

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Company No. 524989-M)

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Move to **protect** minority shareholders

> MSWG agrees to step in at Bright Packaging's EGM next month

KUALA LUMPUR: Minority Shareholders Watchdog Group (MSWG) has agreed to step in to help protect the interest of Bright Packaging Industry Bhd's minority shareholders at the company's EGM next month. The move comes following a request by Bright Packaging's minority shareholders last week to seek assistance from MSWG in getting the company to appoint an independent auditor to conduct a special audit on the group.

Bright Packaging is involved in the manufacture of aluminium foil packaging materials for the tobacco industry,

The company's minority shareholders also want an explanation as to why Ernst & Young, the company's long-standing auditors, was replaced last year.

MSWG senior manager research and

monitoring Ng Hoon Ho said the watchdog group would take necessary action to ensure that the interests of all minority shareholders were well protected.

"We will look into the matter," he told Bernama.

Minority shareholders entering the fray at this critical time for Bright Packaging are expected to grill the directors with a lot of questions and demand for satisfactory answers at the EGM scheduled to take place on Feb 21.

A group led by REDtone International Bhd's major shareholder Datuk Wira Syed Ali Abbas Alhabshee is also expected to try to gain board control at the EGM by removing the current directors.

Syed Ali, who controls more than a third of REDtone via Indah Pusaka Sdn Bhd and parties

aligned to him, own a combined 31.19% in Bright Packaging.

The group wants to remove Bright Packaging managing director Wong See Yaw and three other existing directors, namely Yap Kok Eng, Wong Siew Yoong and Yeap Cheng Chuan. See Yaw and Siew Yoong are both representatives of Demi Maju Sdn Bhd, which holds a 30.58% stake in Bright Packaging and has been its largest shareholder since 1998.

The current board has undertaken several moves to consolidate its position, including stating its intention to distribute 100% of the company's profits as dividends over the next five years.

As at Nov 30, 2012, Bright Packaging had RM21.29 million in cash and zero borrowing but some shareholders claim that does not really

paint the whole picture. A letter sent to MSWG showed that minority shareholders were concerned over several matters, including allegedly possible accounting irregularities and cashflow deficiency.

The minority shareholders also noted that the profits generated by Bright Packaging in 2011 and 2012 had been boosted by gains from other sources, including the disposal of assets, property and land.

"According to Bright Packaging's filings to the stock exchange, the company posted a net profit of RM2.7 million in 2011, of which RM1.15 million was from the disposal of assets. In 2012, from the net profit of RM3.78 million, some RM1.1 million came from other sources of income," the minority shareholders alleged. – Bernama