

**BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
BURSA SECURITIES QUARTERLY REPORT - QUARTER 3**

SUMMARY OF KEY FINANCIAL INFORMATION	31 MAY 2020			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/05/2020 RM'000 (Unaudited)	31/05/2019 RM'000 (Unaudited)	31/05/2020 RM'000 (Unaudited)	31/05/2019 RM'000 (Unaudited)
1 Revenue	12,966	17,917	36,896	53,376
2 Profit/(loss) before tax	709	(312)	(72)	(644)
3 Profit/(loss) for the period	708	(313)	(77)	(648)
4 Profit/(loss) attributable to owners of the Company	708	(313)	(77)	(648)
5 Basic earnings/(loss) per share (Sen)	0.34	(0.15)	(0.04)	(0.32)
6 Proposed/Declared dividend per share (Sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to owners of the Company (RM)	0.57		0.57	

ADDITIONAL INFORMATION				
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/05/2020 RM'000 (Unaudited)	31/05/2019 RM'000 (Unaudited)	31/05/2020 RM'000 (Unaudited)	31/05/2019 RM'000 (Unaudited)
1 Profit/(loss) from operations	380	(652)	(1,129)	(1,581)
2 Gross interest income	329	368	1,057	1,015
3 Gross interest expense	-	(28)	-	(78)

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

QUARTERLY REPORT

ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MAY 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/05/2020 RM'000	31/05/2019 RM'000	31/05/2020 RM'000	31/05/2019 RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	12,966	17,917	36,896	53,376
Cost of sales	(11,928)	(17,929)	(35,305)	(52,121)
Gross profit/(loss)	1,038	(12)	1,591	1,255
Other income	733	431	823	344
Operating expenses	(1,391)	(1,071)	(3,543)	(3,180)
Profit/(loss) from operations	380	(652)	(1,129)	(1,581)
Interest income	329	368	1,057	1,015
Finance costs	-	(28)	-	(78)
Profit/(loss) before tax	709	(312)	(72)	(644)
Income tax expense	(1)	(1)	(5)	(4)
Total comprehensive profit/(loss) for the financial period	708	(313)	(77)	(648)
Total comprehensive profit/(loss) attributed to:				
Owners of the Company	708	(313)	(77)	(648)
Non-controlling interest	-	-	-	-
	708	(313)	(77)	(648)
Earnings/(loss) per share attributed to owners of the Company:				
Basic (Sen)	0.34	(0.15)	(0.04)	(0.32)
Diluted (Sen)	0.34	(0.15)	(0.04)	(0.32)

The above condensed consolidated statements of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 August 2019 and the accompanying explanatory notes attached to these interim financial statements.

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31/05/2020 RM'000 (Unaudited)	AS AT 31/8/2019 RM'000 (Audited)
Assets		
Property, plant and equipment	56,287	58,992
Non-current assets	56,287	58,992
Inventories	7,374	11,768
Trade and other receivables	15,123	13,916
Cash and bank balances	49,680	44,520
Current assets	72,177	70,204
Total assets	128,464	129,196
Equity and liabilities		
Share capital	97,717	97,717
Treasury share	(1)	(1)
Retained earnings	19,959	20,031
Equity attributable to owners of the Company	117,675	117,747
Non-controlling interest	(2)	(2)
Total equity	117,673	117,745
Deferred tax liabilities	2,973	2,973
Finance lease liabilities	40	65
Non-current liabilities	3,013	3,038
Trade and other payables	7,745	8,381
Tax payable	-	-
Current liabilities	7,778	8,413
Total liabilities	10,791	11,451
Total equity and liabilities	128,464	129,196
Net assets per share attributable to owners of the Company (RM)	0.57	0.57

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2019 and the accompanying explanatory notes attached to these interim financial statements.



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BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended	
	31/05/2020 RM'000 (Unaudited)	31/05/2019 RM'000 (Unaudited)
Cash flow from operating activities		
Loss before tax	(72)	(644)
Adjustments for:		
Depreciation of property, plant and equipment	2,706	4,946
Unrealised gain on foreign exchange	(736)	-
Finance costs	-	78
Finance income	(329)	(1,015)
Operating profit before working capital changes	1,569	3,365
Decrease in inventories	4,394	212
(Increase)/decrease in receivables	(471)	117
(Decrease)/increase in payables	(634)	61
Cash generated from operations	4,858	3,755
Interest received	329	1,015
Interest paid	-	(78)
Tax paid	(2)	(5)
Net cash from operating activities	5,185	4,687
Cash flow from investing activity		
Purchase of property, plant and equipment	(1)	-
Net cash used in investing activity	(1)	-
Cash flow from financing activity		
Payment of finance lease liabilities	(24)	(23)
Net cash used in financing activity	(24)	(23)
Net increase in cash and cash equivalents	5,160	4,664
Cash and cash equivalents at beginning of year	44,520	39,521
Cash and cash equivalents at end of year	49,680	44,185
Cash and cash equivalents at end of year comprises:		
Cash and bank balances	49,680	44,185
	<u>49,680</u>	<u>44,185</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 August 2019 and the accompanying explanatory notes attached to these interim financial statements

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →								Total equity RM'000
	Share capital RM'000	Revaluation Reserve RM'000	Non-distributable				Distributable Retained earnings RM'000	Non- controlling RM'000	
			Treasury Share RM'000	Share Option Reserves RM'000	Warrant reserve RM'000	Other reserve RM'000			
At 1 September 2019	97,717	-	(1)	-	-	-	20,031	(2)	117,745
Total comprehensive loss for the period	-	-	-	-	-	-	(72)	-	(72)
At 31 MAY 2020	97,717	-	(1)	-	-	-	19,959	(2)	117,673
At 1 September 2018	97,717	-	-	-	30,496	(30,496)	18,096	-	115,813
Total comprehensive loss for the period	-	-	-	-	-	-	(648)	-	(648)
Warrant 2014/2019 expired	-	-	-	-	(30,496)	30,496	-	-	-
At 31 MAY 2019	97,717	-	-	-	-	-	17,448	-	115,165

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 August 2019 and the accompanying explanatory notes attached to these interim financial statements.

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 MAY 2020

1. NOTES TO THE INTERIM FINANCIAL STATEMENTS

1.01 Basis of Preparation

These interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting* issued by Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 August 2019.

1.02 Changes in Accounting Policies

(a) Statement of compliance

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

Standards issued but not yet effective

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

		Effective dates for financial periods <u>beginning on or after</u> 1 January 2019
MFRS 16	Leases	

The initial application of the MFRSs, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretations are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

MFRS 16 Leases

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

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

The Group and the Company do not expect the application of MFRS 16 to have a significant effect on its consolidated financial statements.

BRIGHT PACKAGING INDUSTRY BERHAD
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1.03 Qualified Audit Report

The auditors' report on the financial statements for the year ended 31 August 2019 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 were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 31 May 2020.

1.07 Dividend Paid

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

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 2019.

2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

2.01 Review Of Performance

The Group for the third quarter ended 31 May 2020 registered a total turnover of RM12.97 million, as compared to RM12.90 million in the second quarter for this year.

2.02 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM12.97 million as compared to the preceding quarter of RM17.92 million. The decrease was mainly due to global economic slowdown caused by the pandemic COVID-19 outbreak and the ensuing enforcement of the movement control order ("MCO") by the Government of Malaysia effective from 18th March 2020.

The Group has registered a profit after tax and minority interest of RM0.71 million as compared to preceding quarter loss after tax of RM0.31 million notwithstanding the decrease in total revenue. The increase in profit was mainly due to the higher cost of sales of RM17.93 million during the preceding quarter resulting in a gross loss of RM0.01 million as compared to cost of sales of RM11.93 million during the current quarter resulting in a gross profit of RM1.04 million.

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2.03 Current Year Prospects

Barring unforeseen circumstances, the Directors foresee a weaker performance for the Group for the current year under influence of global economic downturn, weak recovery from slow domestic economic environment due to implication of pandemic COVID-19 outbreak.

2.04 Variance Of Actual Profit From Forecast Profit / Profit Guarantee

Not applicable.

2.05 Income Tax Expense

	Quarter Ended		Year Ended	
	31/05/2020 RM'000 (Unaudited)	31/05/2019 RM'000 (Unaudited)	31/05/2020 RM'000 (Unaudited)	31/05/2019 RM'000 (Unaudited)
Income tax	1	1	5	4
Deferred tax	-	-	-	-
	1	1	5	4

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current and previous corresponding periods.

2.06 Profit/(Loss) Before Tax

	Quarter Ended		Year Ended	
	31/05/2020 RM'000 (Unaudited)	31/05/2019 RM'000 (Unaudited)	31/05/2020 RM'000 (Unaudited)	31/05/2019 RM'000 (Unaudited)
Net foreign exchange loss/(gain)				
- Realised	256	473	197	586
- Unrealised	(720)	(791)	(736)	(615)
Depreciation of property, plant and equipment	905	1,644	2,706	4,946

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FOR THE QUARTER ENDED 31 MAY 2020

2.07 Trade Receivables

	As at 31/05/2020 RM'000 (Unaudited)	As at 31/08/2019 RM'000 (Audited)
Trade receivables	15,040	13,718
Less: Allowable for impairment loss	-	-
	<u>15,040</u>	<u>13,718</u>

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

	As at 31/05/2020 RM'000 (Unaudited)	As at 31/08/2019 RM'000 (Audited)
Not past due and no credit impaired	-	9,011
Past due and no credit impaired:		
< 30 days	5,500	4,707
31 – 60 days	2,013	-
61 – 90 days	5,073	-
91 – 120 days	2,454	-
Trade receivables (gross)	<u>15,040</u>	<u>13,718</u>

2.08 Profit On Sale Of Investment And / Or Properties

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

2.09 Purchase Or Disposal Of Quoted Securities

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

2.10 Status Of Corporate Proposals

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

2.11 Group Borrowings and Debt Securities

The Group borrowings as at 31 May 2020 are as follows:

Secured	Long term RM'000 (Unaudited)	Short term RM'000 (Unaudited)	Total borrowings RM'000 (Unaudited)
Hire Purchase	40	33	73

2.12 Off Balance Sheet Financial Instruments

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

2.13 Material Litigation

As at the date of this announcement, the Group is not engaged in any material litigation.

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2.14 Dividend

No dividend was recommended for the quarter under review.

2.15 Earnings/(Loss) Per Share

a) Basic

	(Unaudited)		(Unaudited)	
	Quarter Ended		Year Ended	
	31/05/2020	31/05/2019	31/05/2020	31/05/2019
Profit/(loss) attributable to the owners of the Company (RM'000)	708	(313)	(77)	(648)
Weighted average number of ordinary shares issued ('000)	205,331	205,331	205,331	205,331
Basic earnings/(loss) per share (sen)	0.34	(0.15)	(0.04)	(0.32)

b) Diluted

	(Unaudited)		(Unaudited)	
	Quarter Ended		Year Ended	
	31/05/2020	31/05/2019	31/05/2020	31/05/2019
Profit/(loss) attributable to the owners of the Company (RM'000)	708	(313)	(77)	(648)
Weighted average number of ordinary shares issued ('000)	205,331	205,331	205,331	205,331
Diluted earnings/(loss) per share (sen)	0.34	(0.15)	(0.04)	(0.32)

- The outstanding warrants do not have any impact on the diluted earnings per share as the warrant 2014/2019 expired on 12 January 2019.