

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
BURSA SECURITIES QUARTERLY REPORT - FIRST QUARTER

Part A2 :- SUMMARY OF KEY FINANCIAL INFORMATION - UNAUDITED

Summary of Key Financial Information for the financial period ended 30 November 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/11/2017 RM'000	30/11/2016 RM'000	30/11/2017 RM'000	30/11/2016 RM'000
1 Revenue	9,728	9,756	9,728	9,756
2 Profit / (loss) before tax	(2,111)	(239)	(2,111)	(239)
3 Profit / (loss) after tax and minority interest	(2,113)	(243)	(2,113)	(243)
4 Profit / (loss) for the period	(2,113)	(243)	(2,113)	(243)
5 Basic earnings / (loss) per share (sen)	(1.03)	(0.15)	(1.03)	(0.15)
6 Dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share (RM)	0.57		0.58	

Part A3 :- ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/11/2017 RM'000	30/11/2016 RM'000	30/11/2017 RM'000	30/11/2016 RM'000
1 Profit / (Loss) from operations	(2,401)	(474)	(2,401)	(474)
2 Gross Interest Income	310	261	310	261
3 Gross Interest Expense	20	26	20	26

BURSA SECURITIES QUARTERLY REPORT - FIRST QUARTER

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2017 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/11/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/11/2016 RM'000	CURRENT YEAR TO DATE 30/11/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/11/2016 RM'000
Revenue	9,728	9,756	9,728	9,756
Cost Of Sales	(10,856)	(10,199)	(10,856)	(10,199)
Gross Profit / (Loss)	(1,128)	(443)	(1,128)	(443)
Other Income	44	612	44	612
Operating Expenses	(1,317)	(643)	(1,317)	(643)
Profit / (Loss) From Operations	(2,401)	(474)	(2,401)	(474)
Interest income	310	261	310	261
Finance Costs	(20)	(26)	(20)	(26)
Profit/(Loss) Before Tax	(2,111)	(239)	(2,111)	(239)
Taxation	(2)	(4)	(2)	(4)
Profit / (Loss) for the period	(2,113)	(243)	(2,113)	(243)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(2,113)	(243)	(2,113)	(243)
Profit attributable to:				
Owners of the parent	(2,113)	(243)	(2,113)	(243)
Non-controlling Interest	-	-	-	-
	(2,113)	(243)	(2,113)	(243)
Earnings per share attributed to owners of the parent (sen):				
Basic, for the profit / (loss) for the period	(1.03)	(0.15)	(1.03)	(0.15)
Diluted, for the profit / (loss) for the period	(1.03)	(0.11)	(1.03)	(0.11)

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 August 2017 and the accompanying explanatory notes attached to the interim financial statements

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT END OF CURRENT QUARTER 30/11/2017 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/08/2017 RM'000
ASSETS		
Non-current assets		
Property, Plant and Machinery	66,886	68,545
	<u>66,886</u>	<u>68,545</u>
Current assets		
Inventories & Work In Progress	9,068	6,379
Trade & Other Receivables	8,543	13,750
Cash & Cash Equivalent	40,957	39,647
	<u>58,568</u>	<u>59,776</u>
TOTAL ASSETS	<u>125,454</u>	<u>128,321</u>
EQUITY AND LIABILITIES		
Share capital	97,717	97,717
Warrant Reserves	30,496	30,496
Other Reserves	(30,496)	(30,496)
Accumulated Profit	19,385	21,498
Equity attributable to owners of the parent	<u>117,102</u>	<u>119,215</u>
Non-controlling interest	<u>-</u>	<u>-</u>
Total equity	<u>117,102</u>	<u>119,215</u>
Non-current liabilities		
Hire Purchase Payables	120	127
Deferred Taxation	2,568	2,568
	<u>2,688</u>	<u>2,695</u>
Current liabilities		
Trade & Other Payables	5,635	6,382
Hire Purchase Payables	29	29
	<u>5,664</u>	<u>6,411</u>
Total liabilities	<u>8,352</u>	<u>9,106</u>
TOTAL EQUITY AND LIABILITIES	<u>125,454</u>	<u>128,321</u>
Net Assets Per Share (sen)	57.03	58.06

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2017 and the accompanying explanatory notes attached to the interim financial statements

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2017 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	First Quarter Ended 30/11/2017 RM'000	Preceding Year Corresponding Quarter 30/11/2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(2,111)	(239)
Adjustment for non-cash flow:-		
Depreciation of property, plant and equipment	1,659	1,659
Interest income	(310)	(261)
Interest expense	20	26
Operating profit before changes in working capital	(742)	1,185
Inventories	(2,689)	154
Debtors	5,190	(25)
Creditors	(747)	(2,839)
Net cash generated from operations	1,012	(1,525)
Taxation paid	(2)	(4)
Taxation refund	17	56
Net cash generated from operating activities	1,027	(1,473)
CASH FLOW FROM INVESTING ACTIVITIES		
Net cash used in investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of hire purchase liabilities	(7)	-
Interest received	310	261
Interest paid	(20)	(26)
Net cash generated from financing activities	283	235
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,310	(1,238)
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER 2017	39,647	36,530
CASH AND CASH EQUIVALENTS AT 30 NOVEMBER 2017	40,957	35,292
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	34,826	35,292
Fixed deposits with licensed banks	6,131	-
	40,957	35,292

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 August 2017 and the accompanying explanatory notes attached to the interim financial statements

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to owners of the parent →					Non-controlling Interest	Total
	Share Capital	Share Premium	Non - Distributable Share Option Reserves	Warrant Reserves	Other Reserves		
GROUP	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 September 2016	82,132	15,584	-	30,496	(30,496)	24,114	121,830
Total comprehensive income for the period	-	-	-	-	-	(243)	(243)
At 30 November 2016	82,132	15,584	-	30,496	(30,496)	23,871	121,587
At 1 September 2017	97,717	-	-	30,496	(30,496)	21,498	119,215
Total comprehensive income for the period	-	-	-	-	-	(2,113)	(2,113)
At 30 November 2017	97,717	-	-	30,496	(30,496)	19,385	117,102

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 August 2017 and the accompanying explanatory notes attached to the interim financial statements.

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2017

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 2017.

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 2017 except for the new standards amendments to published standards and interpretations as set out below:

		Effective for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to MFRSs 2012–2014 Cycle 1 January 2016		
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
<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 Group and the Company intend to adopt the above MFRSs when they become effective.

**BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2017**

1.02 Changes in Accounting Policies (cont'd)

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

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

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

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The Standard replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Group is in the process of assessing the impact of this Standard.

1.03 Qualified Audit Report

The auditors' report on the financial statements for the year ended 31 August 2017 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 Dividend Paid

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

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2017

1.08 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 MFRS 8 – Operating Segments.

1.09 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.

1.10 Changes In The Composition Of The Group

There were no changes in the composition of the Group for the financial period under review.

1.11 Changes In Contingent Liabilities

There were no changes in other contingent liabilities since the last annual financial statements as at 31 August 2017.

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2017

2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

2.1 Review Of Performance

The Group for the first quarter ended 30 November 2017 registered a total turnover of RM9.73 million, as compared to RM9.76 million in the first quarter of last financial year. The turnover was consistent and minor fluctuate due to seasonal trend in customers' order in Tobacco industry.

2.2 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM9.73 million as compared to the preceding quarter of RM15.42 million. The Group has registered a loss after tax and minority interest of RM2.11 million as compared to preceding quarter loss after tax of RM0.11 million. The decrease in profitability mainly due to the reduction in sales volume and had suffered in realised and unrealised foreign exchange losses.

2.3 Current Year Prospects

Barring unforeseen circumstances, the Directors foresee a reasonable performance for the Group for the year ahead.

2.4 Variance Of Actual Profit From Forecast Profit / Profit Guarantee

Not applicable.

2.5 Taxation

The taxation of the Group for the financial period under review was as follow:-

	Current Quarter ended 30 November 2017 RM'000	Current Year to date 30 November 2017 RM'000
Current tax expense	2	2
	-----	-----
	2	2
	=====	=====

Tax expense for the current quarter ended 30 November 2017 is derived based on management's best estimate for the financial period.

2.6 Profit On Sale Of Investment And / Or Properties

There were no sales of investment / or properties for the financial period under review.

2.7 Purchase Or Disposal Of Quoted Securities

There were no purchases and / or disposal of quoted securities for the financial period under review.

2.8 Status Of Corporate Proposals

On 19 July 2017, the Company announced a proposal to undertake a bonus issue of up to 55,494,400 new ordinary shares in Bright ("Bright Shares") ("Bonus Shares") on the basis of 1 Bonus Share for every 4 existing Bright Shares held at an entitlement date to be determined later ("Proposed Bonus Issue of Shares").

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

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2017

2.09 Group Borrowings and Debt Securities

As at 30 November 2017, the Group's bank borrowings are as follows:

	Payable within 12 months	Payable after 12 months	Total
Secured borrowings	RM'000	RM'000	RM'000
Hire Purchase	29	120	149

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.

2.12 Dividend

No dividend was recommended for the quarter under review.

2.13 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/11/2017	Preceding Year Corresponding Quarter 30/11/2016	Current Year Quarter 30/11/2017	Preceding Year Corresponding Quarter 30/11/2016
a) <u>Basic earnings per share</u>				
Net profit/(loss) for the period (RM'000)	(2,113)	(243)	(2,113)	(243)
Weighted average number of Ordinary shares issued	205,331	164,265	205,331	164,265
Basic earnings/ (loss) per share (sen)	(1.03)	(0.15)	(1.03)	(0.15)

b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/11/2017	Preceding Year Corresponding Quarter 30/11/2016	Current Year Quarter 30/11/2017	Preceding Year Corresponding Quarter 30/11/2016
Net profit/(loss) for the period (RM'000)	(2,113)	(243)	(2,113)	(243)
<u>Potential ordinary share (units)</u>	205,331	221,978	205,331	221,978
Weighted average number of Ordinary shares issued	205,331	164,265	205,331	164,265
Full conversion of Warrants to Shares *	-	57,713	-	57,713
Full conversion of Options to Shares	-	-	-	-
Diluted earnings/ (loss) per share (sen)	(1.03)	(0.11)	(1.03)	(0.11)

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

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2017

2.14 Realised and Unrealised Profit/ (Losses) Disclosure

The accumulated loss of the Group as at 30 November 2017 and 31 August 2017 are analyzed as follows:

	As at 30/11/2017 RM'000	As at 31/08/2017 RM'000
Total accumulated loss of the Company and its subsidiaries:		
-Realised	(31,360)	(29,624)
-Unrealised	11,539	11,921
	<u>(19,821)</u>	<u>(17,703)</u>
Add: Consolidation adjustments	39,206	39,201
	<u>19,385</u>	<u>21,498</u>
Accumulated profit / (loss) as per financial statements		