

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

Part A2 :- SUMMARY OF KEY FINANCIAL INFORMATION - UNAUDITED

Summary of Key Financial Information for the financial period ended 31 May 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/5/2018 RM'000	31/5/2017 RM'000	31/5/2018 RM'000	31/5/2017 RM'000
1 Revenue	14,047	10,463	36,965	26,787
2 Profit / (loss) before tax	(696)	(401)	(4,394)	(2,488)
3 Profit / (loss) after tax and minority interest	(697)	(403)	(4,398)	(2,497)
4 Profit / (loss) for the period	(697)	(403)	(4,398)	(2,497)
5 Basic earnings / (loss) per share (sen)	(0.34)	(0.25)	(2.14)	(1.52)
6 Dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share (RM)	0.56		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
	31/5/2018 RM'000	31/5/2017 RM'000	31/5/2018 RM'000	31/5/2017 RM'000
1 Profit / (Loss) from operations	(972)	(681)	(5,248)	(3,274)
2 Gross Interest Income	319	311	939	864
3 Gross Interest Expense	43	31	85	78

BURSA SECURITIES QUARTERLY REPORT - THIRD QUARTER

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2018 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/5/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/5/2017 RM'000	CURRENT YEAR TO DATE 31/5/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/5/2017 RM'000
Revenue	14,047	10,463	36,965	26,787
Cost Of Sales	(11,698)	(10,116)	(31,019)	(27,246)
Gross Profit / (Loss)	2,349	347	5,946	(459)
Other Income	412	25	522	368
Operating Expenses	(3,733)	(1,053)	(11,716)	(3,183)
Profit / (Loss) From Operations	(972)	(681)	(5,248)	(3,274)
Interest income	319	311	939	864
Finance Costs	(43)	(31)	(85)	(78)
Profit/(Loss) Before Tax	(696)	(401)	(4,394)	(2,488)
Taxation	(1)	(2)	(4)	(9)
Profit / (Loss) for the period	(697)	(403)	(4,398)	(2,497)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(697)	(403)	(4,398)	(2,497)
Profit attributable to:				
Owners of the parent	(697)	(403)	(4,398)	(2,497)
Non-controlling Interest	-	-	-	-
	(697)	(403)	(4,398)	(2,497)
Earnings per share attributed to owners of the parent (sen):				
Basic, for the profit / (loss) for the period	(0.34)	(0.25)	(2.14)	(1.52)
Diluted, for the profit / (loss) for the period	(0.34)	(0.18)	(2.14)	(1.12)

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 31 MAY 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT END OF CURRENT QUARTER 31/5/2018 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/08/2017 RM'000
ASSETS		
Non-current assets		
Property, Plant and Machinery	63,573	68,545
	<u>63,573</u>	<u>68,545</u>
Current assets		
Inventories & Work In Progress	8,997	6,379
Trade & Other Receivables	11,563	13,750
Cash & Cash Equivalent	40,131	39,647
	<u>60,691</u>	<u>59,776</u>
TOTAL ASSETS	<u>124,264</u>	<u>128,321</u>
EQUITY AND LIABILITIES		
Share capital	97,717	97,717
Share Premium	-	-
Warrant Reserves	30,496	30,496
Other Reserves	(30,496)	(30,496)
Accumulated Profit	17,100	21,498
Equity attributable to owners of the parent	<u>114,817</u>	<u>119,215</u>
Non-controlling interest	<u>-</u>	<u>-</u>
Total equity	<u>114,817</u>	<u>119,215</u>
Non-current liabilities		
Hire Purchase Payables	105	127
Deferred Taxation	2,568	2,568
	<u>2,673</u>	<u>2,695</u>
Current liabilities		
Trade & Other Payables	6,745	6,382
Hire Purchase Payables	29	29
	<u>6,774</u>	<u>6,411</u>
Total liabilities	<u>9,447</u>	<u>9,106</u>
TOTAL EQUITY AND LIABILITIES	<u>124,264</u>	<u>128,321</u>
Net Assets Per Share (sen)	55.92	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 31 MAY 2018 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Third Quarter Ended 31/05/2018 RM'000	Preceding Year Corresponding Quarter 31/05/2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(4,394)	(2,488)
Adjustment for non-cash flow:-		
Depreciation of property, plant and equipment	4,972	4,977
Impairment losses	-	763
Provision for debts written off	-	-
Gain on disposal of property, plant and equipment	-	-
Loss/(Gain) on foreign exchange - unrealised	-	-
Property, plant and equipment written off	-	-
Interest income	(939)	(864)
Interest expense	85	78
Operating profit before changes in working capital	(276)	2,466
Inventories	(2,618)	6,028
Debtors	2,187	(427)
Creditors	363	(4,154)
Net cash generated from operations	(344)	3,913
Taxation paid	(4)	(9)
Taxation refund	-	56
Net cash generated from operating activities	(348)	3,960
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(2)
Net cash used in investing activities	-	(2)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of hire purchase liabilities	(22)	-
Interest received	939	864
Interest paid	(85)	(78)
Net cash generated from financing activities	832	786
NET INCREASE IN CASH AND CASH EQUIVALENTS	484	4,744
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	-	-
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER 2017	39,647	36,530
CASH AND CASH EQUIVALENTS AT 30 MAY 2018	40,131	41,274
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	32,970	41,274
Fixed deposits with licensed banks	7,161	-
	40,131	41,274

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 31 MAY 2018 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	Accumulated Profit / (Losses)		
GROUP	(RM'000)	(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	-	-	-	-	-	(2,497)	-	(2,497)
At 31 May 2017	82,132	15,584	-	30,496	(30,496)	21,617	-	119,333
At 1 September 2017	97,717	-	-	30,496	(30,496)	21,498	-	119,215
Total comprehensive income for the period	-	-	-	-	-	(4,398)	-	(4,398)
At 31 May 2018	97,717	-	-	30,496	(30,496)	17,100	-	114,817

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.

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QUARTERLY REPORT
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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 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.

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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.

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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.

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2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

2.01 Review Of Performance

The Group for the third quarter ended 31 May 2018 registered a total turnover of RM14.05 million, as compared to RM10.46 million in the third quarter of last financial year. The higher turnover was due to the increase in customers' order from tobacco industry.

2.02 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM14.05 million as compared to the preceding quarter of RM13.19 million. The Group has registered a loss after tax and minority interest of RM0.70 million as compared to preceding quarter loss after tax of RM1.59 million. The decrease in losses was mainly due to the increase in other income which mainly consisted of foreign currency translation.

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 May 2018 RM'000	Current Year to date 31 May 2018 RM'000
Current tax expense	3	4
	-----	-----
	3	4
	=====	=====

Tax expense for the current quarter ended 31 May 2018 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

There were no new corporate proposals for the financial period under review.

2.09 Group Borrowings and Debt Securities

As at 31 May 2018, the Group's bank borrowings are as follows:

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
<u>Secured borrowings</u>			
Hire Purchase	29	105	134

2.10 Off Balance Sheet Financial Instruments

The Group has no off balance sheet financial instruments as at the date of this announcement.

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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	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	31/05/2018	31/05/2017	31/05/2018	31/05/2017
a) <u>Basic earnings per share</u>				
Net profit/(loss) for the period (RM'000)	(697)	(403)	(4,398)	(2,497)
Weighted average number of Ordinary shares issued	205,331	164,265	205,331	164,265
Basic earnings/ (loss) per share (sen)	(0.34)	(0.25)	(2.14)	(1.52)

b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	31/05/2018	31/05/2017	31/05/2018	31/05/2017
Net profit/(loss) for the period (RM'000)	(697)	(403)	(4,398)	(2,497)
<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)	(0.34)	(0.18)	(2.14)	(1.12)

- 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.

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2.14 Realised and Unrealised Profit/ (Losses) Disclosure

The accumulated loss of the Group as at 31 May 2018 and 31 August 2017 are analyzed as follows:

	As at 31/05/2018 RM'000	As at 31/08/2017 RM'000
Total accumulated loss of the Company and its subsidiaries:		
-Realised	(34,089)	(29,624)
-Unrealised	11,973	11,921
	<hr/>	<hr/>
	(22,116)	(17,703)
 Add: Consolidation adjustments	 39,216	 39,201
	<hr/>	<hr/>
Accumulated profit / (loss) as per financial statements	17,100	21,498
	<hr/>	<hr/>