per Internet Application will be charged by the respective Internet Participating Financial Institution:
 - Public Bank Berhad (<http://www.pbebank.com>) – RM4.00.

3.5 Procedure for full acceptance and payment by Entitled Shareholders

3.5.1 By way of RSF

If you wish to accept your entitlement to the provisional Rights Shares with Warrants, the acceptance of and payment for the provisional Rights Shares with Warrants must be made on the respective RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this AP, the NPA or the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS, EXCESS APPLICATION FOR THE RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEES (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you wish to accept your entitlement, please complete parts I(A) and II of the RSF in accordance with the notes and instructions provided in the RSF. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST** or **DELIVERED BY HAND** at the following address:

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Tel. no.: 03-7849 0777

Fax no.: 03-7841 8151

so as to arrive **not later than 5.00 p.m. on 7 January 2014**, being the last time and date for acceptance of and payment, or such extended time and date as may be determined and announced by our Board.

One (1) RSF can only be used for acceptance of provisional Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for separate CDS Account(s). If successful, the Rights Shares with Warrants subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by our Share Registrar for the Rights Shares with Warrants, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renounee (if applicable) should take note that a trading board lot for the Rights Shares and Warrants comprises one hundred (100) Rights Shares and one hundred (100) Warrants, respectively. Successful applicants of the Rights Shares will be given the free attached Warrants on the basis of two (2) Warrants for every three (3) Rights Shares successfully subscribed for. The minimum number of security that can be subscribed for or accepted is one (1) Rights Share, which will be accompanied by 0.6 Warrant. The minimum number of Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Warrant. Fractions of a Rights Share and Warrant arising from the Rights Issue of Shares with Warrants will be disregarded and shall be dealt with by our Board as it may deem fit, expedient and in the best interest of our Company.

If acceptance of and payment for the provisional Rights Shares with Warrants is not received by our Share Registrar by **5.00 p.m. on 7 January 2014**, being the last time and date for acceptance of and payment for the provisional Rights Shares with Warrants, or any other extended date and time as may be determined and announced by our Board, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for the excess Rights Shares with Warrants in the manner as set out in Section 3.9 of this AP. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website at <http://www.bursamalaysia.com>, our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "BRIGHT RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPACHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPACHED TO THE APPLICANT WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN ON BURSA DEPOSITORY'S RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5.2 By way of Electronic Application

Only individuals who are Entitled Shareholders may apply for the Rights Shares with Warrants by way of Electronic Application.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institution before making an Electronic Application.

(i) Steps for Electronic Applications through a Participating Financial Institution's ATM within Malaysia

The procedures for Electronic Applications at the ATMs of the Participating Financial Institution are set out on the ATM screens of the relevant Participating Financial Institution ("Steps"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this AP, the Steps and the Terms and Conditions for Electronic Applications set out below before making an Electronic Application.

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institution cannot be used to apply for the Rights Share at an ATM belonging to other Participating Financial Institutions;
- (b) You are advised to read and understand this AP **BEFORE** making the application; and
- (c) You shall apply for the Rights Shares with Warrants via the ATM of the Participating Financial Institution by choosing the Electronic Application option. Mandatory statements required in the application are as set out in "Terms and conditions for Electronic Applications" (please refer to Section 3.5.2(iii) below). You shall enter at least the following information through the ATM when the instructions on the ATM screen requires you to do so:
 - Personal Identification Number ("PIN");
 - Select Bright Rights Issue;
 - CDS Account number;
 - Number of Rights Shares with Warrants applied for and/or the RM amount to be debited from the account;
 - Current contact number (for e.g. your mobile phone number); and
 - Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by the Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(ii) Participating Financial Institution

Electronic Applications may be made through an ATM of the following Participating Financial Institution and its branches within Malaysia:

- Public Bank Berhad

(iii) Terms and conditions of Electronic Applications

The Electronic Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Participating Financial Institution and those appearing herein:

- (a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
- (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have read the relevant AP and understood and agreed with the terms and conditions of the application; and
 - (iii) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(I)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Rights Shares with Warrants as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (c) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.

- (d) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Warrants that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institution.

- (e) By making and completing your Electronic Application, you, if successful, requests and authorises our Company to credit the Rights Shares with Warrants allotted to you into your CDS Account.
- (f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository and irrevocably agrees that if:
- (i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
- (ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository for the Rights Shares with Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Warrants.

- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (i) By making and completing an Electronic Application, you agree that:
- (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Warrants via the Electronic Application facility established by the Participating Financial Institution at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;

- (ii) Our Company, the Participating Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
- (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares with Warrants for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Warrants; and
- (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (k) Notification on the outcome of your application for the Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares with Warrants; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Warrants.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 3.5.2(iii) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

3.5.3 By way of Internet Application

All Entitled Shareholders may apply for the Rights Shares with Warrants by way of Internet Application.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

(i) **Step 1: Set up of account**

Before making an application by way of Internet Application, you **must have all** of the following:

- (a) an existing account with access to internet financial services with **Public Bank Berhad** at <http://www.pbebank.com>. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and
- (b) a CDS Account held in your name.

(ii) **Step 2: Read the AP**

You are advised to read and understand this AP **BEFORE** making your application.

(iii) **Step 3: Apply through Internet**

While we will attempt to provide you with assistance in your application for the Rights Shares with Warrants through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only.

- (a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an bank account;
- (b) Log in to the internet financial services facility by entering your user identification and PIN/password;
- (c) Navigate to the section of the website on applications in respect of the Rights Shares with Warrants;
- (d) Select the counter in respect of the Rights Shares with Warrants to launch the terms and conditions of the Internet Application;
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (f) At the next screen, complete the online application form;
- (g) Check that the information contained in your online application form, such as the share counter (in this case, Bright Rights Issue Account), your current contact number (for e.g. your mobile phone number), your CDS Account number, number of Rights Shares with Warrants applied for, the amount of payment of subscription monies, the payment of bank charges and the account number to debit are correct. Then select confirm and submit the online application form;
- (h) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) with details of your application appear on the screen of the website; and
- (i) You are advised to print out the confirmation screen for your reference and record.

(iv) **Terms and conditions of Internet Applications**

The Internet Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Internet Participating Financial Institution and those appearing herein:

- (a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:
- (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this AP, the contents of which you have read and understood;
 - (iii) You agree to all the terms and conditions of the Internet Application as set out in this AP and have carefully considered the risk factors set out in this AP, in addition to all other information contained in this AP, before making the Internet Application;
 - (iv) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares with Warrants (including the processing fee as mentioned in Section 3.4 (Note 3) of this AP) from your bank account with the said financial institution (“**Authorised Financial Institution**”); and
 - (v) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institution and/or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund.
- (b) You confirm that you are not applying for the Rights Shares with Warrants as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this AP.
- (c) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Warrants applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Warrants that may be allotted to you.
- Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institution.
- (d) By making and completing your Internet Application, you, if successful, requests and authorises our Company to credit the Rights Shares with Warrants allotted to you into your CDS Account.

(e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository and irrevocably agrees that if:

(i) Our Company, our Share Registrar or Bursa Depository does not receive your Internet Application; or

(ii) Data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository for the Rights Shares with Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Warrants.

(f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

(g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(h) By making and completing an Internet Application, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Warrants via the Internet Application facility established by the Internet Participating Financial Institution at its respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the Internet Participating Financial Institution, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares with Warrants for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Warrants; and

- (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (j) Notification on the outcome of your application for the Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares with Warrants; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Warrants.
- The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 3.5.3(iv) of this AP and the required consent in making your Internet Application.
- If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.
- (k) A surcharge is imposed on each Internet Application which will be charged by the Internet Participating Financial Institution as mentioned in Section 3.4 (Note 3) of this AP.
- (l) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue of Shares with Warrants, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue of Shares with Warrants. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Application services.

3.5.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this AP, the RSF nor the NPA by post.
- (b) Instead, this AP and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.
- (c) A notification of the delivery of the AP and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this AP, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue of Shares with Warrants.
- (f) To apply for the Rights Shares with Warrants, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.
- (g) Once completed, you will need to submit the Rights Share Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the last day and time for acceptance and payment.
- (h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:
 - (i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this AP, the contents of which you have read, understood and agreed; and
 - (ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Rights Shares with Warrants which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:

Bank: **Malayan Banking Berhad**
Account Name: **BRIGHT RIGHTS ISSUE ACCOUNT**
Bank Account No.: **5140-1203-0462**

prior to submitting the Rights Shares Subscription File to Bursa Depository.

- (j) Upon completion of the transfer/payment, you may receive a transaction slip (“**Transaction Record**”) from the transacting financial institution confirming the details of your transfer/payment. The Transaction Record is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Rights Shares with Warrants electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
 - (i) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares with Warrants; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Warrants.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 3.5.4(ii)(a) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository’s record at your own risk.

- (l) Upon crediting of the Rights Shares with Warrants allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the Rights Shares with Warrants submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

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(ii) Terms and conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this AP, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Warrants applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Warrants that may be allotted to you.
- (c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Rights Shares with Warrants allotted to you into the respective CDS Account(s) as indicated in the Rights Shares Subscription File.
- (d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:
 - (i) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or
 - (ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Shares with Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Warrants.
- (e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Warrants via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;

- (ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
- (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares with Warrants issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Warrants; and
- (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

3.6 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your provisional Rights Shares with Warrants. The minimum number of the provisionally allotted Rights Shares with Warrant that can be subscribed for or accepted is one (1) Rights Share which will be accompanied with 0.6 Warrant. You and/or your renounee (if applicable) should take note that the minimum number of Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Warrant.

3.6.1 By way of RSF

You must complete both Part I(A) of the RSF by specifying the number of the Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 3.5.1 of this AP.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND THE RSF.

3.6.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and wish to accept part of your provisional Rights Shares with Warrants via Electronic Application, you may do so by following the same steps as set out in Section 3.5.2 of this AP.

3.6.3 By way of Internet Application

If you are an Entitled Shareholder and wish to accept part of your provisional Rights Shares with Warrants via Internet Application, you may do so by following the same steps as set out in Section 3.5.3 of this AP.

3.6.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and wish to accept part of your provisional Rights Shares with Warrants, you may do so by following the same steps as set out in Section 3.5.4 of this AP.

The portion of the provisional Rights Shares with Warrants that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the provisional Rights Shares with Warrants.

3.7 Procedure for sale/transfer of provisional Rights Shares with Warrants

As the provisional Rights Shares with Warrants are prescribed securities, you may dispose of or transfer all or part of your entitlement to the Rights Shares with Warrants to one (1) or more person(s) through your stockbrokers without first having to request for a split of the provisional Rights Shares with Warrants standing to the credit of your CDS Accounts. To dispose or transfer all or part of your entitlement to the provisional Rights Shares with Warrants, you may sell such entitlement in the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have sold or transferred only part of the provisional Rights Shares with Warrants, you may still accept the balance of the provisional Rights Shares with Warrants by completing Parts I(A) and II of the RSF. Please refer to Section 3.5 of this AP for the procedure, acceptance and payment.

In disposing/transferring all or part of your provisionally Rights Shares with Warrants, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient provisional Rights Shares with Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the provisional Rights Shares with Warrants may obtain a copy of this AP and the RSF from their stockbrokers or from our Share Registrar or at our Registered Office. This AP and the RSF are also available on Bursa Securities' website at <http://www.bursamalaysia.com>.

3.8 Procedure for acceptance by renounees

3.8.1 By way of RSF

Renounees who wish to accept the provisional Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers or our Share Registrar or at our Registered Office or from the Bursa Securities' website at <http://www.bursamalaysia.com> and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 3.5.1 of this AP also applies to renounees who wish to accept the provisional Rights Shares with Warrants.

RENOONEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND THE RSF.

3.8.2 By way of Electronic Application

If you are a renounee and wish to accept the provisional Rights Shares with Warrants via Electronic Application, you may do so by following the same steps as set out in Section 3.5.2 of this AP.

3.8.3 By way of Internet Application

If you are a renounee and wish to accept the provisional Rights Shares with Warrants via Internet Application, you may do so by following the same steps as set out in Section 3.5.3 of this AP.

3.8.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is a renounee and wish to accept the provisional Rights Shares with Warrants, you may do so by following the same steps as set out in Section 3.5.4 of this AP.

3.9 Procedure for application of excess Rights Shares with Warrants

3.9.1 By way of RSF

You and/or your renounees (if applicable) who accepted the provisional Rights Shares with Warrants may apply for excess Rights Shares with Warrants by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Warrants applied for) to our Share Registrar not later than **5.00 p.m. on 7 January 2014**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 3.5.1 OF THIS AP, WHERE THE BANKER'S DRAFT(S)/CASHIER'S ORDER(S)/MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "BRIGHT EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

It is the intention of our Board to allot the excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on the pro-rata basis to our Entitled Shareholders who have applied for the excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;
- (iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and
- (iv) lastly, on a pro-rata basis to our transferees and/or renounees who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 3.9.1 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, WILL BE REFUNDED WITHOUT INTEREST WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS. IF YOU HAVE PROVIDED YOUR BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY FOR PURPOSES OF CASH DIVIDEND/DISTRIBUTION, THE REFUND WILL BE CREDITED INTO THAT BANK ACCOUNT. IF THE CREDITING OF THE REFUND IS UNSUCCESSFUL, THE REFUND WILL THEN BE MADE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

3.9.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares with Warrants via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in Section 3.5.2 of this AP save and except that you shall proceed with the option for Excess Rights Shares Application and the amount payable to be directed to "Bright Excess Rights Issue Account" for the excess Rights Shares with Warrants applied.

The minimum number of excess Rights Shares with Warrants that can be applied for is one (1) excess Rights Share which will be accompanied by 0.6 Warrant. You should take note that the minimum number of Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Warrant.

It is the intention of our Board to allot the excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on the pro-rata basis to our Entitled Shareholders who have applied for the excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;
- (iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and

- (iv) lastly, on a pro-rata basis to our transferees and/or renounees who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 3.9.2 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Electronic Application for excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 3.5.2 of this AP, as well as the terms and conditions as stated below:

- (i) You agree and undertake to subscribe for or purchase and to accept the number of excess Rights Shares with Warrants applied for as stated on the Transaction Record or any lesser number of excess Rights Shares with Warrants that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such excess Rights Shares with Warrants or not to allot any excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of excess Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of excess Rights Shares with Warrants that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) Notification on the outcome of your application for the excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the excess Rights Shares with Warrants; or
 - (b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the excess Rights Shares with Warrants.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 3.5.2(iii) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

3.9.3 By way of Internet Application

If you are an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares with Warrants via Internet Application in excess of your entitlement, you may do so by following the same steps as set out in Section 3.5.3 of this AP save and except that you shall proceed with the option for Excess Rights Shares Application and the amount payable to be directed to “**Bright Excess Rights Issue Account**” for the excess Rights Shares with Warrants applied.

The minimum number of excess Rights Shares with Warrants that can be applied for is one (1) excess Rights Share which will be accompanied by 0.6 Warrant. You should take note that the minimum number of Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Warrant

It is the intention of our Board to allot the excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on the pro-rata basis to our Entitled Shareholders who have applied for the excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;
- (iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and
- (iv) lastly, on a pro-rata basis to our transferees and/or renounees who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 3.9.3 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Internet Application for excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 3.5.3 of this AP, as well as the terms and conditions as stated below:

- (i) You agree and undertake to subscribe for or purchase and to accept the number of excess Rights Shares with Warrants applied for as stated on the Confirmation Screen or any lesser number of excess Rights Shares with Warrants that may be allotted to you in respect of your Internet Application. In the event that our Company decides to allot any lesser number of such excess Rights Shares with Warrants or not to allot any excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your Internet Application is successful, your confirmation (by your action of clicking the designated hyperlink on the relevant screen of the website) of the number of excess Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of excess Rights Shares with Warrants that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) Notification on the outcome of your application for the excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

- (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the excess Rights Shares with Warrants; or
- (b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the excess Rights Shares with Warrants.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 3.5.3(iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

3.9.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares with Warrants via NRS in excess of your entitlement, you may do so by following the same steps as set out in Section 3.5.4 of this AP save and except for the amount payable to be directed to "**Bright Excess Rights Issue Account**" (**Bank Account No. 5140-1203-0448 with Malayan Banking Berhad**) for the excess Rights Shares with Warrants applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the Rights Shares Subscription File.

The minimum number of excess Rights Shares with Warrants that can be applied for is one (1) excess Rights Share which will be accompanied by 0.6 Warrant. You should take note that the minimum number of Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Warrant

It is the intention of our Board to allot the excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on the pro-rata basis to our Entitled Shareholders who have applied for the excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;
- (iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and
- (iv) lastly, on a pro-rata basis to our transferees and/or renounees who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 3.9.4 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Application for excess Rights Shares with Warrants via NRS shall be made on, and subject to, the same terms and conditions appearing in Section 3.5.4 of this AP, Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS), as well as the terms and conditions as stated below:

- (i) You agree and undertake to subscribe for or purchase and to accept the number of excess Rights Shares with Warrants applied for as stated on the Right Shares Subscription File or any lesser number of excess Rights Shares with Warrants that may be allotted to you in respect of your application via NRS. In the event that our Company decides to allot any lesser number of such excess Rights Shares with Warrants or not to allot any excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your application via NRS is successful, your submission of the Rights Shares Subscription File to Bursa Depository shall signify, and shall be treated as, your acceptance of the number of excess Rights Shares with Warrants that may be allotted to you.
- (ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (iii) You will be notified on the outcome of your application for the excess Rights Shares with Warrants electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
 - (a) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the excess Rights Shares with Warrants; or
 - (b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the excess Rights Shares with Warrants.

The refund will be credited directly into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 3.5.4(ii)(a) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

3.10 Notice of allotment

Upon allotment of the Rights Shares with Warrants in respect of your acceptance and/or your renounee's acceptance (if applicable) and excess Rights Shares with Warrants application (if any), the Rights Shares with Warrants shall be credited directly into the respective CDS Account. No physical share certificates and warrant certificates will be issued in respect of the Rights Shares with Warrants. However, a notice of allotment will be despatched to you and/or your renounees (who are not an Authorised Nominee who has subscribed for NRS) (if applicable), by ordinary post within eight (8) Market Days from the last date of acceptance and payment for the Rights Shares with Warrants and excess Rights Shares with Warrants application, or such other period as may be prescribed or allowed by Bursa Securities, at the address shown on the Record of Depositors at your own risk.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares with Warrants and excess Rights Shares with Warrants application, or such other period as may be prescribed or allowed by Bursa Securities through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS.

Where any application for the Rights Shares with Warrants is not accepted due to non-compliance with the terms of the Rights Issue of Shares with Warrants or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you within fifteen (15) Market Days from the last date and time for acceptance and payment of the Rights Shares with Warrants by ordinary post to the address shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the Rights Issue of Shares with Warrants cannot be withdrawn subsequently.

3.11 Form of issuance

Bursa Securities has prescribed that our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants and the new Shares to be issued arising from the exercise of Warrants are prescribed securities and as such the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares with Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. Your subscription for the Rights Shares with Warrants shall mean your consent to receiving such Rights Shares with Warrants as deposited securities which will be credited directly into your CDS Account. No physical share certificate or warrant certificate will be issued to you under the Rights Issue of Shares with Warrants. Instead, the Rights Shares with Warrants will be credited directly into your CDS Accounts, and notices of allotment will be sent to you in the manner as stated in Section 3.10.

Any person who has purchased the provisional Rights Shares with Warrants or to whom provisional Rights Shares with Warrants has been transferred and intends to subscribe for the Rights Shares with Warrants must state his/her CDS Account number in the space provided in the RSF. The Rights Shares with Warrants will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issue.

The excess Rights Shares with Warrants, if allotted to the successful applicant who applies for excess Rights Shares with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the excess Rights Shares with Warrants will be made on a fair and equitable basis as disclosed in Section 3.9 of this AP.

3.12 Laws of foreign jurisdictions

This AP and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue of Shares with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this AP together with the accompanying documents will not be sent to the foreign Entitled Shareholders and/or their renounees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renounees (if applicable) may collect this AP including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to the Rights Issue of Shares with Warrants.

Foreign Entitled Shareholders and/or their renounees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of Shares with Warrants only to the extent that it would be lawful to do so.

TA Securities, our Company and our Directors and officers would not, in connection with the Rights Issue of Shares with Warrants, be in breach of, responsible or liable under the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renounees (if applicable) are or may be subject to. He shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. TA Securities, our Company and our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renounees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The foreign Entitled Shareholders and/or their renounees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renounees (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company and/or TA Securities in respect of their rights and entitlements under the Rights Issue of Shares with Warrants. Such foreign Entitled Shareholders and/or their renounees (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of Shares with Warrants.

By signing the RSF, the foreign Entitled Shareholders and/or their renounees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) TA Securities, our Company and our Directors and officers that:

- (i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue of Shares with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renounees (if applicable) is or may be subject to;
- (ii) the foreign Entitled Shareholders and/or their renounees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the provisional Rights Shares with Warrants;

- (iii) the foreign Entitled Shareholders and/or their renounees (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation of the provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the foreign Entitled Shareholders and/or their rnonuees (if applicable) are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholders and/or their renounees (if applicable) have received a copy of this AP and have been provided the opportunity to post such questions to the representatives and receive answers thereto as the foreign Entitled Shareholders and/or their renounees (if applicable) deem necessary in connection with the foreign Entitled Shareholders and/or their renounees (if applicable) decision to subscribe for or purchase the Rights Shares with Warrants. However, any information relevant to an investment shall be contained in this AP; and
- (vi) thc foreign Entitled Shareholders and/or their renounees (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving this AP, the NPA and the RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this AP, the NPA and the RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholders and/or their renounees (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

4. RATIONALE FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS

After due consideration of the various methods of fund raising available for the purposes as stated in Section 5 below, our Board is of the opinion that the Rights Issue of Shares with Warrants is currently an appropriate avenue after taking into consideration the following:

- (i) it allows our Company to raise capital without incurring interest costs as compared to other means of financing, such as bank borrowings or the issuance of debt instruments. This will allow our Company to preserve cash flow for re-investment and/or operational purpose;
- (ii) it enhances the cash flow of our Group and enables us to fund our capital expenditure and working capital requirements which is expected to contribute positively to the future earnings of our Group and improve our financial performance;

- (iii) it involves the issuance of new Bright Shares without diluting our existing shareholders' equity interest, assuming all Entitled Shareholders fully subscribe for their respective entitlements and exercise their Warrants subsequently. The Undertakings allow our substantial shareholders to extend their support for the Rights Issue of Shares with Warrants which will facilitate our Group to raise the necessary funds;
- (iv) it provides an opportunity for our existing shareholders to increase their equity participation in our Company at a discount to the prevailing market price for the Bright Shares from the subscription of the Rights Shares with Warrants;
- (v) the Warrants will increase the attractiveness of the Rights Issue of Shares with Warrants by providing an incentive to our shareholders to subscribe for their entitlements and hence, providing them with the potential capital appreciation arising from the exercise of the Warrants, depending on the future performance of the Bright Shares; and
- (vi) the Warrants will enable our Company to raise further proceeds from the equity market as and when any of the Warrants are exercised while at the same time provide our shareholders with the opportunity to increase their equity participation in our Company at a pre-determined price over the tenure of the Warrants.

5. UTILISATION OF PROCEEDS

The Rights Issue of Shares with Warrants is expected to raise gross proceeds of approximately RM47.61 million based on the issue price of RM0.55 per Rights Share and is expected to be utilised as below:

Descriptions	Note	RM'000	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Capital expenditure	(1)	37,400	Within 18 months
Working capital	(2)	9,113	Within 18 months
Estimated expenses in relation to the Rights Issue of Shares with Warrants	(3)	1,100	Within 2 weeks
Total estimated proceeds		47,613	

Notes:

- (I) The capital expenditure include the following:

Details of utilisation	RM'000
Purchase of additional production lines ^(a)	26,400
Implementation of ERP system ^(b)	11,000
Total	37,400

- (a) The capital expenditure shall include the purchase of two (2) additional production lines to increase our production capacity. As at the LPD, our Group is operating at approximately 80% of our production capacity. With the additional production lines, our Group is expected to increase our current production of approximately 540 metres of aluminium foil packaging material per minute to approximately 1,240 metres of aluminium foil packaging material per minute. As such, the additional production generated from the two (2) new production lines will facilitate our Group to meet the potential increase in the demand of our Group's products.
- (b) Our Group intends to implement an ERP system which includes the upgrading of plant and machineries to support our Group's business operation process which is expected to assist our Group in monitoring and controlling our inventories, order process, purchase of raw materials and production.

Any surplus or shortfall for the capital expenditure will be adjusted accordingly to/from the working capital of our Group.

- (2) The proceeds will be utilised for the working capital requirements of our Group's day-to-day operations to support our existing business operations as follows:

Details of utilisation	RM'000
Purchase of raw materials	7,613
Wages and staff benefit	1,200
Machine upkeep and maintenance	200
Other operating expenses such as water, electricity and sundry expenses	100
Total	9,113

- (3) The estimated expenses consist of professional fees, fees payable to the relevant authorities, expenses to convene the EGM, printing, advertising and other ancillary expenses. Any surplus or shortfall for the estimated expenses in relation to the Rights Issue of Shares with Warrants will be adjusted accordingly to/from the working capital of our Group.

Pending utilisation of the proceeds from the Rights Issue of Shares with Warrants for the abovementioned purposes, the proceeds will be placed in deposits with financial institution or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used as additional working capital of our Group.

The exact quantum of proceeds that may be raised by our Company pursuant to the exercise of the Warrants will depend upon the actual number of Warrants exercised during the tenure of the Warrants. The proceeds to be raised from the exercise of the Warrants shall be utilised for the working capital and/or capital expenditure of our Group of which the exact timeframe and the breakdown for the utilisation cannot be determined at this juncture.

6. RISK FACTORS

You and/or your renounees (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue of Shares with Warrants.

6.1 Risks relating to our business and industry

(i) Increase and fluctuation of the price for aluminium

Our raw material comprises mainly aluminium foil. The price of aluminium foil is dependent on the aluminium's price which is internationally traded commodity and is subject to global economic conditions, level of industrial development and the industry's supply and demand. Consequently, any fluctuation in aluminium's price will have an impact on the price of our raw material.

However, all our competitors are exposed to the fluctuation of aluminium's price. Hence the risk is not specific to us and no manufacturer will have a sustainable advantage over other manufacturer. Although we may pass on the increased cost to our customers, we will only increase our selling price if we are able to maintain our competitiveness in the market. Hence, there can be no assurance that increase in the price of our raw material will not adversely affect the future profitability of our Group.

(ii) We may face increasing competition in the future

The paper and packaging industry is competitive. We may face higher competition from the existing competitors and new entrants in the future. Our Directors believe that our ability to compete depends on many factors both within and outside our control. Amongst others, the principal elements of competition include quality, innovation in products and technologies, expertise, pricing, scalability, reliability, reputation, brand name and customer service.

Our competitors may vary in size, scope and breadth of the services and products offered. Although we strive to remain competitive in providing our services and products, we cannot be assured that we will be able to maintain our existing market share in the country and competitiveness against current and future competitors or that the competitive pressure will not materially and adversely affect our business, operating results and financial condition.

(iii) Operational risks and insurance coverage

Our Group is susceptible to various risks on our manufacturing operation due to uncontrollable external factors such as outbreak of fire and floods, explosion, energy crisis, sabotage, civil commotion and other calamity which may cause significant losses or damage to our goods, production facilities, warehouse and office, thus disrupting and affecting our business operations.

Further, our Group's production processes are also dependent on a stable supply of electricity, water, aluminium foil, paper and fuel. As such, any disruptions of the above supply may affect our production and business operations. In addition, disruptions may also occur due to major equipment breakdowns, outbreak of fire or other calamities. There is no assurance that major electricity, water, aluminium foil, paper and fuel disruptions as well as equipment and machinery breakdowns will not adversely affect our Group's ability to operate our business and/or adversely affect our financial performance.

To mitigate the risk of equipment and machinery breakdown, our Group conducts regular servicing and maintenance procedure on all our equipments and machineries.

As we are aware of the adverse consequences arising from inadequate insurance coverage for the accidents and outbreaks of fire could disrupt our business operations; we have taken up the necessary insurance covering our Group's factory premises, fixed assets and inventory as well as personal injury insurance covering our employees. However there is no assurance that this coverage will be sufficient to cover all potential losses and to indemnify our Group against all possible liabilities arising from our operations.

(iv) Labour issues

Certain areas in our manufacturing process such as quality control and packaging are reliant on manual labour. As such, we are subject to the risks of labour shortages or increase in labour costs. Any shortage of labour will affect our ability to meet production schedules. Further, labour costs in Malaysia are not as competitive as Thailand, Indonesia and China. Hence any increase in labour cost to retain or recruit labours will affect our costs of production.

In this respect, we are constantly reviewing our processes to reduce our dependency on manual labour by improving on the quality of products and consequently minimising sorting work. In the event we are unable to reduce our dependency on manual labour, any increase in the costs of production would inevitably affect our profit margin, which may in turn affect our financial performance.

(v) **Dependence on the tobacco industry**

Our Group is exposed to the risk inherent in the tobacco industry. Any adverse changes in the tobacco industry would materially affect our ability to generate revenue, which may have a material and adverse effect on our financial condition and results of operations.

In order to mitigate the risk of overly reliance on a single industry, our Group has diversified our customer base into other industries such as liquor and confectionary industry. However, the revenue generated from these industries for the past three (3) audited FYE 2010 to FYE 2012 is relatively smaller than the tobacco industry and our management is currently taking proactive marketing measures to secure more orders from other industries.

There is no assurance that our Group can continue to maintain the business relationship and the loss of any such account may adversely impact the performance of our Group in the future.

(vi) **Dependence on limited customer base**

As at the LPD, our major customer is Philip Morris (Malaysia) Sdn Bhd which contributed approximately RM55.29 million or approximately 98.60% of our Group's total revenue for the FYE 2012. As such, any adverse development in our relationship with our major customer will have a significant impact on our operation and financial performance.

To mitigate the dependency on our major customer, we are currently involved in a tender process for new contract with another player in the tobacco industry to increase our customer base, which are expected to be finalised by early 2014. In addition, we are currently taking proactive marketing measures to secure more orders from other customers in the liquor and confectionary industry.

However, there can be no assurance that we will be successful in diversifying our customer base or maintain our existing customers in the future.

(vii) **Absence of long term contract**

Due to the nature of the industry we operate in, we do not enter into any long term contract with our customers and orders for our products are via purchase orders. As a result, we must rely on high-quality services, industry reputation and favourable pricing to attract and retain our customers. However, there is no assurance that we will be able to maintain our relationship with current and/or future customers.

Despite the absence of a long term contract, our Board is confident and remain positive with the consistent orders from our major customer based on our long term relationship established more than decades ago and our ability to provide them with value added services such as customising specific printing requirement for the cigarette boxes. We have not experience any loss in customers which would adversely impact our business and growth prospects as at the LPD.

(viii) **Political, economic, regulatory and social conditions**

Like all other business entities, adverse developments in political, economic, regulatory and social conditions could materially affect our financial and business prospects. Other political uncertainties that could unfavourably affect us include changes in political leadership, war, economic downturn, financial crisis, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation.

Much of the above changes are beyond our control. Whilst we practice prudent financial management and efficient operating procedures, there can be no assurance that any adverse economic, political and regulatory developments will not materially affect the performance of our Group. The changes in the political, economic, regulatory and social conditions have not adversely impact our business and growth prospects as at the LPD.

(ix) Additional financing and fund raising

Our Directors opined that the cash flows from our operations and other existing sources of liquidity will be sufficient to meet our Group's projected working capital and other cash requirements for at least twelve (12) months after the date hereof. However, we may need to raise additional capital to fund the ongoing development and expansion of our business and attain profitability, the amount of which cannot be quantified at this juncture. We are unable to provide assurance that any additional funds needed will be available to us on favourable terms, or at all. Although based on assumptions that our Group considers reasonable, there is also no assurance that our estimate of the anticipated liquidity needs is accurate or that new business developments or other unforeseen events will not occur, resulting in the need to raise additional funds.

Nevertheless, our Directors believe that we would have the option of further tapping the debt capital market or further raising equity capital, if required. However, it is probable that raising additional funds via equity issues may result in a substantial dilution and reduce our EPS, if any, to existing investors while any additional debt funding will increase our gearing ratio.

6.2 Risks relating to the Rights Issue of Shares with Warrants

(i) Investment risk

The market price of the Rights Shares is influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of Bright Shares, the outlook for the paper and packaging industry, changes in regulatory requirements or market conditions, the financial performance and fluctuations in our Group's operating results. In view of this, there can be no assurance that the Rights Shares will trade above the Issue Price for the Rights Shares or TERP upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

The market price of the Warrants may be influenced by, amongst others, the market price of Bright Shares, and the remaining exercise period of the Warrants and the volatility of Bright Shares. There can be no assurance that the Warrants will be "in-the-money" during their exercise period of the Warrants. In the event the Warrants are not exercised during the exercise period, the unexercised Warrants will lapse and cease thereafter to be valid for any purpose.

(ii) Delay in or failure of the Rights Issue of Shares with Warrants

The Rights Issue of Shares with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of anyone or more of the following events:

- (a) Force majeure events or circumstances which are beyond the control of our Company arising prior to the implementation of the Rights Issue of Shares with Warrants. Such events or circumstances include inter-alia, natural disasters, adverse developments in political, economic and government policies in Malaysia, including changes in inflation and interest rates, global economic downturn, acts of war, acts of terrorism, riots, expropriations and changes in political leadership; or

- (b) The Undertaking shareholders as set out in Section 2.4 of this AP who have provided the Undertakings are not able to fulfill their obligation for whatsoever reason, despite TA Securities has verified, to the extent possible, that the Undertaking shareholders have sufficient financial resources pursuant to their Undertakings; or
- (c) The Underwriters as set out in Section 2.4 of this AP who have entered into the Underwriting Agreement are not able to fulfill their obligation for whatsoever reason.

In this respect, all proceeds arising from the Rights Issue of Shares with Warrants will be refunded without interest to the Entitled Shareholders and/or their renounees (if applicable) in the event the Rights Issue of Shares with Warrants is aborted and if such monies are not repaid within fourteen (14) days after it becomes liable, we will repay such monies with interest at the rate of ten percent (10%) per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the Capital Markets and Services Act, 2007. Notwithstanding the above, our Company will exercise its best endeavor to ensure the successful implementation of the Rights issue of Shares with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue of Shares with Warrants.

(iii) Capital market risks

The performance of the local stock market is dependent on the economic and political condition in Malaysia as well as external factors such as, amongst others, the performance of the world bourses, flows of foreign funds and prices of commodities. These factors invariably contribute to the volatility and the liquidity of Bursa Securities, thus adding risk to the market price of the Rights Shares and Warrants.

(iv) Forward-looking statements

Certain statements in this AP are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this AP are based on forecasts and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, among others, the risk factors as set out in this section. In view of the above, the inclusion of any forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview of the Malaysian economy

The Malaysian economy recorded a stronger growth of 5.0% in the third quarter of 2013 with domestic demand continuing to drive growth. Growth in private sector spending was higher, supported by both private consumption and investment. After four consecutive quarters of contraction, exports turned around to record a positive growth during the quarter. This resulted in a positive contribution of net exports to growth, despite higher import growth in the third quarter. On a quarter-on-quarter seasonally adjusted basis, the economy recorded a growth of 1.7% (2Q 2013: 1.4%).

Domestic demand expanded by 8.3% (2Q 2013: 7.4%) due to continued growth in household and business spending, and public sector expenditure.

Private consumption expanded by 8.2% in the third quarter. Household spending was supported by favourable employment conditions and higher wage growth, especially in the domestic-oriented sectors. Growth in public consumption moderated in the third quarter (7.8%; 2Q 2013: 11.8%), reflecting more moderate Malaysia government (“Government”) spending on supplies and services.

Gross fixed capital formation registered higher growth of 8.6% (2Q 2013: 6.0%), underpinned by capital spending in the private sector. Private sector investment grew by 15.2% (2Q 2013: 12.7%), supported by capital spending in the services and manufacturing sectors as well as the on-going implementation of projects in the oil and gas sector. By type of assets, investment activity was driven mainly by spending on structures (11.0%; 2Q 2013: 10.9%). Public investment, however, registered a marginal decline (-1.3%; 2Q 2013: -6.4%), as capital spending by public enterprises in the transportation, oil and gas and utilities sectors were offset by the decline in federal Government development expenditure.

On the supply side, growth in most economic sectors improved in the third quarter. The services and manufacturing sectors expanded further, supported by domestic demand and the improvement in trade activity. Growth of the agriculture sector was higher, supported mainly by production of food crops, while the moderation in growth of the mining sector reflected the lower production of natural gas and crude oil. In the construction sector, growth was sustained, driven mainly by the residential sub-sector. Growth was further supported by the non-residential and civil engineering sub-sector.

(Source: Development in the Malaysian Economy, Quarterly Bulletin Third Quarter 2013, BNM)

7.2 Overview and outlook of manufacturing industry in Malaysia

The manufacturing sector expanded further in the third quarter (4.2%; 2Q 2013: 3.5%), supported by an improvement in the export-oriented industries and sustained growth in the domestic-oriented industries was higher during the quarter (4.2%; 2Q 2013: 1.8%) as demand for chemicals and chemical products, refined petroleum and electrical and electronic products continued to provide support to the sector. Domestic-oriented industries grew by 4.4% (2Q 2013: 9.1%), sustained by continued demand for transport equipment, food, beverage and tobacco products.

The overall capacity utilisation rate in the manufacturing sector was marginally higher in the third quarter (80%; 2Q 2013: 79%). Export- and domestic-oriented industries were operating at 82% and 75% of total capacity respectively (2Q 2013: 79% and 76% respectively).

(Source: Development in the Malaysian Economy, Quarterly Bulletin Third Quarter 2013, BNM)

The manufacturing sector is one of the most important customers for the paper and packaging industry. The volume of sales in Malaysia’s manufacturing sector was estimated to be valued at RM622.4 billion at the end of 2012, recording a growth rate of close to 6.0% from RM588.7 billion in 2011. Malaysia’s manufacturing growth rate during the said years was witnessed to be higher than the growth rates in established economies like Singapore (0.1%), and the more rapidly growing economies like Vietnam (5.1%). Furthermore, the Malaysian Industrial Development Authority (MIDA) has recorded approvals of new investment projects in the manufacturing sector to the tune of RM26.8 billion in 2012 of which approximately 45.0% were from foreign investments.

This reflects strong external confidence in Malaysia’s investment climate and the manufacturing capacities within the country which create a direct demand for more packaging services to support the manufacturing sector.

(Source: Overview of the paperboard packaging and tobacco industries in Malaysia dated October 2013, Smith Zander)

Background of Smith Zander

Smith Zander is a specialist research and strategy consulting firm, offering market research, industry intelligence and strategy consulting solutions to its clients.

Smith Zander's core specialty is in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, rights issues, and other fund-raising transactions. The team members of Smith Zander, including in their previous professional capacities, have over a decade of experience in this area, and have worked on a large number of independent market research assignments across the region, including Malaysia, Singapore, Hong Kong and the People's Republic of China.

The team at Smith Zander has been involved in the following projects relating to the printing and packaging industry:

- Market research report on the printing and packaging industry in Malaysia focusing on printing and packaging for retail and consumer goods products.
- Business, strategy and marketing plan for a proposed manufacturing park in Malaysia for a leading economic development council, which included the coverage on potential investments from paper products and packaging material manufacturers.
- Strategic assessment of the machinery and equipment industry in Malaysia, with an objective to enhance competitiveness and promote Malaysia as manufacturing hub in Association of Southeast Asian Nations (ASEAN), including sector analysis on the packaging equipment industry.

As at the LPD, Smith Zander has not been involved in any other engagement for the tobacco industry.

7.3 Overview and outlook of the paper and paperboard packaging industry in Malaysia

The paper and paperboard packaging industry in Malaysia grew from a market value of approximately RM3.6 billion in 2010 to RM3.7 billion in 2012 at a CAGR of 2.1%. Growth in this industry is witnessed to be stable despite economic fluctuations impacting Malaysia due to the diverse nature of applications and end-user industries served by the paper and paperboard packaging industry. The paper and paperboard packaging industry accounts for approximately 20% of the total packaging industry and makes up the largest segment within the packaging industry.

Historical industry growth has been driven by the rise in disposable income of the population leading to growth in end-user industries and the manufacturing sector, and strong Government support.

The disposable income of the population of Malaysia increased at 7.7% from approximately RM23,610 in 2010 to RM25,430 in 2012. Malaysia's disposable income is expected to further increase to approximately RM48,000 by 2020. This increase in disposable income has led to a rise in a more affluent population that has greater spending power creating demand not just for basic necessities, but also non-essential daily items and greater quality of products and services acquired. This additional demand for products such as food and beverages, consumer products, household appliances and tobacco also feeds additional demand to the respective upstream and supporting industries, including the paper and paperboard packaging industry.

Despite the increasing health awareness among the population of Malaysia, fixed pricing by the Government and high taxes, the tobacco industry is still a major end-user generating demand for the paper and paperboard industry. The prevalence of smoking adults in Malaysia is high as male smokers increased from approximately 3.7 million in 2010 to 3.9 million in 2012.

The printing and packaging market in Malaysia has been actively promoted by the Government of Malaysia through the IMP2 and IMP3, which identifies the paper and paper products industry as one of the priority areas for investment and development. Through these plans, the Government continuously promotes self-sufficiency, reduction of imports and attracting foreign capital inflow to the paper and board industry. Smith Zander anticipates that this industry will continue to witness positive developments on the back of strong Government support.

The prospects of this industry are positive as the paper and paperboard industry serves both domestic and foreign end-user industries. Hence, global developments in end-user industries also have impact on the paper and packaging industry. The paper and paperboard packaging market in Malaysia is expected to grow in tandem with the global food packaging industry which is estimated to reach RM2.3 trillion (USD640 billion) in 2020, growing at a rate of 10.0% year-on-year. Likewise, global pharmaceutical packaging market is estimated to reach RM462 billion (USD130 billion) in 2020 growing at approximately 7.0% annually. Smith Zander expects these global developments to have a positive impact on the paper and packaging industry in Malaysia.

(Source: Overview of the paperboard packaging and tobacco industries in Malaysia dated October 2013, Smith Zander)

7.4 Overview and outlook of the tobacco industry in Malaysia

The tobacco industry in Malaysia continues to be a steady contributor to the country's economy, generating on average between two percent (2.0%) and three percent (3.0%) of the total GDP of the nation, aided by the steady rise in smokers in the country.

Demand for cigarettes in the country continues to grow despite efforts by the government to increase health awareness in the country via tax and retail price hikes. Malaysia was home to approximately 3.6 million smokers in 2006, which grew to 3.8 million in 2010 and 4.0 million in 2012. Growth in cigarette smokers was witnessed in the adult male category, which grew from approximately 3.4 million in 2006 to 3.9 million in 2012 at a CAGR of 2.1%.

Tobacco industry – demand statistics based on prevalence of smoking adults in Malaysia

Population (million)	2006	2007	2008	2009	2010	2011	2012	CAGR (%)
Male	3.40	3.45	3.53	3.59	3.66	3.74	3.86	2.1
Female	0.16	0.16	0.15	0.15	0.15	0.16	0.16	0.0
Total	3.56	3.61	3.68	3.74	3.81	3.90	4.02	2.0

The tobacco industry in Malaysia continues to face regulatory challenges due to health concerns as a result of smoking and this is a trend that is felt at a global scale. In Malaysia, tobacco industry players are subject to taxes in the form of excise duties, import duties, sales taxes and corporate taxes. While the Government granted a reprieve for industry players in Budget 2012 and Budget 2013, the industry recently experienced a 14% increase in excise duty in September 2013 causing a hike in retail prices of cigarettes sold in Malaysia.

Though profitability in the tobacco industry will be influenced by the stringent tax regimes and the prevalence of illegal trade of tobacco, industry sales is forecast to remain stable over the short and medium term as cigarette manufacturers look to step up on innovation and technologies in both product and brand positioning. These innovations, including choice of packaging materials and design to draw mass market consumers into the premium product segment, will consequently have a positive impact on the value chain of the tobacco industry, including raw material suppliers such as the paper and paperboard industry.

(Source: Overview of the paperboard packaging and tobacco industries in Malaysia dated October 2013, Smith Zander)

7.5 Overview and outlook of the tobacco packaging industry

The growth of the tobacco packaging segment of the packaging industry correlates strongly to the growth of cigarette sales. Packaging materials are an important marketing tool for the tobacco industry, representing branding and communication opportunities as well as providing incentives to purchase. The common packaging materials for tobacco are paper wrappers, aluminium foils, cardboard boxes or cartons and labels.

The tobacco packaging segment in Malaysia was valued at approximately RM600.0 million in 2010 and this segment increased to an estimated RM679.0 million in 2012 at a CAGR of 6.4%, reflecting the same growth rate as the market value of tobacco during the same period. The value of the tobacco packaging segment takes into account the value of manufactured paper wrappers (including aluminium foil), cardboard boxes/cartons and labels for the tobacco industry, and is estimated to account for about 15.0% of the total manufacturing cost of tobacco products. Paper wrappers including aluminium foils formed the largest percentage of the tobacco packaging segment at 67.0% and this was followed by cardboard boxes/cartons at 30.0%. The remaining 10.0% comprised plastic wraps and labels.

The prospects and outlook for the tobacco packaging segment will remain closely linked to the growth of tobacco sales in Malaysia. The tobacco industry in Malaysia is subject to regulatory challenges, and various duties and taxes which may have consequential impact on the sales of cigarettes, thus affecting its demand for tobacco packaging. However, 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.

(Source: Overview of the paperboard packaging and tobacco industries in Malaysia dated October 2013, Smith Zander)

7.6 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 three (3) audited FYE 2010 to FYE 2012 is as follow:

	FYE 2010		FYE 2011		FYE 2012	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Revenue generated from tobacco industry	40,831	92.93	47,772	96.53	55,286	98.60
Revenue generated from non-tobacco industry ⁽¹⁾	3,109	7.07	1,718	3.47	783	1.40
Total revenue	43,940	100.00	49,490	100.00	56,069	100.00

Note:

(1) 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. Any adverse changes in the tobacco industry would materially affect our ability to generate revenue, which may have a material and adverse effect on our financial condition and results of operations. 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. However, the revenue generated from these industries for the past three (3) audited FYE 2010 to FYE 2012 was relatively smaller than the tobacco industry and our management is currently taking proactive marketing measures to secure more orders from other industries.

As at the LPD, our major customer is Philip Morris (Malaysia) Sdn Bhd. We do not enter into any long term contract with our customers and it is the norm in the industry that orders for our products are via purchase orders. Despite the absence of any long term contract, 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.

Our Group envisages the demand for our products will continue to increase in view of the continuous growth in the demand of cigarettes which was evidenced by the growth in smokers from 3.6 million in 2006 to 3.8 million in 2010 and 4.0 million in 2012, despite efforts by the Government to increase health awareness via tax and retail price hikes. 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 (*Source: Overview of the paperboard packaging and tobacco industries in Malaysia dated October 2013, Smith Zander*). Meanwhile, we are currently involved in a tender process for a new contract with another major player in the tobacco industry to increase our customer base after the appointment of several Directors in our Company in February 2013, which is expected to be finalised by early 2014. Our management is optimistic to secure the new contract in view of our past experience and track record in the tobacco industry.

In view of the above and that our production lines are currently operating at approximately 80% of our production capacity, we intend to set up two (2) additional production lines progressively within the next 1½ years to increase our current production in order to facilitate the potential increase in the demand of our products from our existing customers and the new contract with a new customer to be finalised by early 2014, which is expected to contribute positively to our revenue. Based on our existing production lines, we are able to produce approximately 540 metres of aluminium foil packaging material per minute and we envisage to increase our production to approximately 1,240 metres of aluminium foil packaging material per minute with the additional production lines. Although there is no indication from our existing customers to increase their purchase orders, our Group envisages that the demand for our products will increase in view of the continuous growth in the demand of cigarettes despite efforts by the Government to increase health awareness.

However, if the new contract with the new customer does not materialise, the additional capacity arising from the additional production lines will be utilised to facilitate the potential increase of demand from our existing customers in the tobacco industry and other industries such as liquor and confectionary which we are currently taking proactive marketing measures to secure more purchase orders.

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Currently our production process is monitored manually by our internal audit and quality control team. We intend to implement an ERP system which includes the upgrading of our existing plant and machineries to strengthen our internal control and production efficiency. The ERP system is a cross-function system which will support our business operation process and is expected to assist us in monitoring and controlling our inventories, order processing, purchase of raw materials as well as production such as the input of raw materials required for production. With the availability of the ERP system, we will be able to integrate our production process internally and with external party such as suppliers via our database based on our standard operating procedure. The ERP system will analyse and notify us on the input of raw materials required for production, monitor the inventories available for production and to place order automatically from the most appropriate suppliers as and when required by taking into consideration amongst others, pricing, time to deliver, credit period, available of inventories etc. This in turn will reduce wastage of raw materials and human errors which in turn is expected to improve our efficiency in production. We expect to implement the above progressively within the next 1½ years via the proceeds from the Rights Issues of Shares with Warrants and/or our internally generated funds.

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. *(Source: Overview of the paperboard packaging and tobacco industries in Malaysia dated October 2013, Smith Zander).*

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. *(Source: Overview of the paperboard packaging and tobacco industries in Malaysia dated October 2013, Smith Zander).*

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 despite the emergence of new Directors and major shareholders.

8. EFFECTS OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS**8.1 Issued and paid-up share capital**

The pro-forma effects of the Rights Issue of Shares with Warrants on our issued and paid-up share capital are as follows:

	No. of Bright Shares (‘000)	RM (‘000)
Issued and paid-up share capital as at the LPD	43,285	21,642
To be issued pursuant to the Rights Issue of Shares with Warrants	86,570	43,285
	129,855	64,927
To be issued pursuant to the full exercise of the Warrants	57,713	28,857
Enlarged issued and paid-up share capital	187,568	93,784

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8.2 NA, NTA and gearing

The pro-forma effects of the Rights Issue of Shares with Warrants on our NA, NTA and gearing based on our audited consolidated financial statements as at 31 January 2013 are as follows:

	(Audited) As at 31 January 2013 (RM'000)	After the share buy-back ⁽¹⁾ (RM'000)	After Par Value Reduction ⁽²⁾ (RM'000)	After Share Premium Reduction ⁽³⁾ (RM'000)	(I) After Rights Issue of Shares with Warrants (RM'000)	(II) After (I) and assuming full exercise of the Warrants (RM'000)
Share capital	43,285	43,285	21,642	21,642	64,927	93,784
Share premium	7,400	7,400	7,400	5,243	8,472 ⁽⁴⁾	26,940 ⁽⁶⁾
Treasury shares	-	Neg	Neg	Neg	Neg	Neg
Warrant reserve	-	-	-	-	30,444 ⁽⁵⁾	-
Other reserve	-	-	-	-	(30,444) ⁽⁵⁾	-
(Accumulated losses)/ Retained profit	(8,458)	(8,458)	13,185	15,182	15,182	15,182
Shareholders' funds / NA	42,227	42,227	42,227	42,067	88,581	135,906
No. of Bright Shares in issue ('000) (excluding treasury shares)	43,285	43,285	43,285	43,285	129,855	187,568
NA per Bright Share (RM)	0.98	0.98	0.98	0.97	0.68	0.72
NTA per Bright Share (RM)	0.98	0.98	0.98	0.97	0.68	0.72
Total borrowings	-	-	-	-	-	-
Gearing (times)	-	-	-	-	-	-

Notes:

Neg RM184

- (1) Pursuant to the share buy-back of 100 Bright Shares on 12 June 2013.
- (2) Pursuant to the Par Value Reduction which was completed on 22 August 2013.
- (3) Pursuant to the Share Premium Reduction which was completed on 22 August 2013.
- (4) After deducting the estimated expenses of RM1,100,000 for the Rights Issue of Shares with Warrants.

(6) Assuming an exercise price of RM0.82 per Warrant.

8.3 Earnings and EPS

The Rights Issue of Shares with Warrants is not expected to have an immediate material effect on the consolidated earnings and EPS of our Company for the FYE 2014 as the Rights Issue of Shares with Warrants is only expected to be completed in the first (1st) quarter of 2014 whilst the proceeds to be raised are expected to be utilised within eighteen (18) months from the date of the listing of the Rights Shares. However, the Rights Issue of Shares with Warrants is expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds are realised.

However, the EPS of our Group shall be correspondingly diluted as a result of the increase in the number of Bright Shares in issue pursuant to the issuance of the Rights Shares and the new Bright Shares arising from the exercise of the Warrants in the future.

The effect of any exercise of Warrants on our Company's consolidated EPS would be dependent on the returns generated by our Company from the utilisation of proceeds arising from the exercise of the Warrants.

For illustration purposes, assuming the Rights Issue of Shares with Warrants is completed on 1 September 2012, being the commencement for the five (5)-month period ended 31 January 2013, our EPS shall be as follows:

	(Audited)		(I)		(II)	
	As at 31 January 2013 (RM'000)	After the share buy-back (RM'000)	After Par Value Reduction (RM'000)	After Rights Issue of Shares with Warrants (RM'000)	After (I) and assuming full exercise of the Warrants (RM'000)	(II)
Profit attributable to our equity holders*	2,395	2,395	2,395	2,395	2,395	2,395
No. of Bright Shares in issue ('000)	43,285	43,285	43,285	129,855	187,568	187,568
EPS (sen)	5.5	5.5	5.5	1.8	1.2	1.2

Note:

* Based on our audited consolidated financial statements for the five (5)-month period ended 31 January 2013.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Rights Issue of Shares with Warrants, cash in hand, funds generated from our operation and banking facilities available, our Group will have adequate working capital for the next twelve (12) months from the date of this AP.

9.2 Borrowings

As at the LPD, our Group does not have any outstanding borrowings.

There was no default on payment of either interest or principal sums in respect of any borrowing, throughout the past one (1) FYE 2013, and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

Our Board is not aware of any contingent liability incurred or known to be incurred by our Company or our Group as at the LPD, which may have material impact on the financial position of our Group.

9.4 Material commitment

As at the LPD, our Board is not aware of any material commitment incurred or known to be incurred by our Group which, upon becoming enforceable, may have material impact on our Group's financial position.

10. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Rights Issue of Shares with Warrants is governed by the terms and conditions as set out in this AP, the Deed Poll, the NPA and the RSF enclosed herewith.

11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully

For and behalf of the Board of
BRIGHT PACKAGING INDUSTRY BERHAD



NIK MUSTAPHA BIN MUHAMAD
Executive Chairman

CERTIFIED TRUE EXTRACT OF THE RESOLUTION IN RELATION TO THE RIGHTS ISSUE OF SHARES WITH WARRANTS PASSED AT OUR EGM HELD ON 2 DECEMBER 2013

BRIGHT PACKAGING INDUSTRY BERHAD (161776-W)
(Incorporated in Malaysia)

EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 2 DECEMBER 2013

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 86,569,800 NEW ORDINARY SHARES OF RM0.50 EACH IN BRIGHT ("BRIGHT SHARES") ("RIGHTS SHARES") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING BRIGHT SHARE HELD, TOGETHER WITH 57,713,200 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF TWO (2) WARRANTS FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS")

RESOLVED:-

THAT the Board of Directors of Bright ("**Board**") be and is hereby authorised:

- (i) to provisionally issue and allot by way of a renounceable rights issue of 86,569,800 Rights Shares at an issue price to be determined later by the Board on the basis of two (2) Rights Shares for every one (1) existing Bright Share held, together with 57,713,200 Warrants on the basis of two (2) Warrants for every three (3) Rights Shares subscribed by the shareholders of Bright whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board;
- (ii) to determine the final issue price of the Rights Shares after taking into consideration the following:
 - (a) the theoretical ex-rights price ("**TERP**") of Bright Shares based on the five (5)-day volume weighted average market price ("**5D-VWAP**") of Bright Shares with a discount to the TERP if deemed appropriate by the Board prior to the price fixing date to be determined later by the Board;
 - (b) the prevailing market sentiments at the point of price fixing;
 - (c) the par value of Bright Shares of RM0.50 each; and
 - (d) the funding requirements of Bright and its subsidiaries, details of which are set out in Section 2.5 of the Circular to shareholders dated 15 November 2013;in any event, the issue price of the Rights Shares shall not be lower than the par value of Bright Shares of RM0.50 each;
- (iii) to determine the final issue price for the Warrants after taking into consideration the following:
 - (a) the TERP of Bright Shares;
 - (b) the prevailing market sentiments; and
 - (c) the par value of Bright Shares of RM0.50 each;
- (iv) to enter into and execute the deed poll in relation to the Proposed Rights Issue of Shares with Warrants ("**Deed Poll**") and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give full effect to the aforesaid Deed Poll;

CERTIFIED TRUE EXTRACT OF THE RESOLUTION IN RELATION TO THE RIGHTS ISSUE OF SHARES WITH WARRANTS PASSED AT OUR EGM HELD ON 2 DECEMBER 2013 (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD (161776-W)
EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 2 DECEMBER 2013
PAGE 2

- (v) to utilise the proceeds to be derived from the Proposed Rights Issue of Shares with Warrants in the manner as set out in Section 2.5 of the Circular to the shareholders dated 15 November 2013 and the Board be and is hereby authorised to revise the utilisation of proceeds as they may deem fit and in the best interest of the Company;

THAT the Board be and is hereby authorised to deal with any fractional entitlements of the Rights Shares with Warrants and unsubscribed Rights Shares with Warrants that may arise from the Proposed Rights Issue of Shares with Warrants, in such manner at their absolute discretion as they may deem fit or expedient or in the best interest of the Company;

THAT the Rights Shares with Warrants which are not taken up or validly taken up shall be made available for excess applications by the entitled shareholders and/or their renounee(s) (if applicable) and such excess Rights Shares with Warrants shall be allocated in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company;

THAT such Warrants are constituted by the terms and conditions of the Deed Poll;

THAT the Company shall allot and issue such appropriate number of new Bright Shares arising from the exercise by the holders of Warrants in accordance with the provisions of the Deed Poll;

THAT the Rights Shares and the new Bright Shares to be issued arising from the exercise of the Warrants shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Bright Shares, save and except that the Rights Shares and the new Bright Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of issuance and allotment of the Rights Shares and the new Bright Shares arising from the exercise of the Warrants;

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Rights Issue of Shares with Warrants with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of Shares with Warrants.

Date: 2 December 2013

CERTIFIED TRUE & CORRECT



DIRECTOR
ANG LAY CHIENG



SECRETARY
WONG WEI FONG
MAICSA 7006751

INFORMATION ON OUR COMPANY**1. HISTORY AND BUSINESS**

We were incorporated in Malaysia as a private limited company under the Act on 4 June 1987 under the name of Bright Packaging Sdn Bhd and were converted to a public limited company on 7 January 1995.

We were listed on the Second Board of Bursa Securities (*now known as Main Market of Bursa Securities*) in 1995.

The principal activities of our Company are manufacturing of aluminium foil packaging materials and investment holding. Our subsidiary companies are involved in property investment as well as printing and manufacturing of packaging boxes and materials.

Further details of the principal activities of our subsidiary companies are set out in Section 6 of this Appendix.

2. SHARE CAPITAL

Our authorised and issued and paid-up share capital as at the LPD are as follows:

Type	No. of Shares	Par value RM	Total RM
Authorised share capital	200,000,000	0.50	100,000,000
Issued and paid-up share capital	43,285,000	0.50	21,642,500

The change in our authorised share capital for the past three (3) years up to the LPD is set out below:

Date of change	No. of Shares authorised	Par value RM	Description	Cumulative authorised share capital RM
22 August 2013	200,000,000	0.50	Par value reduction from RM1.00 to RM0.50 each	100,000,000

The change in our issued and paid-up share capital for the past three (3) years up to the LPD is set out below:

Date of allotment	No. of Shares alloted	Par value RM	Description	Cumulative issued and paid-up share capital RM
22 August 2013	43,285,000	0.50	Par value reduction from RM1.00 to RM0.50 each	21,642,500

3. BOARD DIRECTORS

Please refer to the Corporate Directory on page 1 of this AP for details of the age, professions, nationalities, designations and addresses of our Board.

INFORMATION ON OUR COMPANY (CONT'D)

4. DIRECTORS' SHAREHOLDINGS

The proforma effects of the Rights Issue of Shares with Warrants on the shareholdings of our Directors based on their shareholdings as at the LPD are as follows:

Name	As at the LPD		(I) After the Rights Issue of Shares with Warrants		(II) After (I) and assuming full exercise of the Warrants	
	Indirect		Indirect		Indirect	
	No. of Bright Shares ('000)	%	No. of Bright Shares ('000)	%	No. of Bright Shares ('000)	%
Nik Mustapha Bin Muhamad	-	-	-	-	-	-
Ang Lay Chieng	-	-	-	-	-	-
DSSA	4,000	9.24	12,000	9.24	17,333	9.24
Lye Jun Fei	-	-	-	-	-	-
Tee Wee Keat	-	-	-	-	-	-
Yeong Siew Lee	-	-	-	-	-	-

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INFORMATION ON OUR COMPANY (CONT'D)

5. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The proforma effects of the Rights Issue of Shares with Warrants on the shareholdings of our substantial shareholders based on their shareholdings as at the LPD are as follows:

Name	As at the LPD				(I) After Rights Issue of Shares with Warrants ⁽³⁾				(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Bright Shares ('000)	%	No. of Bright Shares ('000)	%	No. of Bright Shares ('000)	%	No. of Bright Shares ('000)	%	No. of Bright Shares ('000)	%	No. of Bright Shares ('000)	%
DSSA ⁽¹⁾	4,000	9.24	-	-	12,000	9.24	-	-	17,333	9.24	-	-
WHSB	10,200	23.56	-	-	30,600	23.56	-	-	44,200	23.56	-	-
Dato' Wong Shee Kai ⁽²⁾	-	-	10,200	23.56	-	-	30,600	23.56	-	-	44,200	23.56
Teh Sew Wai ⁽²⁾	-	-	10,200	23.56	-	-	30,600	23.56	-	-	44,200	23.56
Halley SICAV-Halley Asian Prosperity	4,300	9.93	-	-	4,300	3.31	-	-	4,300	2.29	-	-
Demi Maju Sdn. Bhd.	11,799	27.26	-	-	11,799	9.09	-	-	11,799	6.29	-	-
IPS	-	-	-	-	42,700	32.88	-	-	71,167	37.94	-	-
Affin	-	-	-	-	11,834	9.11	-	-	19,723	10.52	-	-

Notes:

- (1) Our directors.
(2) Deemed interest by virtue of his/her equity interest in WHSB pursuant to the Section 6A of the Act.
(3) Assuming only the Undertaking Shareholders subscribe to their entitlements and the remaining portion are underwritten by the underwriters.

INFORMATION ON OUR COMPANY (CONT'D)**6. SUBSIDIARY AND ASSOCIATED COMPANIES**

Our Company is principally involved in the manufacturing of aluminium foil packaging materials and investment holdings. The details of our subsidiary companies are as follows:

Company	Date and place of incorporation	Principal activities	Issued and paid-up share capital (RM)	Effective equity interest (%)
Acorn Properties Sdn Bhd	27 September 1993, Malaysia	Property Investment	2	100.0
Photon Technologies (Malaysia) Sdn Bhd	3 April 1993, Malaysia	The company ceased operations in October 2006. ⁽¹⁾	7,000,000	90.9
Markmas Pak-Print Sdn Bhd	19 May 1987, Malaysia	Printing and manufacturing of packaging boxes and materials. ⁽²⁾	5,000,000	99.9

Notes:

- (1) Photon Technologies (Malaysia) Sdn Bhd was involved in the manufacturing of optical fibre and cables. As at the LPD, the management has no plan to resume the operation of this company.
- (2) Markmas Pak-Print Sdn Bhd ceased operation in 2010 but subsequently has resumed its business operation since 27 June 2013.

We do not have any associated companies as at the LPD.

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INFORMATION ON OUR COMPANY (CONT'D)

7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements from the FYE 2010 to 2012 and the unaudited consolidated financial statements for the FYE 2013 are as follows:

	<----- Audited ----->			Unaudited
	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Revenue	43,940	49,490	56,069	52,220
GP	5,546	6,380	7,671	9,980
Other income	1,494	1,152	1,116	1,375
Administrative expenses	(3,674)	(2,706)	(2,827)	(2,359)
Selling and distribution expenses	(1,079)	(896)	(1,144)	(1,409)
Other expenses	(541)	(641)	(44)	(47)
Finance costs	(184)	(98)	(92)	(74)
PBT	1,562	3,191	4,680	7,466
Taxation	(466)	(491)	(900)	(437)
PAT	1,096	2,700	3,780	7,029
Attributable to:				
Owners of the Company	1,152	2,700	3,780	7,029
Minority interest	(56)	-	-	-
Total comprehensive income	1,096	2,700	3,780	7,029
EBITDA	2,265	3,709	5,240	8,103
Weighted average number of Shares in issue ('000)	43,285	43,285	43,285	43,285
Basic EPS (sen)	2.66	6.24	8.73	16.24
GP margin (%)	12.62	12.89	13.68	19.11
PBT margin (%)	3.55	6.45	8.35	14.30
PAT margin (%)	2.49	5.46	6.74	13.46
Dividend (sen)	-	-	8.00	-

Commentaries on financial performance**FYE 2011 compared to FYE 2010**

Our revenue for the FYE 2011 increased by approximately RM5.55 million (12.63%) from RM43.94 million in the FYE 2010 to RM49.49 million in the FYE 2011, mainly due to increase in purchase orders from our major customer with the anticipation that the demand of cigarettes will increase in the FYE 2011.

Our GP increased by approximately RM0.83 million (15.04%) from RM5.55 million in the FYE 2010 to RM6.38 million in the FYE 2011 and our GP margin increased from 12.62% in the FYE 2010 to 12.89% in the FYE 2011. Our GP margin increased in FYE 2011 as compared to FYE 2010, mainly due to improvement in operation efficiency such as reduction in material wastage.

Our PBT increased by RM1.63 million (104.29%) from RM1.56 million in the FYE 2010 to RM3.19 million in the FYE 2011, mainly due to lower interest expenses in the FYE 2011 as compared to the FYE 2010 with the full settlement of bankers' acceptance and trust receipts in the FYE 2011 and lower administrative expenses in the FYE 2011 as compared to the FYE 2010 which include the settlement for litigation amounting to RM1.30 million. Our PBT margin also improved from 3.55% in the FYE 2010 to 6.45% in the FYE 2011 with the interest saving after repayment of bank borrowings and lower administrative expenses incurred in the FYE 2011.

INFORMATION ON OUR COMPANY (CONT'D)

FYE 2012 compared to FYE 2011

Our revenue for the FYE 2012 increased by approximately RM6.58 million (13.30%) from RM49.49 million in the FYE 2011 to RM56.07 million in FYE 2012, mainly due to the increase in purchase orders from our existing customer with the anticipation that the demand of cigarettes will increase in the FYE 2012.

Our GP increased by approximately RM1.29 million (20.24%) from RM6.38 million in the FYE 2011 to RM7.67 million in the FYE 2012, our GP margin improved from 12.89% in the FYE 2011 to 13.68% in the FYE 2012 as a result of lower average production costs coupled with improvement in operation efficiency.

Our PBT increased by approximately RM1.49 million (46.66%) from RM3.19 million in the FYE 2011 to RM4.68 million in the FYE 2012, mainly due to higher GP margin, lower other expenses as well as lower loss on foreign exchange as compared to the FYE 2011. Our PBT margin also improved from 6.45% in the FYE 2011 to 8.35% in the FYE 2012 with the improved GP margin and lower other expenses as well as lower loss on foreign exchange in the FYE 2012.

Unaudited FYE 2013 compared to FYE 2012

Our revenue for the unaudited FYE 2013 decreased by approximately RM3.85 million (6.87%) from RM56.07 million in the FYE 2012 to RM52.22 million in the unaudited FYE 2013, mainly due to lower purchase orders from our customer in the tobacco industry which underwent restructuring and relocation of its manufacturing operation during the FYE 2013.

Our GP increased by approximately RM2.31 million (30.10%) from RM7.67 million in the FYE 2012 to RM9.98 million in the unaudited FYE 2013, mainly due to higher GP margin generated in the unaudited FYE 2013 as a result of decreased in cost of raw materials such as foils, papers and chemical for our daily operation.

Our PBT increased by RM2.79 million (59.53%) from RM4.68 million in FYE 2012 to RM7.47 million in the unaudited FYE 2013, mainly due to higher GP and GP margin generated in the unaudited FYE 2013. Our PBT margin also improved from 8.35% in the FYE 2012 to 14.30% in the unaudited FYE 2013 with the increase in GP margin.

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INFORMATION ON OUR COMPANY (CONT'D)**8. HISTORICAL PRICES OF BRIGHT SHARES**

The monthly high and low transacted market prices of Bright Shares for the past twelve (12) months from December 2012 to November 2013 are as follows:

	High RM	Low RM
2012		
December	2.000	0.950
2013		
January	2.110	1.550
February	2.180	1.950
March	2.160	1.210
April	1.240	0.775
May	1.660	0.990
June	1.520	0.995
July	1.250	1.020
August	1.150	0.950
September	1.030	0.935
October	1.560	0.980
November	1.500	1.300

Last transacted market price on 11 October 2013 (being the last trading date prior to the Announcement) was RM1.0535 per Bright Share.

Last transacted market price on 4 December 2013 (being the LPD prior to printing of this AP) was RM1.330 per Bright Share.

Last transacted market price on 16 December 2013 (being the last day on which Bright Shares were traded prior to the ex-date of the Rights Issue of Shares with Warrants) was RM1.290 each.

(Source: Bloomberg)

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON



**REPORTING ACCOUNTANTS' LETTER ON
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Prepared for inclusion in the Abridged Prospectus)**

6 DECEMBER 2013

The Board of Directors
Bright Packaging Industry Berhad
No, 23 Jalan Delima 1/3
Subang Hi-Tech Industrial Park
40000 Shah Alam, Selangor
Malaysia

Dear Sirs,

**BRIGHT PACKAGING INDUSTRY BERHAD
PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31
JANUARY 2013**

We have reviewed the Proforma Consolidated Statement of Financial Position of Bright Packaging Industry Berhad ("Bright") and its subsidiaries (collectively referred to as "Bright Group") as at 31 January 2013 together with the accompanying notes thereto, for which the Board of Directors of Bright ("Board") is solely responsible as set out in the accompanying statements (which we have stamped for the purpose of identification) prepared for inclusion in the Abridged Prospectus of Bright in relation to the renounceable rights issue of 86,569,800 ordinary shares of RM0.50 each in Bright ("Share") ("Right Share") on the basis of two (2) Rights Shares for every one (1) existing Share held, together with 57,713,200 free detachable warrants ("Warrants") on the basis of two (2) Warrants for every three (3) Rights Shares subscribed for ("Rights Issue of Shares with Warrants").

The Proforma Consolidated Statement of Financial Position, because of its nature, may not be reflective of Bright Group's actual financial position. Furthermore, such information does not purport to predict the future financial position of Bright Group.

Responsibilities

It is the responsibility of the Board to prepare the Proforma Consolidated Statement of Financial Position on the basis described in the Notes to the Proforma Consolidated Statement of Financial Position, for illustrative purposes only.

It is our responsibility to form an opinion, as to the proper compilation of the Proforma Consolidated Statement of Financial Position and to report that opinion to you.

In providing this opinion, we are not responsible in updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Proforma Consolidated Statement of Financial Position, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



- 2 -

Basis of opinion

We conducted our work in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000: Assurance Engagement Other Than Audits or Review of Historical Financial Information. The work that we performed for the purpose of making this letter, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information to the source documents, considering the evidence supporting the adjustments and discussing the Proforma Consolidated Statement of Financial Position with the Board and responsible officers of Bright.

We planned and performed our work so as to obtain the information and explanation we considered necessary in order to provide us with reasonable assurance that the Proforma Consolidated Statement of Financial Position have been properly compiled on the basis stated in the accompanying notes using financial statements prepared in accordance with Malaysian Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the consolidated statement of financial position and the accounting policies of Bright. Our work also involves assessing whether the adjustments made to the information used in the preparation of the Proforma Consolidated Statement of Financial Position are appropriate for the purposes of preparing the Proforma Consolidated Statement of Financial Position.

Opinion

In our opinion,

- (i) the Proforma Consolidated Statement of Financial Position of Bright as at 31 January 2013, which have been prepared by the directors of Bright, for illustrative purposes only, have been properly compiled on the basis stated in the accompanying Notes to the Proforma Consolidated Statement of Financial Position using financial statements prepared in accordance with Malaysian Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the consolidated statement of financial position and the accounting policies of Bright; and
- (ii) the adjustments made to the information used in the preparation of the Proforma Consolidated Statement of Financial Position are appropriate for the purposes of preparing the Proforma Consolidated Statement of Financial Position.

This report has been prepared for the information of the Board for the purpose of inclusion in the Abridged Prospectus of Bright in respect of the Proposal as mentioned above. As such, this report is not to be reproduced, referred to in any other document or used for any other purpose without our prior written consent.

Yours faithfully,

UHY

Firm Number: AF 1411

Chartered Accountants

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Bright Packaging Industry Berhad ("Bright")

Proforma Consolidated Statement of Financial Position as at 31 January 2013

The Proforma Consolidated Statements of Financial Position as set out below have been prepared for illustrative purposes only to show the effect on the proforma consolidated statements of financial position of the Bright Group as at 31 January 2013 and also based on the assumptions that the following events had been effected on that date.

	Note	Bright Group Level 31 January 2013 RM	After Share Buy-back RM	After Par Value Reduction RM	Share Premium Reduction RM	Proforma I After Rights Issue with Warrants RM	Proforma II After full exercise of Warrants RM
NON-CURRENT ASSET							
Property, plant and equipment	4	26,484,888	26,484,888	26,484,888	26,484,888	63,884,888	63,884,888
		26,484,888	26,484,888	26,484,888	26,484,888	63,884,888	63,884,888
CURRENT ASSETS							
Inventories		5,324,760	5,324,760	5,324,760	5,324,760	5,324,760	5,324,760
Trade and other receivables		2,808,302	2,808,302	2,808,302	2,808,302	2,808,302	2,808,302
Prepayments		61,352	61,352	61,352	61,352	61,352	61,352
Tax recoverable		8,520	8,520	8,520	8,520	8,520	8,520
Cash and bank balances	5	15,349,762	15,349,578	15,189,578	15,189,578	24,302,968	71,627,792
		23,552,696	23,552,512	23,192,512	23,192,512	32,505,902	79,830,726
		50,037,584	50,037,400	50,037,400	49,877,400	96,390,790	143,715,616
EQUITY							
Share capital		43,285,000	43,285,000	21,642,500	21,642,500	64,927,400	93,784,000
Share premium		7,400,325	7,400,325	7,400,325	5,243,325	8,471,815	26,940,039
Treasury shares		-	(184)	(184)	(184)	-	(184)
Warrant reserves		-	-	-	-	30,443,713	-
Other reserves		-	-	-	-	(30,443,713)	-
(Accumulated losses)/		-	-	-	-	-	-
Retained profit		(8,458,080)	(8,458,080)	13,184,420	15,181,420	15,181,420	15,181,420
		42,227,245	42,227,061	42,227,061	42,067,061	88,580,451	135,905,275
NON-CURRENT LIABILITY							
Deferred tax liabilities		2,599,816	2,599,816	2,599,816	2,599,816	2,599,816	2,599,816
		2,599,816	2,599,816	2,599,816	2,599,816	2,599,816	2,599,816
CURRENT LIABILITIES							
Trade and non-trade payables		4,050,264	4,050,264	4,050,264	4,050,264	4,050,264	4,050,264
Tax payable		1,160,259	1,160,259	1,160,259	1,160,259	1,160,259	1,160,259
		5,210,523	5,210,523	5,210,523	5,210,523	5,210,523	5,210,523
		50,037,584	50,037,400	50,037,400	49,877,400	96,390,790	143,715,616
No of shares (Exclude Treasury shares)		43,285,000	43,284,900	43,284,900	43,284,900	129,854,700	187,567,900
		@ RM1.00 per share	@ RM1.00 per share	@ RM0.50 per share	@ RM0.50 per share	@ RM0.50 per share	@ RM0.50 per share
Net assets		42,227,245	42,227,061	42,227,061	42,067,061	88,580,451	135,905,275
NA per share (RM)		0.98	0.98	0.98	0.97	0.68	0.72

^ After deducting expenses in relation to the Share Buy-back, Par Value Reduction and Share Premium Reduction of RM160,000.

* After deducting estimated expenses in relation to the Right Issue of Shares with Warrants of RM1,100,000.



PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**BRIGHT PACKAGING INDUSTRY BERHAD
(Incorporated in Malaysia)**

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013

Basis of Preparation

The Proforma Consolidated Statement of Financial Position of which the directors of Bright are solely responsible have been prepared for illustrative purposes only, for the inclusion in the Abridged Prospectus, based on the accounting policies and bases which are consistent with those adopted in the preparation of the audited financial statements of Bright Group as at 31 January 2013 on the assumption that the following proposals had taken place on 31 January 2013.

Fair value of Warrants

The fair value of the Warrants is estimated using Black Scholes Model from Bloomberg Finance based on the following key assumption:

a) Exercise Price	RM0.82 per Warrant
b) Theoretical ex-rights price	RM0.8152 per Bright Share (based on 5-day volume weighted average market price up to and including 4 December 2013, of RM1.3456)
c) Borrowing cost	Nil
d) Expected dividend yield	Nil
e) Tenure of Warrants	5 years from date of issuance of Warrants
f) Expected share price volatility	79.096 % (Bright determined the expected share price volatility based on 365 days volatility of the historical stock price of Bright)

Based on the assumptions and basis described above and applying all the inputs into the Black Scholes Model, the fair value of the Warrant is assumed to approximately RM0.5275 per Warrant for the purpose of the Proforma Consolidated Statement of Financial Position as at 31 January 2013.



PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**BRIGHT PACKAGING INDUSTRY BERHAD
(Incorporated in Malaysia)**

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013 (CONT'D)

1. Adjusted Audited consolidated statement of financial position

Adjusted consolidated statement of financial position as at 31 January 2013 incorporated the effects of subsequent events that have a financial impact to the consolidated statement of financial position of Bright after 31 January 2013 as below:

(a) Share Buy-back

Incorporated the effect of the share buy-back of 100 ordinary shares for the consideration of RM184 on 12 June 2013.

(b) Par Value Reduction

Incorporated the effect of the reduction of Bright's issued and paid-up share capital involving the cancellation of RM0.50 par value of all existing Bright Shares thus decreasing the share capital from RM43,285,000 comprising 43,285,000 Shares to RM21,642,500 comprising 43,285,000 Shares. The RM21,642,500 arising from Par Value Reduction will be utilised to partially offset against the accumulated losses of Bright prior to the adoption of MFRSs. The Par Value Reduction was completed on 22 August 2013.

(c) Share Premium Reduction

Incorporated the effect of the reduction of RM2,157,000 from the share premium account of Bright and the credit arising there from will be used to offset against the accumulated losses of Bright prior to the adoption of MFRSs. The Share Premium Reduction was completed on 22 August 2013.

2. Proforma I

Rights Issue of Shares with Warrants

Proforma I incorporated the renounceable rights issue of 86,569,800 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing Share held, together with 57,713,200 Warrants on the basis of two (2) Warrants for every three (3) Right Shares subscribed for.

It is also assumed that the fair value of Warrants is RM0.5275 per Warrant. The actual quantum of Warrants Reserve only will be determined upon issuance of the Warrants. As such, the actual quantum may differ from the indicative fair value of Warrants.

The fair value recognised in reserves would be as follows:

Total Warrants (no. of Warrants)	57,713,200
Fair value per Warrant (RM)	0.5275
Total fair value (RM)	30,443,713



PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD
(Incorporated in Malaysia)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013 (CONT'D)

2. **Proforma I (Cont'd)**

The proceeds arising from the Rights Issue of Shares with Warrant are proposed to be utilised as follows:

	RM'000
Capital expenditure ⁽¹⁾	37,400
Working capital ⁽²⁾	9,113
Estimated expenses in relation to the Rights Issue of Shares with Warrants ⁽³⁾	1,100
	<u>47,613</u>

Notes:

(1) The capital expenditure include the following:

Details of utilisation	RM'000
Purchase of additional production lines ^(a)	26,400
Implementation of Enterprise Resources Planning ("ERP") system ^(b)	11,000
Total	<u>37,400</u>

(a) The capital expenditure shall include the purchase of two (2) additional production lines to increase Bright's production capacity. As at the LPD, Bright Group is operating at approximately 80% of its production capacity. With the additional production lines, Bright is expected to increase its current production of approximately 540 metres of aluminium foil packaging material per minute to approximately 1,240 metres of aluminium foil packaging material per minute. As such, the additional production generated from the two (2) new production lines will facilitate Bright Group to meet the potential increase in the demand of Bright Group's products.

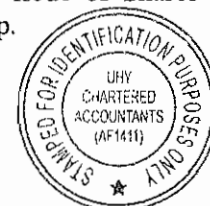
(b) Bright Group intends to implement an ERP system which include the upgrading of plant and machineries to support Bright Group's business operation process and is expected to assist Bright Group in monitoring and controlling its inventories, order process, purchase of raw materials and production.

Any surplus or shortfall for the capital expenditure will be adjusted accordingly to/from the working capital of Bright Group.

(2) The proceeds will be utilised for working capital requirements in respect of Bright Group day-to-day operations to support its existing business operations as follows:

Details of utilisation	RM'000
Purchase of raw materials	7,613
Wages and staff benefit	1,200
Machine upkeep and maintenance	200
Other operating expenses such as water, electricity and sundry expenses	100
Total	<u>9,113</u>

(3) The estimated expenses consist of professional fees, fees payable to the relevant authorities, expenses to convene the extraordinary general meeting ("EGM"), printing, advertising and other ancillary expenses. Any surplus or shortfall for the estimated expenses in relation to the Rights Issue of Shares with Warrants will be adjusted accordingly to/from the working capital of Bright Group.



PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**BRIGHT PACKAGING INDUSTRY BERHAD
(Incorporated in Malaysia)**

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013 (CONT'D)

3. Proforma II

After Proforma I and Full Exercise of Warrants

Proforma II incorporated the effect of Proforma I and the full exercise of Warrants at an indicative exercise price of RM0.82 into 57,713,200 new Shares in Bright.

The quantum of proceed to be received by the Company pursuant to the Warrants would depend upon the actual number of warrant exercised.



PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD
(Incorporated in Malaysia)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013 (CONT'D)

The movements of the issued and paid-up share capital, share premium and reserves of Bright are as follows:

	Number of shares	Share capital RM	Share premium RM	Warrants reserves RM	Other reserves RM	Treasury shares RM	(Accumulated losses)/ Retained Profit RM
As at 31 January 2013	43,285,000	43,285,000	7,400,325	-	-	-	(8,458,080)
Share Buy-back	-	-	-	-	-	(184)	-
Par Value Reduction	43,285,000	43,285,000	7,400,325	-	-	(184)	(8,458,080)
	-	(21,642,500)	-	-	-	-	21,642,500
Share Premium Reduction	43,285,000	21,642,500	7,400,325	-	-	(184)	13,184,420
	-	-	(2,157,000)	-	-	-	1,997,000
Rights Issues of Shares with Warrants	43,285,000	21,642,500	5,243,325	-	-	(184)	15,181,420
Proforma I	86,569,800	43,284,900	3,228,490	30,443,713	(30,443,713)	-	-
Full Exercise of Warrants	129,854,800	64,927,400	8,471,815	30,443,713	(30,443,713)	(184)	15,181,420
Proforma II	57,713,200	28,856,600	18,468,224	(30,443,713)	30,443,713	-	-
	187,568,000	93,784,000	26,940,039	-	-	(184)	15,181,420



PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

**BRIGHT PACKAGING INDUSTRY BERHAD
(Incorporated in Malaysia)**

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013 (CONT'D)

4. Property, Plant and Equipment

The movements in the property, plant and equipment are as follows:

	RM
As at 31 January 2013 (Audited)	26,484,888
Rights Issues of Shares with Warrants	37,400,000
As per Proforma I / II	<u>63,884,888</u>

5. Cash and Bank Balances

The movements in the cash and bank balances are as follows:

	RM
As at 31 January 2013 (Audited)	15,349,762
Shares Buy-back	(184)
Expenses related to the Share Buy-back, Par Value Reduction and Share Premium Reduction	<u>(160,000)</u>
	15,189,578
Proceeds from Rights Issue of Shares with Warrants	47,613,390
Utilisation of proceeds from the Rights Issue of Share with Warrants:	
- Capital expenditure	(37,400,000)
- Estimated expenses related to the Rights Issue of Shares with Warrants	<u>(1,100,000)</u>
As per Proforma I	24,302,968
Full Exercise of Warrants	47,324,824
As per Proforma II	<u>71,627,792</u>

For illustrative purposes, the proceeds for working capital is included in cash and bank balances when received.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-
MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT
THEREON**

CERTIFIED TRUE COPY


.....
ONN KIEN HOE
Partner
Crowe Horwath AF 1010
Chartered Accountants

ATTESTED COPY

**BRIGHT PACKAGING INDUSTRY
BERHAD**
(161776-W)
(Incorporated in Malaysia)

FINANCIAL REPORT
For the financial period from
1 September 2012 to 31 January 2013

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-
MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT
THEREON (CONT'D)**

BRIGHT PACKAGING INDUSTRY BERHAD

(161776-W)

(Incorporated in Malaysia)

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-
MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT
THEREON (CONT'D)**

BRIGHT PACKAGING INDUSTRY BERHAD

(161776-W)

(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Nik Mustapha Bin Muhamad Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee (Appointed on 21.2.2013) Tee Wee Keat (Appointed on 21.2.2013) Lye Jun Fei (Appointed on 21.2.2013) Ang Lay Chieng (Appointed on 21.2.2013) Yeong Siew Lee (Appointed on 11.10.13) Wong See Yaw (Removed on 21.2.2013) Yeap Cheng Chuan (Removed on 21.2.2013) Wong Siew Yoong (Retired on 21.2.2013) Low Wan Choon (Resigned on 17.5.2013) Yap Kok Eng (Appointed on 3.1.2013 and retired on 21.2.2013) Chang Siew Foong (Appointed on 17.5.2013 and resigned on 30.9.13)
COMPANY SECRETARY	:	Wong Wei Fong (MAICSA 7006751) Ang Hong Peng (MAICSA 7052695)
PRINCIPAL PLACE OF BUSINESS	:	23, Jalan Delima 1/3, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan.
REGISTERED OFFICE ADDRESS	:	B-11-10, Level 11, Megan Avenue II, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-
MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT
THEREON (CONT'D)**

BRIGHT PACKAGING INDUSTRY BERHAD
(161776-W)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Nik Mustapha bin Muhamad and Ang Lay Chieng, being two of the directors of BRIGHT PACKAGING INDUSTRY BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 6 to 56 are drawn up in accordance with Malaysian Financial Reporting Standards, MFRS 134: Interim Financial Reporting, which are in line with International Financial Reporting Standards so as to give a true and fair view of the state of affairs of Bright Packaging Industry Berhad and its subsidiaries (hereinafter referred to as the Group) as at 31 January 2013 and of its results and cash flows for the financial period ended on that date.

The information set out in Note 29 on page 56 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated **03 DEC 2013**


Nik Mustapha Bin Muhamad


Ang Lay Chieng

STATUTORY DECLARATION

I, Ang Lay Chieng, being the director primarily responsible for the financial management of BRIGHT PACKAGING INDUSTRY BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 6 to 56 are to the best of my knowledge and belief, 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 Ang Lay Chieng
at Kuala Lumpur in the Federal Territory
on this **03 DEC 2013**


Ang Lay Chieng

Before me



No. 1, Tingkat 2,
Jalan Ampang,
50450 Kuala Lumpur.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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www.crowehorwath.com.my
info@crowehorwath.com.my

**INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF BRIGHT PACKAGING INDUSTRY BERHAD (161776-W)**

Report on the Financial Statements

We have audited the financial statements of Bright Packaging Industry Berhad, which comprise the statements of financial position as at 31 January 2013 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 period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 56.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

**INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF BRIGHT PACKAGING INDUSTRY BERHAD (161776-W) (CONT'D)***Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 January 2013 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, MFRS 134: Interim Financial Reporting, which are in line with International Financial Reporting Standards.

Other Matters

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 period ended 31 January 2012 as well as the related notes have not been audited nor reviewed.

Other Reporting Responsibilities

The supplementary information set out in Note 29 on page 56 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

1. As stated in Note 2(a) to the financial statements, Bright Packaging Industry Berhad adopted Malaysian Financial Reporting Standards on 1 September 2012 with a transition date of 1 September 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 August 2012 and 1 September 2011, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 August 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial period ended 31 January 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 September 2012 do not contain misstatements that materially affect the financial position as of 31 January 2013 and financial performance and cash flows for the financial period then ended.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-
MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT
THEREON (CONT'D)**



**INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS OF BRIGHT PACKAGING INDUSTRY BERHAD (161776-W) (CONT'D)**

Other Matters (Cont'd)

2. The financial statements of the Group and of the Company for the financial year ended 31 August 2012 were audited by another auditor who expressed an unmodified opinion on those statements on 19 December 2012.
3. This report is prepared solely for the Board of Directors of the Company for the purpose of submission to the Securities Commission ("SC") and the preparation of the abridged prospectus in relation to a proposed rights issue of shares with warrants exercise in Malaysia involving the Company and is not to be used in whole or in part for any other purposes. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read "Aure Jor".

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

03 DEC 2013

Kuala Lumpur

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD

(161776-W)
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013

	Note	The Group		The Company	
		Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Revenue	5	16,897,293	23,095,304	16,897,293	23,095,304
Cost of sales	6	(12,167,096)	(20,272,561)	(12,167,096)	(20,272,561)
Gross profit		4,730,197	2,822,743	4,730,197	2,822,743
Other income	7	300,893	718,696	300,062	675,885
Administrative expenses		(763,694)	(1,718,341)	(735,200)	(1,737,578)
Selling and distribution expenses		(663,941)	(326,746)	(663,941)	(326,746)
Other expenses		(188,520)	-	(188,520)	-
Operating profit		3,414,935	1,496,352	3,442,598	1,434,304
Finance costs	8	(29,283)	(31,861)	(29,283)	(31,861)
Profit before taxation	9	3,385,652	1,464,491	3,413,315	1,402,443
Income tax expense	12	(990,984)	(317,054)	(1,002,347)	(315,524)
Profit after taxation		2,394,668	1,147,437	2,410,968	1,086,919
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		<u>2,394,668</u>	<u>1,147,437</u>	<u>2,410,968</u>	<u>1,086,919</u>
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		<u>2,394,668</u>	<u>1,147,437</u>	<u>2,410,968</u>	<u>1,086,919</u>
TOTAL COMPREHENSIVE					
INCOME ATTRIBUTABLE TO:-					
Owners of the Company		<u>2,394,668</u>	<u>1,147,437</u>	<u>2,410,968</u>	<u>1,086,919</u>
Basic earnings per share (sen)	13	<u>5.5</u>	<u>2.7</u>		

The accompanying notes form an integral part of this statement.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

BRIGHT PACKAGING INDUSTRY BERHAD
(161776-W)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 JANUARY 2013

	Note	31.1.2013 RM	The Group 31.8.2012 RM	1.9.2011 RM	31.1.2013 RM	The Company 31.8.2012 RM	1.9.2011 RM
Assets							
Non-Current Assets							
Property, plant and equipment	14	26,484,888	26,727,322	27,294,943	10,990,063	11,173,622	11,599,943
Investment in subsidiaries	15	-	-	-	606,030	606,030	606,030
		<u>26,484,888</u>	<u>26,727,322</u>	<u>27,294,943</u>	<u>11,596,093</u>	<u>11,779,652</u>	<u>12,205,973</u>
Current Assets							
Inventories	16	5,324,760	4,507,725	8,277,099	5,324,760	4,507,725	8,277,099
Trade and non-trade receivables	17	2,808,302	4,848,573	5,036,858	6,396,971	8,331,716	8,622,872
Prepayments		61,352	441,710	136,238	61,352	428,311	122,839
Tax recoverable		8,520	5,320	7,083	-	-	-
Cash and bank balances	18	15,349,762	19,936,713	13,092,683	15,090,722	19,821,722	12,995,818
		<u>23,552,696</u>	<u>29,740,041</u>	<u>26,549,981</u>	<u>26,873,805</u>	<u>33,089,474</u>	<u>30,016,628</u>
Total Assets		<u>50,037,584</u>	<u>56,467,363</u>	<u>53,844,904</u>	<u>38,469,898</u>	<u>44,869,126</u>	<u>42,224,601</u>

The accompanying notes form an integral part of this statement.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

BRIGHT PACKAGING INDUSTRY BERHAD
(161776-W)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 JANUARY 2013 (CONT'D)

	Note	31.1.2013 RM	The Group 31.8.2012 RM	1.9.2011 RM	31.1.2013 RM	The Company 31.8.2012 RM	1.9.2011 RM
Equity and liabilities							
Equity							
Share capital	19	43,285,000	43,285,000	43,285,000	43,285,000	43,285,000	43,285,000
Share premium	19	7,400,325	7,400,325	7,400,325	7,400,325	7,400,325	7,400,325
Accumulated losses		(8,458,080)	(10,852,748)	(14,508,970)	(18,283,386)	(20,694,354)	(24,338,065)
Total Equity		42,227,245	39,832,577	36,176,355	32,401,939	29,990,971	26,347,260
Non-Current Liabilities							
Deferred tax liabilities	20	2,599,816	2,406,832	2,447,818	903,433	699,086	719,156
Current Liabilities							
Trade and non-trade payables	21	4,050,264	13,699,030	15,097,014	4,004,267	13,650,145	15,044,838
Tax payable	21	1,160,259	528,924	123,717	1,160,259	528,924	113,347
		5,210,523	14,227,954	15,220,731	5,164,526	14,179,069	15,158,185
Total liabilities		7,810,339	16,634,786	17,668,549	6,067,959	14,878,155	15,877,341
Total equity and liabilities		50,037,584	56,467,363	53,844,904	38,469,898	44,869,126	42,224,601

The accompanying notes form an integral part of this statement.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD

(161776-W)

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013

	Share Capital RM	Non- distributable Share premium RM	Distributable Accumulated losses RM	Total equity RM
The Group				
Unaudited				
At 1 September 2011	43,285,000	7,400,325	(14,508,970)	36,176,355
Total comprehensive income for the period	-	-	1,147,437	1,147,437
At 31 January 2012	<u>43,285,000</u>	<u>7,400,325</u>	<u>(13,361,533)</u>	<u>37,323,792</u>
Audited				
At 1 September 2012	43,285,000	7,400,325	(10,852,748)	39,832,577
Total comprehensive income for the period	-	-	2,394,668	2,394,668
At 31 January 2013	<u>43,285,000</u>	<u>7,400,325</u>	<u>(8,458,080)</u>	<u>42,227,245</u>
The Company				
Unaudited				
At 1 September 2011	43,285,000	7,400,325	(24,338,065)	26,347,260
Total comprehensive income for the period	-	-	1,086,919	1,086,919
At 31 January 2012	<u>43,285,000</u>	<u>7,400,325</u>	<u>(23,251,146)</u>	<u>27,434,179</u>
Audited				
At 1 September 2012	43,285,000	7,400,325	(20,694,354)	29,990,971
Total comprehensive income for the period	-	-	2,410,968	2,410,968
At 31 January 2013	<u>43,285,000</u>	<u>7,400,325</u>	<u>(18,283,386)</u>	<u>32,401,939</u>

The accompanying notes form an integral part of this statement.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD
(161776-W)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013

	The Group		The Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Cash flows (for)/from operating activities				
Profit before tax	3,385,652	1,464,491	3,413,315	1,402,443
Adjustments for:-				
Depreciation of property, plant and equipment	253,334	196,378	194,459	181,378
Gain on disposal of property, plant and equipment	(4,000)	(42,000)	(4,000)	-
Net unrealised gain on foreign exchange	(67,701)	(32,805)	(67,701)	(32,805)
Interest income	(157,789)	(117,221)	(156,958)	(116,409)
Interest expense	29,283	31,861	29,283	31,861
Operating profit before working capital changes	3,438,779	1,500,704	3,408,398	1,466,468
Inventories	(817,035)	4,482,771	(817,035)	4,482,771
Receivables	2,417,429	(1,462,189)	2,301,704	(1,442,265)
Payables	(9,648,766)	(1,151,739)	(9,645,878)	(1,144,888)
Net cash (for)/from operations	(4,609,593)	3,369,547	(4,752,811)	3,362,086
Taxes paid	(166,665)	(170,415)	(166,665)	(166,665)
Net cash (for)/from operating activities	(4,776,258)	3,199,132	(4,919,476)	3,195,421
Cash flows (for)/from investing activities				
Acquisitions of property, plant and equipment	(10,900)	(34,727)	(10,900)	(34,727)
Proceeds from disposal of property, plant and equipment	4,000	42,000	4,000	-
Net cash (for)/from investing activities	(6,900)	7,273	(6,900)	(34,727)

The accompanying notes form an integral part of this statement.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD

(161776-W)

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013 (CONT'D)

	Group		Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Cash flows from financing activities				
Interest received	157,789	117,221	156,958	116,409
Interest paid	<u>(29,283)</u>	<u>(31,861)</u>	<u>(29,283)</u>	<u>(31,861)</u>
Net cash generated from financing activities	<u>128,506</u>	<u>85,360</u>	<u>127,675</u>	<u>84,548</u>
Net (decrease)/increase in cash and cash equivalents	(4,654,652)	3,291,765	(4,798,701)	3,245,242
Effect of exchange rate changes	67,701	32,805	67,701	32,805
Cash and cash equivalents at beginning of financial period	<u>19,936,713</u>	<u>13,092,683</u>	<u>19,821,722</u>	<u>12,995,818</u>
Cash and cash equivalents at end of financial period (Note 18)	<u><u>15,349,762</u></u>	<u><u>16,417,253</u></u>	<u><u>15,090,722</u></u>	<u><u>16,273,865</u></u>

The accompanying notes form an integral part of this statement.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013****1. GENERAL**

The Company is a public limited liability company and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The Company is listed on Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office : B-11-10, Level 11, Megan Avenue II,
Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

Principal place of business : 23, Jalan Delima 1/3,
Subang Hi-Tech Industrial Park,
40000 Shah Alam,
Selangor Darul Ehsan.

The principal activities of the Company are manufacturing of aluminium foil packaging materials and investment holding.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 3 December 2013.

2. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

- (a) These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). The financial impacts on the transition from FRSs to MFRSs are disclosed in Note 27 to the financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013

2. BASIS OF PREPARATION (CONT'D)

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFREs 2009 – 2011 Cycle	1 January 2013

- (c) The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (i) MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no material impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013**

2. BASIS OF PREPARATION (CONT'D)

- (c) The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows (Cont'd):-
- (ii) MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
 - (iii) MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
 - (iv) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
 - (v) The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

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2. BASIS OF PREPARATION (CONT'D)

- (c) The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows (Cont'd):-
- (vi) The amendments to MFRS 10, MFRS 12 and MFRS 127 require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon the initial application of these amendments and to fair value the investments in accordance with MFRS 139. There will be no financial impact on the financial statements of the Group and of the Company upon its initial application.
 - (vii) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
 - (viii) The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full except for unrealised losses which are not eliminated if there is indication of impairment.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.1 Basis of consolidation (Cont'd)**

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

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

3.2 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

3.3 Foreign and functional currencies**(a) Functional and presentation currency**

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

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 Foreign and functional currencies (Cont'd)****(b) Foreign currency transactions**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

3.4 Property, plant and equipment and depreciation

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

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land is not depreciated and buildings are measured at cost less accumulated depreciation and impairment losses if any.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment and depreciation (Cont'd)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The principal annual rates used for this purpose are:-

Buildings	2% - 10%
Plant and machineries	10%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	20%

Work-in-progress included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

3.5 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to its 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of non-financial assets (Cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

3.6 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

3.7 Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.7 Financial assets (Cont'd)****(a) Loans and receivables (Cont'd)**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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 and sales of financial assets are recognised or derecognised on the trade date, the date that the Group and the Company commit to purchase or sell the asset.

3.8 Impairment of financial assets

The Group assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other 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 debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables 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 default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.8 Impairment of financial assets (Cont'd)****(a) Trade and other receivables and other financial assets carried at amortised cost (Cont'd)**

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, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present locations and conditions are accounted for as follows:-

- (a) Raw materials, spares and tools and consumables: purchase costs on a weighted average basis.
- (b) Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

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

3.11 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.12 Financial liabilities**

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

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group has not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables 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.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. 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.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.13 Borrowing costs**

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

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

3.14 Employee benefits

Defined contribution plans

The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

3.15 Leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the 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 charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer when the goods are delivered and accepted by the customers.

(b) Interest income

Interest income is recognised on effective interest method.

3.17 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:-

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Income taxes (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:-

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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**NOTES TO THE FINANCIAL STATEMENTS
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For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers' report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 25, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.19 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

4.1 Judgements made in applying accounting policies

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements.

4.2 Key sources of estimation of uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over the assets' estimated economic useful lives. The useful lives and annual depreciation rates of these assets are disclosed in Note 3.4. These are common life expectancies applied in the respective industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's property, plant and equipment at the reporting date are disclosed in Note 14.

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

4.2 Key sources of estimation of uncertainty (Cont'd)

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset 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 debtor 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 amount of the Group's loans and receivable at the reporting date is disclosed in Note 17.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5. REVENUE

	The Group		The Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Sale of goods	<u>16,897,293</u>	<u>23,095,304</u>	<u>16,897,293</u>	<u>23,095,304</u>

6. COST OF SALES

Cost of sales represents mainly cost of inventories sold.

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7. OTHER INCOME

Included in other income are the following:-

	The Group		The Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Gain on disposal of property, plant and equipment	4,000	42,000	4,000	-
Interest income	157,789	117,221	156,958	116,409
Net gain on foreign exchange:				
- realised	-	385,424	-	385,424
- unrealised	67,701	32,805	67,701	32,805
	<u>67,701</u>	<u>32,805</u>	<u>67,701</u>	<u>32,805</u>

8. FINANCE COSTS

	The Group		The Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Interest expense:-				
Bankers' acceptances and trust receipts	17,162	8,389	17,162	8,389
Bank charges	12,121	23,472	12,121	23,472
	<u>29,283</u>	<u>31,861</u>	<u>29,283</u>	<u>31,861</u>

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9. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:-

	The Group		The Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Auditors' remuneration:				
- statutory audit	9,585	21,944	4,100	18,660
- (over)/under-provision in prior year	4,200	(2,002)	4,200	-
- others	100,000	-	100,000	-
Depreciation of property, plant and equipment (Note 14)	253,334	196,378	194,459	181,378
Directors' remuneration (Note 11)	473,500	511,200	453,500	491,200
Rental of premises	-	-	75,000	75,000
Staff cost (excluding directors' remuneration) (Note 10)	1,375,391	1,128,428	1,375,391	1,128,428
Net loss on foreign exchange				
- realised	188,520	-	188,520	-

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10. EMPLOYEE BENEFITS EXPENSES

	The Group		The Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Wages and salaries	1,269,298	1,016,683	1,269,298	1,016,683
Social security costs	9,204	11,576	9,204	11,576
Pension costs – defined contribution plans	86,617	88,705	86,617	88,705
Other staff related expenses	10,272	11,464	10,272	11,464
	<u>1,375,391</u>	<u>1,128,428</u>	<u>1,375,391</u>	<u>1,128,428</u>

11. DIRECTORS' REMUNERATION

	Group		Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Directors of the Company				
Executive:-				
Fees	20,000	20,000	-	345,000
Salaries and other emoluments	418,100	445,000	418,100	100,000
	<u>438,100</u>	<u>465,000</u>	<u>418,100</u>	<u>445,000</u>
Non-executive:-				
Other emoluments	35,400	46,200	35,400	46,200
	<u>473,500</u>	<u>511,200</u>	<u>453,500</u>	<u>491,200</u>

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11. DIRECTORS' REMUNERATION (CONT'D)

The number of directors of the Company whose total remuneration during the financial period falls within the following bands is analysed below:-

	Number of directors	
	Audited 1.9.2012 to 31.1.2013	Unaudited 1.9.2011 to 31.1.2012
Executive directors:-		
RM300,001 - RM600,000	1	1
RM300,000 and less	1	1
Non-executive directors:-		
RM100,000 and less	4	3

12. INCOME TAX EXPENSE

	The Group		The Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Malaysian tax based on results for the financial period:				
- current tax	798,000	317,054	798,000	315,524
- deferred tax (Note 20)	43,274	-	54,637	-
	<u>841,274</u>	<u>317,054</u>	<u>852,637</u>	<u>315,524</u>
(Over)/Underprovision in prior year:-				
- deferred tax (Note 20)	149,710	-	149,710	-
	<u>149,710</u>	<u>-</u>	<u>149,710</u>	<u>-</u>
	<u>990,984</u>	<u>317,054</u>	<u>1,002,347</u>	<u>315,524</u>

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12. INCOME TAX EXPENSE (CONT'D)

Income tax is calculated at the Malaysian statutory tax rate of 25% (31.8.2012: 25%) of the estimated assessable profit for the period.

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period ended 31 January 2013 and 2012 are as follows:-

	The Group		The Company	
	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM	Audited 1.9.2012 to 31.1.2013 RM	Unaudited 1.9.2011 to 31.1.2012 RM
Profit before tax	3,385,652	1,464,491	3,413,315	1,402,443
Tax at Malaysian statutory tax rate of 25% (31.1.2012: 25%)	846,413	366,123	853,329	350,611
Expenses not deductible for tax purposes	21,141	3,886	8,671	2,356
Income not subject to tax	(1,000)	(47,431)	(1,000)	(36,931)
Double deductible expenses	-	(512)	-	(512)
Effect of utilisation of previously unrecognised unabsorbed capital allowances and unutilised tax losses	(5,554)	(5,012)	-	-
Reversal of deferred tax liability arising from revaluation reserve	(19,726)	-	(8,363)	-
Underprovision of deferred tax in prior period	149,710	-	149,710	-
Tax expense for the period	990,984	317,054	1,002,347	315,524

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13. EARNINGS PER SHARE

	The Group	
	Audited 1.9.2012 to 31.1.2013	Unaudited 1.9.2011 to 31.1.2012
Profit attributable to owners of the parent ("RM")	<u>2,394,668</u>	<u>1,147,437</u>
Number of ordinary shares in issue	<u>43,285,000</u>	<u>43,285,000</u>
Basic earnings per share ("sen")	<u>5.5</u>	<u>2.7</u>

There is no dilutive potential ordinary share in issue as at reporting date.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

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14. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Work- in-progress RM	Total RM
Cost							
At 1 September 2012	15,300,000	10,160,303	12,447,106	1,100,998	893,651	-	39,902,058
Additions	-	-	4,000	6,900	-	-	10,900
Disposal	-	-	-	-	(56,440)	-	(56,440)
At 31 January 2013	15,300,000	10,160,303	12,451,106	1,107,898	837,211	-	39,856,518
Accumulated depreciation							
At 1 September 2012	-	282,440	11,210,580	949,318	732,398	-	13,174,736
Charge for the period	-	117,683	91,985	10,962	32,704	-	253,334
Disposals	-	-	-	-	(56,440)	-	(56,440)
At 31 January 2013	-	400,123	11,302,565	960,280	708,662	-	13,371,630
Net book value							
At 31 January 2013	15,300,000	9,760,180	1,148,541	147,618	128,549	-	26,484,888

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14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Work- in-progress RM	Total RM
Cost							
At 1 September 2011	15,300,000	10,080,000	12,395,781	1,084,435	973,651	76,503	39,910,370
Additions	-	3,800	51,325	16,563	-	-	71,688
Disposals	-	-	-	-	(80,000)	-	(80,000)
Transfer	-	76,503	-	-	-	(76,503)	-
At 31 August 2012	15,300,000	10,160,303	12,447,106	1,100,998	893,651	-	39,902,058
Accumulated depreciation							
At 1 September 2011	-	-	10,990,372	924,288	700,767	-	12,615,427
Charge for the year	-	282,440	220,208	25,030	111,631	-	639,309
Disposals	-	-	-	-	(80,000)	-	(80,000)
At 31 August 2012	-	282,440	11,210,580	949,318	732,398	-	13,174,736
Net book value							
At 31 August 2012	15,300,000	9,877,863	1,236,526	151,680	161,253	-	26,727,322

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14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Work- in- progress RM	Total RM
Cost							
At 1 September 2012	6,615,000	3,095,303	12,502,106	1,100,998	638,737	-	23,952,144
Additions	-	-	4,000	6,900	-	-	10,900
Disposal	-	-	-	-	(56,440)	-	(56,440)
At 31 January 2013	6,615,000	3,095,303	12,506,106	1,107,898	582,297	-	23,906,604
Accumulated depreciation							
At 1 September 2012	-	141,140	11,210,580	949,318	477,484	-	12,778,522
Charge for the period	-	58,808	91,985	10,962	32,704	-	194,459
Disposal	-	-	-	-	(56,440)	-	(56,440)
At 31 January 2013	-	199,948	11,302,565	960,280	453,748	-	12,916,541
Net book value							
At 31 January 2013	6,615,000	2,895,355	1,203,541	147,618	128,549	-	10,990,063

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14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Freehold land RM	Buildings RM	Plant and machineries RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Work- in-progress RM	Total RM
Cost							
At 1 September 2011	6,615,000	3,015,000	12,450,781	1,084,435	638,737	76,503	23,880,456
Additions	-	3,800	51,325	16,563	-	-	71,688
Transfer	-	76,503	-	-	-	(76,503)	-
At 31 August 2012	6,615,000	3,095,303	12,502,106	1,100,998	638,737	-	23,952,144
Accumulated depreciation							
At 1 September 2011	-	-	10,990,372	924,288	365,853	-	12,280,513
Charge for the year	-	141,140	220,208	25,030	111,631	-	498,009
At 31 August 2012	-	141,140	11,210,580	949,318	477,484	-	12,778,522
Net book value							
At 31 August 2012	6,615,000	2,954,163	1,291,526	151,680	161,253	-	11,173,622

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14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The net book value of property, plant and equipment pledged as security for borrowings at the reporting date are as follows:-

	The Group		The Company	
	31.1.2013	31.8.12	31.1.2013	31.8.12
	RM	RM	RM	RM
Freehold land and buildings	<u>25,060,180 *</u>	<u>25,177,863 *</u>	<u>9,510,355</u>	<u>9,569,163</u>

* Included in property, plant and equipment were freehold land and buildings with a total net book value of RM15,549,825 (31.8.2012 – RM 15,608,700) which were pledged as security for borrowings granted to a related party.

- (b) As at 31 January 2013, the gross carrying amount of the fully depreciated plant and equipment that are still in use amounted to RM11,402,844 (31.8.2012: RM11,402,844).

15. INVESTMENT IN SUBSIDIARIES

	The Group/The Company	
	31.1.2013	31.8.2012
	RM	RM
Unquoted shares, at cost	24,278,267	24,278,267
Less: Accumulated impairment losses	<u>(23,672,237)</u>	<u>(23,672,237)</u>
	<u>606,030</u>	<u>606,030</u>

Details of the subsidiaries of the Company, all of which are incorporated in Malaysia, are as follows:-

Name of subsidiary	Principal Activity	Equity interest held	
		31.1.2013	31.8.2012
Acorn Properties Sdn. Bhd.	Property investment	100%	100%
Photon Technologies (Malaysia) Sdn. Bhd.	Ceased operations	91%	91%
Markmas Pak-Print Sdn. Bhd.	Ceased operations.	100%	100%

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16. INVENTORIES

	The Group/The Company	
	31.1.2013	31.8.2012
	RM	RM
At net realisable value:-		
- Raw materials	3,757,596	3,546,972
At cost:-		
- Work-in-progress	279,183	483,744
- Finished goods	763,209	477,009
- Goods-in-transit	524,772	-
	<u>5,324,760</u>	<u>4,507,725</u>
 Inventories recognised as cost of sales	 <u>967,231</u>	 <u>-</u>

17. TRADE AND NON-TRADE RECEIVABLES

	The Group		The Company	
	31.1.2013	31.8.2012	31.1.2013	31.8.2012
	RM	RM	RM	RM
Trade receivables				
Third parties	2,794,062	4,834,333	2,782,106	4,822,379
Non-trade receivables				
Amount due from subsidiaries	-	-	28,408,962	28,303,434
Refundable deposits	14,240	14,240	14,240	14,240
	<u>14,240</u>	<u>14,240</u>	<u>28,423,202</u>	<u>28,317,674</u>
Less: Allowance for impairment:-				
- Amount due from subsidiaries	-	-	(24,808,337)	(24,808,337)
Non-trade receivables, net	<u>14,240</u>	<u>14,240</u>	<u>3,614,865</u>	<u>3,509,337</u>
 Total trade and non-trade receivables	 2,808,302	 4,848,573	 6,396,971	 8,331,716
Add: Cash and bank balances (Note 18)	<u>15,349,762</u>	<u>19,936,713</u>	<u>15,090,722</u>	<u>19,821,722</u>
Total financial assets	<u>18,158,064</u>	<u>24,785,286</u>	<u>21,487,693</u>	<u>28,153,438</u>

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17. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

(a) Trade receivables

The Group's normal trade credit terms range from 30 to 120 days (31.8.2012: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:-

	The Group/The Company	
	31.1.2013	31.8.2012
	RM	RM
Neither past due nor impaired	2,095,015	3,839,486
1 to 30 days past due but not impaired	687,093	982,893
31 to 60 days past due but not impaired	-	-
More than 365 days past due but not impaired	11,954	11,954
Total past due but not impaired	699,047	994,847
Total trade receivables	2,794,062	4,834,333

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with long term relationship and with minimal history of default.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial period.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM699,047 (31.8.2012: RM 994,847) that are past due at the reporting date but not impaired. These relate mostly to customers with slower repayment patterns, but with minimal history of default.

The trade receivables that are past due but not impaired are unsecured.

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17. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

(b) Non-Trade receivables

The Company's non-trade receivables, comprising amounts due from subsidiaries, that are impaired at the reporting date and the movement of the allowance for the impairment are as follows:-

	The Company	
	31.1.2013	31.8.2012
	RM	RM
Non-trade receivables:-		
Nominal value	28,408,962	28,303,434
Less: Allowance for impairment	<u>(24,808,337)</u>	<u>(24,808,337)</u>
	<u>3,600,625</u>	<u>3,495,097</u>

Movement in allowance for impairment:-

	The Company	
	31.1.2013	31.8.2012
	RM	RM
At the beginning of period/year	(24,808,337)	(24,803,657)
Charge for the period/year	-	(4,680)
At the end of period/year	<u>(24,808,337)</u>	<u>(24,808,337)</u>

Non-trade receivable that are impaired

At the reporting date, the Company has made an allowance of RM24,808,337 (31.8.2012: RM24,808,337) for balances due from subsidiaries which have been significantly long outstanding.

(c) Credit risk

The Group has concentration of credit risk in the form of outstanding balance due from group of debtors amounting to RM2,031,550 (31.8.2012: RM4,080,754), representing 73% (31.8.2012: 84%) of total trade receivables.

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18. CASH AND BANK BALANCES

	The Group		The Company	
	31.1.2013	31.8.2012	31.1.2013	31.8.2012
	RM	RM	RM	RM
Deposits with licensed banks	7,825,098	16,363,105	7,741,477	16,280,315
Cash on hand and at banks	7,524,664	3,573,608	7,349,245	3,541,407
Cash and bank balances	<u>15,349,762</u>	<u>19,936,713</u>	<u>15,090,722</u>	<u>19,821,722</u>

The weighted average effective interest rate of the deposits as at the end of the reporting period is 3.1% (31.8.2012: 2.8%) per annum with an average maturity period of about 31 days (31.8.2012: 31 days).

Included in deposits with licensed banks of the Group as at the end of the reporting period was an amount of RM83,621 (31.8.2012 – RM83,621) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

19. SHARE CAPITAL

	Number of ordinary share of RM1 each		Amount	
	31.1.2013	31.8.2012	31.1.2013	31.8.2012
	RM	RM	RM	RM
Authorised:-				
At beginning/end of the financial period/ year	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid up:-				
At beginning/end of the financial period/ year	<u>43,285,000</u>	<u>43,285,000</u>	<u>43,285,000</u>	<u>43,285,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Share premium

This represents proceeds received in excess of the par value for shares previously issued.

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20. DEFERRED TAX LIABILITIES

	The Group		The Company	
	31.1.2013 RM	31.8.2012 RM	31.1.2013 RM	31.8.2012 RM
At beginning of period/ year	2,406,832	2,447,818	699,086	719,156
Recognised in profit or loss (Note 12)	192,984	(40,986)	204,347	(20,070)
As at end of the financial period/year	<u>2,599,816</u>	<u>2,406,832</u>	<u>903,433</u>	<u>699,086</u>

The deferred tax assets and liabilities are attributable to the following:-

	The Group		The Company	
	31.1.2013 RM	31.8.2012 RM	31.1.2013 RM	31.8.2012 RM
Revaluation of properties	2,066,010	2,085,736	443,914	452,277
Accelerated capital allowances	633,204	391,994	558,917	317,707
Provisions	(99,398)	(74,304)	(99,398)	(74,304)
Others	-	3,406	-	3,406
	<u>2,599,816</u>	<u>2,406,832</u>	<u>903,433</u>	<u>699,086</u>

Deferred tax assets have not been recognised in respect of the following items:-

	The Group	
	31.1.2013 RM	31.8.2012 RM
Unabsorbed capital allowances	15,946,515	15,948,515
Unutilised tax losses	25,296,571	25,296,571
	<u>41,243,086</u>	<u>41,245,086</u>

The unabsorbed capital allowances and unutilised tax losses are available indefinitely for offset against future taxable profits of the subsidiaries subject to guidelines issued by the tax authority. No deferred tax assets are recognised in respect of this item as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

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21. TRADE AND NON-TRADE PAYABLES

	The Group		The Company	
	31.1.2013	31.8.2012	31.1.2013	31.8.2012
	RM	RM	RM	RM
Trade payables:				
- third parties	<u>705,088</u>	<u>1,500,854</u>	<u>686,215</u>	<u>1,481,670</u>
Non-trade payables:				
- Accruals	928,071	1,083,687	928,071	1,069,286
- Sundry payables	219,195	8,916,579	192,071	8,901,279
- Amount due to the estate of a deceased former director	<u>2,197,910</u>	<u>2,197,910</u>	<u>2,197,910</u>	<u>2,197,910</u>
	<u>3,345,176</u>	<u>12,198,176</u>	<u>3,318,052</u>	<u>12,168,475</u>
Total trade and non-trade payables	4,050,264	13,699,030	4,004,267	13,650,145
Add: Tax payables	<u>1,160,259</u>	<u>528,924</u>	<u>1,160,259</u>	<u>528,924</u>
Total financial liabilities	<u>5,210,523</u>	<u>14,227,954</u>	<u>5,164,526</u>	<u>14,179,069</u>

(a) Trade payables

The normal trade credit terms granted to the Group and the Company range from 30 to 120 days (31.8.2012: 30 to 120 days).

(b) Non-trade payables

Included in sundry payables in the previous financial year was an amount of RM8,600,000 due to Wylong Holdings Sdn Bhd, a company in which certain shareholders of the Company have financial interests. The amount was unsecured, non-interest bearing and are repayable upon demand.

The amount due to the estate of a deceased former director, Wong Yet Long, was in respect of non-trade advances. The amount is interest-free and is repayable on demand. No demand for repayment has been received up to the date of this report.

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22. RELATED PARTY DISCLOSURE

The Group and the Company have related party relationships with its subsidiaries and the directors.

Wylong Holdings Sdn Bhd is a related party as Wong Siew Yoong and Wong See Yaw, former directors and shareholders of the Company.

(i) Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial period/year:-

	The Company	
	31.1.2013	31.8.2012
	RM	RM
Professional fees paid to a director	-	2,422
Rental of factory premises charged by a subsidiary	75,000	180,000
	<u>75,000</u>	<u>180,000</u>

(ii) Amount due to a related party

	The Group/The Company	
	31.1.2013	31.8.2012
	RM	RM
Non-trade with related party:-		
- Wylong Holdings Sdn Bhd	-	8,600,000
	<u>-</u>	<u>8,600,000</u>

(iii) Compensation of key management personnel

The directors of the Group and the Company are key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly or indirectly. The directors' remunerations are as disclosed in Note 9.

23. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. It is, and has been throughout the period under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

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23. FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest rate risk

The Group's primary interest rate risk relates to time deposits. The Group had no substantial long term interest-bearing assets as at 31 January 2013. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits which yield better returns than cash at bank.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

The Group does not have any interest-bearing borrowings and hence is not exposed to interest rate risk.

(c) Foreign currency risk

Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

The Group is exposed to United States Dollar exchange risk.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:-

	The Group	
	31.1.2013	31.8.2012
	RM	RM
Functional currency of the Group		
Cash and cash equivalents	6,437,063	3,021,342
Trade receivables	2,611,184	4,383,206
Trade payables	<u>(305,536)</u>	<u>(1,017,330)</u>

A 1% (31.8.2012 - 1%) strengthening of the RM against the United States Dollar at the end of the reporting period would have increased profit after taxation by appropriately RM87,427 (31.8.2012 – RM63,872). A 1% (31.8.2012 - 1%) weakening in the foreign currency would have had an equal but opposite effect on the profit after taxation. This assumes that all other variables remain constant.

(d) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

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23. FINANCIAL INSTRUMENTS (CONT'D)

(d) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

	The Group		The Company	
	31.1.2013 On demand or within one year RM	31.8.2012 On demand or within one year RM	31.1.2013 On demand or within one year RM	31.8.2012 On demand or within one year RM
Financial liabilities:-				
Trade and other payables, representing total undiscounted financial liabilities	4,050,264	13,699,030	4,004,267	13,650,145

(e) Credit risk

Credit risks or the risk of counterparties defaulting is controlled by the application of credit approvals limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations with business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

Other than as disclosed in Note 17, the Group does not have any other significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

The maximum exposure to credit risk for the Group is represented by the carrying amount of each financial asset.

(f) Fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of their fair values.

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of their fair values:-

	Note
Trade and other receivables	17
Trade and other payables	21

The carrying amounts of these financial assets and liabilities are reasonable approximation of their fair values due to their short-term nature.

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24. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes, during the period under review.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at an acceptable limit. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less non-distributable share premium.

	The Group		The Company	
	31.1.2013	31.8.2012	31.1.2013	31.8.2012
	RM	RM	RM	RM
Trade and other payables	4,050,264	13,699,030	4,004,267	13,650,145
Less: Cash and bank balances	<u>(15,349,762)</u>	<u>(19,936,713)</u>	<u>(15,090,722)</u>	<u>(19,821,722)</u>
Net debt	-	-	-	-
Equity attributable to the owners of the parent, representing total capital	<u>42,227,245</u>	<u>39,832,577</u>	<u>32,401,939</u>	<u>29,990,971</u>
Capital and net debt	<u>42,227,245</u>	<u>39,832,577</u>	<u>32,401,939</u>	<u>29,990,971</u>
Gearing ratio	-	-	-	-

25. SEGMENT INFORMATION

The adoption of MFRS 8, Operating Segments requires segment information to be presented on a similar basis to that used for internal reporting to the chief operating decision maker who makes decision on the allocation of resources and assess the performance of the reportable segments. This standard does not have any impact on the financial position and the results of the Group.

(a) Reporting segment

The Group's activities are primarily in one industry segment of manufacturing of aluminium foil packaging materials.

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25. SEGMENT INFORMATION (CONT'D)

(b) Geographical information

No geographical segment has been presented as the Group's activities are principally carried out in Malaysia. Sales to external customers disclosed below are based on the geographical location of its customers.

	The Group/The Company	
	Audited	Unaudited
	1.9.2012	1.9.2011
	to	to
	31.1.2013	31.1.2012
	RM	RM
Malaysia	950,272	1,742,336
Philippines	6,044,467	11,847,276
Korea	1,002,893	4,126,462
Indonesia	3,682,355	2,801,288
Australia	1,628,190	1,026,754
Others	3,589,116	1,551,188
	<u>16,897,293</u>	<u>23,095,304</u>

Revenue from a major customer of the Group amounted to RM11,291,435 (31.1.2012: RM20,217,891).

26. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events subsequent to the end of the reporting period are as follows:-

- (a) On 19 April 2013, the Company:-
- (i) proposed to carry out a share-buy back of not more than 10% of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back");
 - (ii) proposed reduction of issued and paid-up share capital pursuant to Section 64 (1) of the Companies Act, 1965 involving the cancellation of RM0.50 par value of all existing ordinary shares of RM1 each in the Company ("Proposed Par Value Reduction");
 - (iii) proposed reduction of up to RM2,157,000 from the share premium account of the Company pursuant to Sections 60 (2) and 64 (1) of the Companies Act, 1965 ("Proposed Share Premium Reduction");
 - (iv) proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Par Value Reduction ("Proposed Amendments").

(The above is collectively referred to as the "Proposals").

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26. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

- (b) On 5 June 2013, the shareholders of the Company have approved the Proposals at an Extraordinary General Meeting.
- (c) On 12 June 2013, the Company purchased 100 of its own issued ordinary shares from the open market at a price of RM1.43 per share under the share buy-back scheme. The total consideration paid for the purchase including transaction costs was RM184.
- (d) On 13 August 2013, the High Court of Malaya had granted an order confirming the Proposed Par Value Reduction and the Proposed Share Premium Reduction.
- (e) On 22 August 2013, the sealed order of High Court of Malaya confirming the following:-
- (i) reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Act involving the cancellation of RM0.50 par value per Share; and
- (ii) reduction of up to RM2,157,000 from the share premium account of the Company pursuant to Section 60(2) and 64(1) of the Act,
- has been lodged with the Companies Commission of Malaysia, upon which the Proposed Par Value Reduction and Proposed Share Premium Reduction shall take effect and hence deemed completed.
- (f) On 14 October 2013, the Company announced to undertake a proposed renounceable rights issue of 86,569,800 new ordinary shares of RM0.50 each in the Company ("Rights Shares") on the basis of two (2) Rights Shares for every one (1) existing ordinary share of RM0.50 held, together with 57,713,200 free detachable warrants ("Warrants") on the basis of two (2) Warrants for every three (3) Rights Shares subscribed at the date to be determined by the Board of Directors ("Proposed Rights Issue of Shares with Warrants").
- (g) On 31 October 2013, Bursa Malaysia Securities Berhad had vide its letter approved the following:-
- (i) listing of and quotation for 86,569,800 Rights Shares to be issued pursuant to the Proposed Rights Issue of Shares with Warrants;
- (ii) admission to the Official List and the listing of and quotation for 57,713,200 Warrants to be issued pursuant to the Proposed Rights Issue of Shares with Warrants; and
- (iii) listing and quotation of up to 57,713,200 new ordinary shares of RM0.50 each to be issued pursuant to the exercise of Warrants,
- on the Main Market of Bursa Malaysia Securities Berhad, subject to certain conditions.
- (h) On 2 December 2013, the shareholders of the Company have approved the Proposed Rights Issue of Shares with Warrants at an Extraordinary General Meeting.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD
(161776-W)
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013**

27. TRANSITION TO THE MFRS FRAMEWORK

As stated in Note 2(a) to the financial statements, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs. The accounting policies in Note 3 to the financial statements have been applied to all financial information covered under this set of financial statements.

In preparing the opening MFRS statements of financial position at 1 September 2011 (date of transition), the Group and the Company have adjusted amounts reported previously in financial statements prepared in accordance with FRSs. The financial impacts on the transition are as below:-

RECONCILIATION OF FINANCIAL POSITION

The Group	Note	1.9.2011		31.8.2012				
		FRSs RM	Transition Effects RM	MFRSs RM	FRSs RM	Transition Effects RM	MFRSs RM	
Assets								
Non-current Assets								
Property, plant and equipment	a	12,132,418	15,162,525	27,294,943	11,735,989	14,991,433	26,727,322	

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

BRIGHT PACKAGING INDUSTRY BERHAD
(161776-W)
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013**

27. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)
RECONCILIATION OF FINANCIAL POSITION (CONT'D)

The Group	Note	1.9.2011		31.8.2012	
		FRSs RM	MFRSs RM	FRSs RM	MFRSs RM
				Transition Effects RM	Transition Effects RM
Current Assets					
Inventories		8,277,099	8,277,099	-	4,507,725
Trade and non-trade receivables		5,036,858	5,036,858	-	4,848,573
Prepayments		136,238	136,238	-	441,710
Tax recoverable		7,083	7,083	-	5,320
Cash and bank balances		13,092,683	13,092,683	-	19,936,713
TOTAL ASSETS		26,549,961	26,549,961	-	29,740,041
		38,682,379	53,844,904	14,991,433	56,457,363
Equity and Liabilities					
Equity					
Share capital		43,285,000	43,285,000	-	43,285,000
Share premium		7,400,325	7,400,325	-	7,400,325
Revaluation reserves	a	2,505,865	-	(2,505,865)	-
Accumulated losses	a	(30,184,494)	(14,508,970)	15,675,524	(10,852,748)
Total Equity		23,006,696	36,176,355	13,169,659	39,832,577
		26,786,670	26,786,670	13,045,907	39,832,577

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD
(161776-W)
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013**

27. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)

RECONCILIATION OF FINANCIAL POSITION (CONT'D)

The Group	Note	1.9.2011		31.8.2012	
		FRSs RM	MFRSs RM	FRSs RM	MFRSs RM
				Transition Effects RM	MFRSs RM
Non-Current Liabilities					
Deferred tax liabilities	a	454,952	2,447,818	1,945,526	2,406,832
Current Liabilities					
Trade and non-trade payables		15,097,014	15,097,014	-	13,699,030
Tax payable		123,717	123,717	-	528,924
		15,220,731	15,220,731	-	14,227,954
Total liabilities		15,675,683	17,668,549	1,945,526	16,634,786
Total equity and liabilities		38,682,379	53,844,904	14,991,433	56,467,363

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013**

27. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)

RECONCILIATION OF COMPREHENSIVE INCOME

	Note	← The Group 31.8.2012 →		
		FRSs RM	Transition Effects RM	MFRSs RM
Revenue		56,069,540	-	56,069,540
Cost of sales		(48,398,899)	-	(48,398,899)
Gross profit		7,670,641	-	7,670,641
Other income		1,115,826	-	1,115,826
Administrative expenses	a	(2,827,399)	(171,092)	(2,998,491)
Selling and distribution expenses		(1,143,937)	-	(1,143,937)
Other expenses		(43,475)	-	(43,475)
Operating profit		4,771,656	(171,092)	4,600,564
Finance costs		(91,790)	-	(91,790)
Profit before taxation		4,679,866	(171,092)	4,508,774
Income tax expense	a	(899,892)	47,430	(852,462)
Profit after taxation		3,779,974	(123,662)	3,656,312
Other comprehensive income		-	-	-
Total comprehensive income for the financial year		3,779,974	(123,662)	3,656,312

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-
MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT
THEREON (CONT'D)**

BRIGHT PACKAGING INDUSTRY BERHAD

(161776-W)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013****27. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)****RECONCILIATION OF CASH FLOWS**

There are no material differences between the statements of cash flows presented under FRSs and MFRS.

NOTES TO RECONCILIATIONS**(a) Property, plant and equipment – Deemed Cost Exemption**

Under FRSs, the Group and the Company measured their freehold land and buildings at valuation. Upon transition to MFRSs, the Group elected to use the previous revaluation as deemed cost under MFRSs.

The financial impacts arising from the change are summarised as follows:-

- (i) An increase in property, plant and equipment at 1 September 2011 of RM15,162,525 and a increase in property, plant and equipment at 31 August 2012 of RM14,991,433;
- (ii) An increase in deferred tax liabilities at 1 September 2011 of RM1,992,866 and a net increase of RM1,945,526 for 31 August 2012 that relate to the fair value adjustment above;
- (iii) The resulting adjustment on items (i) and (ii) above were adjusted against retained profits at 1 September 2011 and 31 August 2012; and
- (iv) An increase in depreciation charges of RM171,092 and a decrease of tax expense of RM47,340 for the financial year ended 31 August 2012.

The aggregate fair value of the freehold land and buildings were determined to be RM25,380,000 compared to the then carrying amount of RM10,217,475.

28. COMPARATIVE FIGURES

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 period ended 31 January 2012 as well as the related notes are based on unaudited management accounts and presented for the purpose of illustration only.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FIVE (5)-MONTH PERIOD ENDED 31 JANUARY 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD

(161776-W)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2012 TO 31 JANUARY 2013

29. SUPPLEMENTARY INFORMATION – BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group as at 31 January 2013 into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants on 20 December 2010.

	The Group		The Company	
	31.1.2013	Restated 31.8.2012	31.1.2013	Restated 31.8.2012
	RM	RM	RM	RM
Total accumulated losses of the Company and its subsidiaries				
- Realised	(64,439,336)	(64,641,021)	(24,857,348)	(27,063,969)
- Unrealised	17,838,627	17,645,644	6,573,962	6,369,615
	<u>(44,600,709)</u>	<u>(46,995,377)</u>	<u>(18,283,386)</u>	<u>(20,694,354)</u>
Less: consolidation adjustments	36,142,629	36,142,629	-	-
Accumulated losses as per financial statements	<u>(8,458,080)</u>	<u>(10,852,748)</u>	<u>(18,283,386)</u>	<u>(20,694,354)</u>

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013

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BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST AUGUST 2013
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/8/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/8/2012 RM'000	CURRENT YEAR TO DATE 31/8/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/8/2012 RM'000
Revenue	20,828	13,457	52,220	56,070
Cost Of Sales	(18,418)	(11,132)	(42,240)	(48,315)
Gross Profit	2,410	2,325	9,980	7,755
Other Income	110	67	1,022	406
Operating Expenses	(514)	(729)	(3,815)	(3,734)
Profit/(Loss) From Operations	2,006	1,663	7,187	4,427
Interest income	95	116	353	345
Finance Costs	(23)	(26)	(74)	(92)
Profit/(Loss) Before Tax	2,078	1,753	7,466	4,680
Taxation	899	(272)	(437)	(900)
Profit/(Loss) for the period	2,977	1,481	7,029	3,780
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	2,977	1,481	7,029	3,780
Profit attributable to:				
Owners of the parent	2,977	1,481	7,029	3,780
Non-controlling Interest	-	-	-	-
Earnings per share attributed to owners of the parent (sen):				
Basic, for the profit/(loss) for the period	6.88	3.42	16.24	8.73
Diluted, for the profit/(loss) for the period	-	-	-	-

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The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 August 2012 and the accompanying explanatory notes attached to the interim financial statements

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013 (CONT'D)**BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST AUGUST 2013
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT END OF CURRENT QUARTER 31/8/2013 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/08/2012 RM'000
ASSETS		
Non-current assets		
Property, Plant and Machinery	29,378	11,736
	<u>29,378</u>	<u>11,736</u>
Current assets		
Inventories & Work In Progress	6,238	4,508
Trade & Other Receivables	6,192	5,295
Cash & Cash Equivalent	15,553	19,937
	<u>27,983</u>	<u>29,740</u>
TOTAL ASSETS	<u>57,361</u>	<u>41,476</u>
EQUITY AND LIABILITIES		
Share capital	21,643	43,285
Share premium	5,243	7,400
Revaluation surplus	18,650	2,493
Treasure Shares	Neg	-
Accumulated Profit / (loss)	4,511	(26,391)
Equity attributable to owners of the parent	<u>50,047</u>	<u>26,787</u>
Non-controlling interest	-	-
Total equity	<u>50,047</u>	<u>26,787</u>
Non-current liabilities		
Other Payable	-	-
Deferred Taxation	2,344	461
	<u>2,344</u>	<u>461</u>
Current liabilities		
Trade & Other Payables	4,970	13,699
Short Term Borrowings	-	-
Current Tax Payable	-	529
	<u>4,970</u>	<u>14,228</u>
Total liabilities	<u>7,314</u>	<u>14,689</u>
TOTAL EQUITY AND LIABILITIES	<u>57,361</u>	<u>41,476</u>
Net Assets Per Share (sen)	115.62	61.89

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2012 and the accompanying explanatory notes attached to the interim financial statements

Note:

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UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013 (CONT'D)**BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST AUGUST 2013
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Fourth Quarter Ended 31/08/2013 RM'000	Preceding Period Ended 31/8/2012 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,466	4,680
Adjustment for non-cash flow:-		
Depreciation of property, plant and equipment	563	468
Amortisation	-	-
Gain on disposal of property, plant and machinery	8	(42)
Interest income	(353)	(345)
Interest expense	74	92
Operating profit before changes in working capital	7,758	4,853
Inventories	(1,730)	3,769
Debtors	(897)	(115)
Creditors	(8,729)	(1,398)
Net cash (used in) / generated from operations	(3,598)	7,109
Taxation paid	(893)	(488)
Net cash (used in) / generated from operating activities	(4,491)	6,621
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(251)	(72)
Proceeds from disposal of property, plant and machinery	79	42
Share Buy Back	Neg	-
Net cash (used in) / generated from investing activities	(172)	(30)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest received	353	345
Interest paid	(74)	(92)
Net cash (used in) / generated from financing activities	279	253
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,384)	6,844
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER	19,937	13,093
CASH AND CASH EQUIVALENTS AT 31 AUGUST	15,553	19,937
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	15,453	3,613
Fixed deposits with licensed banks	100	16,324
Bank overdrafts	-	-
	15,553	19,937

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 August 2012 and the accompanying explanatory notes attached to the interim financial statements

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Note:

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UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST AUGUST 2013
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	← Attributable to owners of the parent →		Treasure Shares	Accumulated Profit / (Losses)	Non-controlling Interest	Total
	Share capital	Share premium				
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 September 2011	43,285	7,400	-	(30,184)	-	23,007
Total comprehensive income for the period	-	2,506	-	3,780	-	3,780
Transfer to retained earning	-	(13)	-	13	-	-
At 31 August 2012	43,285	7,400	2,493	(26,391)	-	26,787
At 1 September 2012	43,285	7,400	2,493	(26,391)	-	26,787
Share Capital Reduction	(21,642)	-	-	21,642	-	-
Share Premium Reduction	-	(2,157)	-	2,157	-	-
Revaluation Surplus	-	-	16,231	-	-	16,231
Total comprehensive income for the period	-	-	-	7,029	-	7,029
Share Buy Back	-	-	-	-	-	Neg
Transfer to retained earning	-	-	(74)	74	-	-
At 31 August 2013	21,643	5,243	18,650	4,511	-	50,047

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The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 August 2012 and the accompanying explanatory notes attached to the interim financial statements

Note:

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UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013 (CONT'D)

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**BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 AUGUST 2013**

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1. NOTES TO THE INTERIM FINANCIAL STATEMENTS**1.01 Basis of Preparation**

The interim financial statement has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 August 2012.

1.02 Changes in Accounting Policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 August 2012 except for the new standards amendments to published standards and interpretations as set out below:

	Effective for financial periods beginning on or after
<u>New MFRSs</u>	
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
<u>Revised MFRSs</u>	
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Financial Reporting Standards	1 January 2013
MFRS 7 Financial Instruments: Disclosures	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 101 Presentation of Financial Statements	1 January 2013
MFRS 116 Property, Plant and Equipment	1 January 2013
MFRS 132 Financial Instruments: Presentation	1 January 2013
MFRS 134 Interim Financial Reporting	1 January 2013
<u>New IC Int</u>	
IC Int 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<u>Amendments to IC Int</u>	
IC Int 2 Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

The adoption of these new MFRSs and Amendments do not have any material impact on the interim financial statements of the Group.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013 (CONT'D)

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**BRIGHT PACKAGING INDUSTRY BERHAD
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1.02 Changes in Accounting Policies (cont'd)

The following MFRSs, IC Interpretations and Amendments to MFRSs have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group:

	Effective for financial periods beginning on or after	
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2014
MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
<u>New IC Int</u>		
IC Int 21	Levies	1 January 2014

1.03 Qualified Audit Report

The auditors' report on the financial statements for the year ended 31 August 2012 was not qualified.

1.04 Seasonality Or Cyclicity Of Operations

The business of the Group for the quarter under review has not been affected by any seasonality or cyclicity of operations.

1.05 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no items affecting assets, liabilities, equity, net income or cash flows that unusual because of their nature, size or incidence during the financial period to date.

1.06 Changes In Estimates

There is no significant change in estimates of amounts reported in prior interim period or previous financial year.

1.07 Issuances And Repayment Of Debt And Equity Securities

As of 10.7.2013 being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report, the Company has purchased 100 units of its own shares.

1.08 Dividend Paid

There was no dividend paid in the current financial period to date.

1.09 Segmental Information

The Group is principally engaged in the manufacturing segment within Malaysia. The other segments are not significant to be disclosed under the requirements of FRS 8 – Operating Segments.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013 (CONT'D)

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**BRIGHT PACKAGING INDUSTRY BERHAD
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1.10 Valuation of Property, Plant and Equipment

The Group has engaged a professional valuer from Raine & Horne International Zaki + Partners Sdn Bhd to revalue two parcels of its freehold land and building located at Lot 20 & Lot 23 of Subang Hi-Tech Industrial Park, Shah Alam ("the Properties") to determine the fair value of the

Properties in compliance to FRS 116, Property, plant and equipment. The last revaluation of the Properties was done in 2006.

Based on the valuation report dated 3 January 2013, the Properties are valued at RM 28.2 million and it has resulted in a revaluation surplus of RM 18.05 million which has been recognised in the quarter's financial statements.

1.11 Subsequent Events

As at the date of this report, there are no material events subsequent to the balance sheet that have a material impact on the financial position of the Group.

1.12 Changes In The Composition Of The Group

There were no changes in the composition of the Group for the financial period under review.

1.13 Changes In Contingent Liabilities

There were no changes in other contingent liabilities since the last annual financial statements as at 31 August 2012.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013 (CONT'D)

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**BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 AUGUST 2013**

2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

2.01 Review Of Performance

The Group, for the fourth quarter ended 31 August 2013, registered a total turnover of RM20.83 million, as compared to RM13.46 million in the fourth quarter of last financial year. The higher turnover was due to increase in local customers' order from liquor & confectionary industry.

2.02 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM20.83 million as compared to the preceding quarter of RM11.15 million. The Group has registered a profit after tax and minority interest of RM2.98 million as compared to preceding quarter of RM0.73 million.

2.03 Current Year Prospects

Barring unforeseen circumstances, the Directors foresee a reasonable performance for the Group for the year ahead.

2.04 Variance Of Actual Profit From Forecast Profit / Profit Guarantee

Not applicable.

2.05 Taxation

The taxation of the Group for the financial period under review was as follow:-

	Current Quarter ended 31 Aug 2013 RM'000	Current Year to date 31 Aug 2013 RM'000
Current tax expense	(899)	437
	<u>(899)</u>	<u>437</u>

Tax expense for the current quarter ended 31 Aug 2013 is derived based on management's best estimate for the financial period.

2.06 Profit On Sale Of Investment And / Or Properties

There were no sales of investment / or properties for the financial period under review.

2.07 Purchase Or Disposal Of Quoted Securities

There were no purchases and / or disposal of quoted securities for the financial period under review.

2.08 Status Of Corporate Proposals

(A) Proposed Par Value Reduction, Proposed Share Premium Reduction and Proposed Amendments

On 19th April 2013, the Company announced that it proposes to undertake the following:


(i) proposed reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Companies Act, 1965 ("Act") involving the cancellation of RM0.50 par value of all existing ordinary shares of RM1.00 each ("Bright Shares") in the Company ("Proposed Par Value Reduction");

(ii) proposed reduction of up to RM2,157,000 from the share premium account of the Company pursuant to Sections 60(2) and 64(1) of the Act ("Proposed Share Premium Reduction");

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013 (CONT'D)

**BRIGHT PACKAGING INDUSTRY BERHAD
 QUARTERLY REPORT
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Secretary

(iii) proposed amendments to the Memorandum and Articles of Association (“M&A”) of the Company to facilitate the Proposed Par Value Reduction (“Proposed Amendments”); and

(iv) proposed authority for the Company to buy-back its own share (“Proposed Share Buy-Back”)

All the above corporate proposals were approved by the shareholders of the company at an extraordinary general meeting (“EGM”) convened on the 5th June 2013.

An office copy of the sealed order of the High Court of Malaya confirming the following:

(i) reduction of the issued and paid-up share capital of the company pursuant to Section 64(1) of the Act involving the cancellation of RM0.50 par value per share; and

(ii) reduction of up to RM2,157,000 from the share premium account of the company pursuant to Section 60(2) and 64(1) of the Act,

has been lodged with the Companies Commission of Malaysia on 22 August 2013, upon which the Proposed Par Value Reduction and Proposed Share Premium Reduction shall take effect and hence deemed completed.

(B) Proposed Rights Issue of Shares with Warrants

On 14 October 2013, on behalf of the Board of Directors of the Company, TA Securities Holdings Berhad (“TA Securities”) had announced that the Company proposed to undertake a renounceable rights issue of 86,569,800 new ordinary shares of RM0.50 each in Bright (“Bright Shares”) (“Rights Shares”) on the basis of two (2) Rights Shares for every one (1) existing Bright Share held, together with 57,713,200 free detachable warrants (“Warrants”) on the basis of two (2) Warrants for every three (3) Rights Shares subscribed at an entitlement date to be determined later (“Proposed Rights Issue of Shares with Warrants”)

TA Securities had on 18 Oct 2013 submitted an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) for the admission of the Warrants to the official list of the Main Market of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new Bright Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

2.09 Group Borrowings and Debt Securities

As at 31/08/2013, the Group did not have any long term Bank borrowings and debt securities.

2.10 Off Balance Sheet Financial Instruments

The Group has no off balance sheet financial instruments as at the date of this announcement.

2.11 Material Litigation

As at the date of this announcement, the Group is not engaged in any material litigation which in the opinion of the Board of Directors will have a material impact on the financial position or business of the Group.


2.12 Dividend

No dividend was recommended for the quarter under review.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE FYE 2013 (CONT'D)

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 AUGUST 2013

CERTIFIED TRUE COPY



WONG WEI FONG
 MAICSA 7006751
 Secretary

2.13 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/08/2013	Preceding Year Quarter 31/08/2012	Current Year Quarter 31/08/2013	Preceding Year Quarter 31/08/2012
a) <u>Basic earnings per share</u>				
Net profit/(loss) for the period (RM'000)	2,977	1,481	7,029	3,780
Weighted average number of Ordinary shares issued (RM'000)	43,285	43,285	43,285	43,285
Basic earnings per share (sen)	6.88	3.42	16.24	8.73
b) <u>Diluted earnings per share</u>				
The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been disclosed.				

2.14 Realised and Unrealised Profit/ (Losses) Disclosure

The accumulated loss of the Group as at 31 August 2013 and 31 August 2012 are analyzed as follows:

	As at 31/08/2013 RM'000	As at 31/08/2012 RM'000
Total accumulated loss of the Company and its subsidiaries:		
-Realised	(29,273)	(61,675)
-Unrealised	(2,174)	(859)
	<u>(31,447)</u>	<u>(62,534)</u>
Less: Consolidation adjustments	35,957	36,143
Accumulated profit / (loss) as per financial statements	<u>4,510</u>	<u>(26,391)</u>

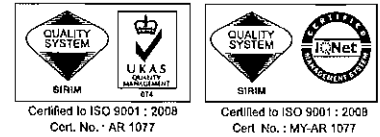
DIRECTORS' REPORT



BRIGHT PACKAGING INDUSTRY BERHAD [161776-W]

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Registered Office:

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Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur

1 0 DEC 2013

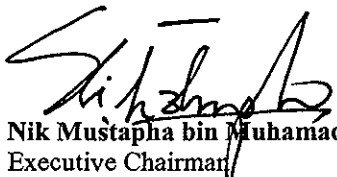
To: Shareholders of Bright Packaging Industry Berhad (“Bright” or “Company”)

Dear Sir/Madam,

On behalf of the Board of Directors of Bright (“Board”), I wish to report that after making due enquiries in relation to our Company and subsidiary companies (“Group”) during the period between 31 January 2013 (being the date on which the latest audited consolidated financial statements have been made up) to the date thereof, being a date not earlier than fourteen (14) days before the date of this Abridged Prospectus that:

- (i) in the opinion of the Board, the business of our Group has been satisfactorily maintained;
- (ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;
- (iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;
- (v) since the last audited consolidated financial statements of our Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in which our directors are aware of; and
- (vi) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the results of our Group since the last audited consolidated financial statements of our Group.

Yours faithfully
For and behalf of the Board of
BRIGHT PACKAGING INDUSTRY BERHAD


Nik Mustapha bin Muhammad
Executive Chairman

ADDITIONAL INFORMATION

1. SHARE CAPITAL

- 1.1 Save for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants, no securities in our Company will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP.
- 1.2 As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
- 1.3 Save for the Entitled Shareholders who will be allotted the Provisional Rights Shares with Warrants under the Rights Issue of Shares with Warrants, no person has been or is entitled to be granted an option to subscribe for any of our securities as at the LPD.

2. REMUNERATION OF DIRECTORS

The provisions in our Articles of Association in respect of the arrangements for the remuneration of Directors are as follows:

Article 116

The fees of directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the directors as they agree, or, failing agreement, equally, except that any director who shall hold office or part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office
Provided Always that:-

- (a) fees payable to non-executive directors shall be the way of a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive directors may not include a commission on or percentage of turnover;
- (c) fee payable to director shall not be increased except pursuant to a resolution passed at general meeting, where notice of proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternative director shall be agreed upon between himself and the director nominating him and shall be paid out of the remuneration of the latter.

Article 117

- (a) The director shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the directors or of any committee of the directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as directors

ADDITIONAL INFORMATION (CONT'D)

- (b) If by arrangement with the directors, any director shall perform or render any special duties or services outside his ordinary duties as a director in particular without limiting to the generally of the foregoing if any director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors, the directors may pay him special remuneration, in addition to his director's fees, as such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

Article 144

The remuneration of the managing director shall subject to the terms of any agreement entered into in any particular case be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration may not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive a pension, gratuity or other benefits upon his retirement.

3. MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiary companies have entered into any material contracts, (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this AP:

- (i) the Deed Poll dated 5 December 2013 executed by our Company constituting the Warrants; and
- (ii) Underwriting Agreement dated 5 December 2013 entered into between our Company and the Joint Underwriters to underwrite severally but not jointly 58,169,800 Right Shares, representing approximately 67.19% of the total size of the Rights Issue of Shares with Warrants for an underwriting commission of RM639,867.80 representing two percent (2%) of the total value of the Rights Shares underwritten.

4. MATERIAL LITIGATION

As at the LPD, neither we nor our subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board do not have any knowledge of any proceeding, pending or threatened, against us or our subsidiary companies or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Company or our subsidiary companies.

5. GENERAL

- 5.1 There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.
- 5.2 Save as disclosed in this AP and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:
- (i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

ADDITIONAL INFORMATION (CONT'D)

- (ii) material commitments for capital expenditure of our Group;
- (iii) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;
- (iv) known trends or uncertainties that have had or that our Group reasonably expects will have, a material favourable or unfavourable impact on our Group's revenue or operating income;
- (v) substantial increase in revenues; and
- (vi) material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

The Adviser, Company Secretaries, Principal Banker, Auditors, Share Registrar, Independent Market Researcher, Joint Underwriters, Solicitors for the Rights Issue of Shares with Warrants and Bloomberg Finance LP have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which they appear in this AP.

The written consent of our Reporting Accountants and Crowe Horwath to the inclusion in this AP of their names and letter relating to the proforma consolidated statements of financial position of our Group as at 31 January 2013 and the audited consolidated financial statements of our Group for the financial period ended 31 January 2013 respectively, and all references thereto in the form and context in which they appear have been given before the issuance of this AP and have not subsequently been withdrawn.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at B-11-10, Level 11, Megan Avenue II, Jalan Yap Kwan Seng, 50450 Kuala Lumpur during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of twelve (12) months from the date of this AP:

- (i) the Memorandum of Association of Bright;
- (ii) the audited financial statements of Bright and its subsidiaries for FYE 2011, FYE 2012 and five (5)-month period ended 31 January 2013 and the latest unaudited consolidated results of Bright Group for the FYE 2013;
- (iii) the proforma consolidated statements of financial position as at 31 January 2013 and the Reporting Accountants' letter thereon as set out in Appendix III of this AP;
- (iv) Independent market research report on "Overview of the Paperboard Packaging and Tobacco Industries in Malaysia" dated October 2013;
- (v) the Undertakings referred to in Section 2.4 of this AP;
- (vi) the Underwriting Agreement referred to in Section 2.4 of this AP and Section 3 of Appendix VII;
- (vii) Directors' Report referred to Appendix VI of this AP;

ADDITIONAL INFORMATION (CONT'D)

(viii) the Deed Poll; and

(ix) the letters of consent referred to in Section 6 of this Appendix VII.

8. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

TA Securities, being the Adviser for the Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning this Rights Issue of Shares with Warrants.

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