

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
BURSA SECURITIES QUARTERLY REPORT - QUARTER 4

SUMMARY OF KEY FINANCIAL INFORMATION	31 AUGUST 2022			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-08-22 RM'000	31/08/2021 RM'000	31-08-22 RM'000	31/08/2021 RM'000
1 Revenue	12,950	7,750	46,496	37,499
2 Loss before tax	(3,148)	(603)	(1,703)	(3,358)
3 (Loss)/Profit for the period	(4,018)	91	(2,576)	(2,648)
4 (Loss)/Profit attributable to owners of the Company	(4,018)	91	(2,576)	(2,647)
5 Basic (loss)/earnings per share (Sen)	(1.96)	0.04	(1.25)	(1.29)
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to owners of the Company (RM)	0.54		0.55	

ADDITIONAL INFORMATION				
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-08-22 RM'000	31/08/2021 RM'000	31-08-22 RM'000	31/08/2021 RM'000
1 Loss from operations	(3,308)	(822)	(2,369)	(4,202)
2 Gross interest income	160	219	666	844

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

QUARTERLY REPORT

ON THE CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2022

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
	31-08-22 RM'000	31/08/2021 RM'000	31-08-22 RM'000	31/08/2021 RM'000
			(Unaudited)	(Audited)
Revenue	12,950	7,750	46,496	37,499
Cost of sales	(10,002)	(7,252)	(37,960)	(36,291)
Gross profit	2,948	498	8,536	1,208
Other income	204	(72)	1,423	241
Operating expenses	(6,460)	(1,248)	(12,328)	(5,651)
Loss from operations	(3,308)	(822)	(2,369)	(4,202)
Interest income	160	219	666	844
Loss before tax	(3,148)	(603)	(1,703)	(3,358)
Income tax expense	(870)	694	(873)	710
Total comprehensive (Loss)/Profit for the financial period	(4,018)	91	(2,576)	(2,648)
Total comprehensive (Loss)/Profit attributed to:				
Owners of the Company	(4,018)	91	(2,576)	(2,647)
Non-controlling interest	-	-	-	(1)
	(4,018)	91	(2,576)	(2,648)
(Loss)/Earnings per share attributed to owners of the Company:				
Basic (Sen)	(1.96)	0.04	(1.25)	(1.29)

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 2021 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 FINANCIAL POSITION

	AS AT 31-08-22 RM'000	AS AT 31-08-21 RM'000
	(Unaudited)	(Audited)
Assets		
Property, plant and equipment	48,926	51,772
Right-of-use assets	27	34
Non-current assets	48,953	51,806
Inventories	13,570	7,056
Trade and other Receivables	20,423	11,391
Cash and bank balances	43,240	53,580
Current assets	77,233	72,027
Total assets	126,186	123,833
Equity and liabilities		
Share capital	97,717	97,717
Treasury share	(1)	(1)
Retained earnings	13,571	16,147
Equity attributable to owners of the Company	111,287	113,863
Non-controlling interest	(3)	(3)
Total equity	111,284	113,860
Deferred tax liabilities	2,845	1,959
Finance lease liabilities	692	-
Non-current liabilities	3,537	1,959
Trade and other payables	11,365	7,982
Finance lease liabilities	-	32
Current liabilities	11,365	8,014
Total liabilities	14,902	9,973
Total equity and liabilities	126,186	123,833
Net assets per share attributable to owners of the Company (RM)	0.54	0.55

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2021 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 CASH FLOWS

	Year Ended	
	31-8-2022	31/08/2021
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash flow from operating activities		
Profit before tax	(1,703)	(3,358)
Adjustments for:		
Depreciation of property, plant and equipment	2,847	3,597
Unrealised gain on foreign exchange	(178)	8
Interest income	(160)	(847)
Operating profit before working capital changes	813	600
Increase in inventories	(6,514)	4,416
(Increase)/Decrease in receivables	(8,854)	4,547
Increase/(Decrease) in payables	3,398	(6,342)
Cash (used in)/generated from operations	(11,157)	2,021
Interest received	160	10
Tax paid	(2)	(6)
Net cash (used in)/generated from operating activities	(10,999)	2,025
Cash flow from investing activity		
Purchase of property, plant and equipment	(1)	(16)
Other investment	-	(3,041)
Net cash used in investing activity	(1)	(3,057)
Cash flow from financing activity		
Payment of finance lease liabilities	(32)	(33)
Increase of lease liabilities	692	-
Net cash generated from/(used in) financing activity	660	(33)
Net decrease in cash and cash equivalents	(10,340)	(1,065)
Effect of exchange translation difference	-	(20)
Cash and cash equivalents at beginning of year	53,580	54,666
Cash and cash equivalents at end of year	43,240	53,581
Cash and cash equivalents at end of year comprises:		
Cash and bank balances	43,240	53,581
	<u>43,240</u>	<u>53,581</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 2021 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 →				
	← Non-distributable →		Distributable	Non-	Total equity
	Share capital RM'000	Treasury Share RM'000	Retained earnings RM'000	controlling interest RM'000	RM'000
At 1 September 2021	97,717	(1)	16,147	(3)	113,860
Total comprehensive profit for the period	-	-	(2,576)	-	(2,576)
At 31 AUGUST 2022	97,717	(1)	13,571	(3)	111,284
At 1 September 2020	97,717	(1)	18,793	(2)	116,507
Total comprehensive loss for the period	-	-	(2,646)	(1)	(2,647)
At 31 AUGUST 2021	97,717	(1)	16,147	(3)	113,860

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 2021 and the accompanying explanatory notes attached to these interim financial statements.

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2022

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 2021.

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 beginning on or after
MFRS 16	Leases	<u>1 January 2019</u>

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.

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1.03 Qualified Audit Report

The auditors' report on the financial statements for the year ended 31 August 2021 was not qualified.

1.04 Seasonality Or Cyclicalities Of Operations

The business of the Group for the quarter under review has not been affected by any seasonality or cyclicalities 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 financial period to-date.

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 2021.

2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

2.01 Review Of Performance

The Group for fourth quarter ended 31 August 2022 registered a total turnover of RM12.95 million, as compared to RM7.75 million in the fourth quarter of last financial year. The higher turnover was mainly due to higher customer demand from tobacco industry. The loss after tax and minority interest is RM4.02 million for fourth quarter ended 31 August 2022 as compared to profit after tax and minority interest of RM0.09 million in the fourth quarter of last financial year. This is due to the Group has incurred expenses on investment in DPSB amounting to RM5 million during the current financial year.

2.02 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM12.95 million as compared to the preceding quarter of RM12.45 million.

The Group has registered a loss after tax and minority interest of RM4.02 million as compared to preceding quarter profit after tax of RM1.74 million.

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2.03 Current Year Prospects

Barring unforeseen circumstances, the Directors foresee a stronger performance for the Group as compared to last year during the COVID 19 pandemic. The Directors are optimistic that the Group performance will remain positive towards the end of the year and excel in the following year.

2.04 Variance Of Actual Profit From Forecast Profit / Profit Guarantee

Not applicable.

2.05 Income Tax Expense

	Quarter Ended		Year Ended	
	31/08/2022 RM'000	31/08/2021 RM'000	31/08/2022 RM'000	31/08/2021 RM'000
Income tax	(1)	694	(4)	710
Deferred tax	(869)	-	(869)	-
	(870)	694	(873)	710

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 Before Tax

	Quarter Ended		Year Ended	
	31/08/2022 RM'000	31/08/2021 RM'000	31/08/2022 RM'000	31/08/2021 RM'000
Net foreign exchange gain/(loss)				
- Realised	1	289	(296)	(54)
- Unrealised	179	(218)	1,318	(218)

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2.07 Trade Receivables

	As at 31/08/2022 RM'000	As at 31/08/2021 RM'000
Trade receivables	22,303	10,773
Less: Allowable for impairment loss	-	-
	22,303	10,773

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

	As at 31/08/2022 RM'000	As at 31/08/2021 RM'000
Not past due and no credit impaired	-	-
Past due and no credit impaired:		
< 30 days	7,971	2,177
31 – 60 days	3,184	2,683
61 – 90 days	3,842	2,187
91 – 120 days	7,306	3,726
Trade receivables (gross)	22,303	10,773

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 August 2022 are as follows:

	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Hire Purchase	-	-	-

2.12 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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2.13 Material Litigation

On 4th September 2020, the Group has applied to intervene in Kuala Lumpur High Court Suit No.: WA-22NCC-171-05/2020 (“Suit 171”) to protect its interest in the subject matter of the dispute. The intervention is not anticipated to have any material financial and operational impact on the Group’s results for the financial year ending 31 August 2021 as the Group is acting as an intervener, not a plaintiff nor a defendant. The Court has fixed the Hearing of the Group’s Intervener Application on 2 February 2021.

The Group has filed its appeal to the Court of Appeal, against the decision of Kuala Lumpur High Court on 2 February 2021 dismissing the Group’s application to intervene in the abovementioned civil suit. The next case management of the appeal of the application to intervene in Suit 171, Civil Appeal No. W-01(IM)(NCC)-80-02/2021 is fixed on 5 May 2021.

The Defendant 1 and 3 of the Suit 171 have filed a Discovery Application (“Enclosure 161”) against Bright Packaging Industry Berhad on 25 February 2021 for the two Expert Reports commissioned by the Company as the Company has earlier engaged independent experts to conduct a Valuation Report and Forensic Audit Report (“Expert Reports”) in relation to the Suit 171. The next case management of the Enclosure 161 is fixed on 28 April 2021.

On 7 April 2021, the Board of Directors of the Company has decided during the board meeting to form a Special Committee to study and review the two Expert Reports and to provide recommendations to the Board.

On 28 April 2021, during the case management of Discovery Application (“Enclosure 161”) via E-Review, the Court was informed that the Applicants wish to withdraw Enclosure 161 with no order as to costs. The learned Judicial Commissioner ordered Enclosure 161 to be struck out with no order as to costs.

On 5 May 2021, after the case management of the appeal to intervene in Suit 171, Civil Appeal No. W-01(IM)(NCC)-80-02/2021 through the E-Review system of the courts, which ended only on 6 May 2021, the Court has fixed the hearing on 14 October 2021 at 9:00a.m.

In view of the Company’s appeal to intervene in Suit 171 is scheduled to be heard on 14 October 2021 before the Court of Appeal, Notice of Motion (“Encl 10”) and Affidavit in Support to stay the high court proceeding in Suit 171 has been e-filed on 23 July 2021. The Court has now fixed the hearing for Encl 10 on 2 September 2021 at 9:00 a.m.

On 2 September 2021, the Court has dismissed the application for a stay of the High Court Proceeding during the hearing for the Notice of Motion for a stay proceedings (“Encl 10”).

On 14 October 2021, the Court of Appeal has also dismissed the Company’s appeal to intervene in Suit 171.

On 12 November 2021, the Notice of Motion and Affidavit in Support to apply for leave to appeal to the Federal Court has been filed by the Company and the Court has now fixed the case management on 14 December 2021 via E-Review.

On 16 March 2022, leave to appeal to Federal Court was heard and dismissed.

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2.14 Dividend

No dividend was recommended for the quarter under review.

2.15 (Loss)/Earnings Per Share

a) Basic

	Quarter Ended		Year Ended	
	31/08/2022	31/08/2021	31/08/2022	31/08/2021
(Loss)/Earnings attributable to the owners of the Company (RM'000)	(4,018)	91	(2,576)	(2,647)
Weighted average number of ordinary shares issued ('000)	205,331	205,331	205,331	205,331
Basic (loss)/earnings per share (Sen)	(1.96)	0.04	(1.25)	(1.29)

2.16 Authorised For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors.