

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
BURSA SECURITIES QUARTERLY REPORT - 1 QUARTER

| SUMMARY OF KEY FINANCIAL INFORMATION 30 NOVEMBER 2019 | | | | |
|---|-------------------------------------|---|---|--|
| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | 30/11/2019 RM'000 | 30/11/2018 RM'000 | 30/11/2019 RM'000 | 30/11/2018 RM'000 |
| 1 Revenue | 11,027 | 16,570 | 11,027 | 16,570 |
| 2 Profit/(loss) before tax | (383) | (89) | (383) | (89) |
| 3 Profit/(loss) for the period | (383) | (91) | (384) | (91) |
| 4 Profit/(loss) attributable to ordinary equity holders of the parent | (383) | (91) | (383) | (91) |
| 5 Basic earnings/(loss) per share (Sen) | (0.19) | (0.04) | (0.19) | (0.04) |
| 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 ordinary equity holders of the parent (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 |
| | 30/11/2019 RM'000 | 30/11/2018 RM'000 | 30/11/2019 RM'000 | 30/11/2018 RM'000 |
| 1 Profit/(loss) from operations | (748) | (382) | (748) | (382) |
| 2 Gross interest income | 365 | 319 | 365 | 319 |
| 3 Gross interest expense | - | (26) | - | (26) |

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

QUARTERLY REPORT

ON THE CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | INDIVIDUAL QUARTER | | CHANGES (%) | CUMULATIVE QUARTER | | CHANGES (%) |
|--|----------------------|--------------------------------------|-------------|-------------------------------------|-------------------------------------|-------------|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | | CURRENT YEAR TO-DATE | PRECEDING YEAR CORRESPONDING PERIOD | |
| | 30/11/2019 RM'000 | 30/11/2018 RM'000 | | 30/11/2019 RM'000 (Unaudited) | 30/11/2018 RM'000 (Audited) | |
| Revenue | 11,027 | 16,570 | -33% | 11,027 | 16,570 | -33% |
| Cost of sales | (10,738) | (16,423) | -35% | (10,738) | (16,423) | -35% |
| Gross profit/(loss) | 289 | 147 | 97% | 289 | 147 | 97% |
| Other income | (82) | 302 | -127% | (82) | 302 | -127% |
| Operating expenses | (955) | (831) | 15% | (955) | (831) | 15% |
| Profit/(loss) from operations | (748) | (382) | 96% | (748) | (382) | 96% |
| Interest income | 365 | 319 | 14% | 365 | 319 | 14% |
| Finance costs | - | (26) | -100% | - | (26) | -100% |
| Profit/(loss) before tax | (383) | (89) | 330% | (383) | (89) | 330% |
| Income tax expense | (2) | (2) | -16% | (2) | (2) | -16% |
| Profit/(loss) for the period | (383) | (91) | 321% | (384) | (91) | 322% |
| Profit attributable to: | | | | | | |
| Owners of the Company | (383) | (91) | 321% | (383) | (91) | 321% |
| Non-controlling interest | (0) | - | - | (0) | - | - |
| | (383) | (91) | 321% | (384) | (91) | 322% |
| Earnings per share attributed to owners of the Company: | | | | | | |
| Basic EPS (Sen) | (0.19) | (0.04) | | (0.19) | (0.04) | |
| Diluted EPS (Sen) | (0.19) | (0.04) | | (0.19) | (0.04) | |

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)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | AS AT 30/11/2019 RM'000 (Unaudited) | AS AT 31/8/2019 RM'000 (Audited) |
|--|--|---|
| Assets | | |
| Property, plant and equipment | 58,086 | 58,992 |
| Non-current assets | 58,086 | 58,992 |
| Inventories | 7,069 | 11,768 |
| Trade and other Receivables | 7,557 | 13,916 |
| Cash and bank balances | 51,148 | 44,520 |
| Current assets | 65,773 | 70,204 |
| Total assets | 123,859 | 129,196 |
| Equity and liabilities | | |
| Share capital | 97,717 | 97,717 |
| Warrant reserves | - | 30,496 |
| Other reserves | - | (30,496) |
| Retained earnings | 19,647 | 20,030 |
| Equity attributable to owners of the Company | 117,364 | 117,747 |
| Non-controlling interest | (3) | (2) |
| Total equity | 117,361 | 117,745 |
| Deferred tax liabilities | 2,973 | 2,973 |
| Finance lease liabilities | 57 | 65 |
| Non-current liabilities | 3,030 | 3,039 |
| Trade and Other Payables | 3,434 | 8,381 |
| Finance lease liabilities | 32 | 32 |
| Tax payable | - | - |
| Current liabilities | 3,466 | 8,412 |
| Total liabilities | 6,498 | 11,451 |
| Total equity and liabilities | 123,859 | 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.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Year Ended | |
|---|-------------------------------------|-----------------------------------|
| | 30/11/2019 RM'000 (Unaudited) | 30/11/2018 RM'000 (Audited) |
| Cash flow from operating activities | | |
| Profit/(loss) before tax | (383) | (91) |
| Adjustment for: | | |
| Depreciation of property, plant and equipment | 906 | 1,656 |
| Inventories written off | - | - |
| Unrealised loss/(gain) on foreign exchange | 119 | (111) |
| Finance costs | - | 26 |
| Finance income | (365) | (319) |
| Operating profit before working capital changes | 277 | 1,161 |
| Decrease/(Increase) in inventories | 4,699 | (2,561) |
| Decrease in receivables | 6,241 | (293) |
| (Decrease)/increase in payables | (4,944) | 89 |
| Cash generated from/(used in) operations | 6,273 | (1,604) |
| Interest received | 365 | 319 |
| Interest paid | - | (26) |
| Tax refund | - | - |
| Tax paid | (2) | (2) |
| Net cash from/(used in) operating activities | 6,636 | (1,313) |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | (1) | - |
| Net cash used in investing activities | (1) | - |
| Cash flow from financing activities | | |
| Payment of finance lease liabilities | (8) | (7) |
| Net cash used in financing activities | (8) | (7) |
| Net increase/(decrease) in cash and cash equivalents | 6,628 | (1,320) |
| Effect of exchange translation difference | - | - |
| Cash and cash equivalents at beginning of year | 44,520 | 39,521 |
| Cash and cash equivalents at end of year | 51,148 | 38,201 |
| Cash and cash equivalents at end of year comprises: | | |
| Fixed deposits | - | - |
| Cash and bank balances | 51,148 | 38,201 |
| | 51,148 | 38,201 |
| | - | - |

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 → | | | | Retained earnings RM'000 | Non-controlling interest RM'000 | Total equity RM'000 |
|---|---|------------------------------|---------------------------|-------------------------|-----------------------------|------------------------------------|------------------------|
| | Share capital RM'000 | Treasury Share (RM'000) | Warrant reserve RM'000 | Other reserve RM'000 | | | |
| At 1 September 2019 | 97,717 | (1) | - | - | 20,030 | (2) | 117,745 |
| Total comprehensive income for the period | - | - | - | - | (383) | (0) | (384) |
| Warrants expired | - | - | - | - | - | - | - |
| At 30 November 2019 | 97,717 | - | - | - | 19,647 | (3) | 117,361 |
| At 1 September 2018 | 97,717 | (1) | 30,496 | (30,496) | 18,096 | - | 115,812 |
| Total comprehensive income for the period | - | - | - | - | (91) | - | (91) |
| At 30 November 2018 | 97,717 | (1) | 30,496 | (30,496) | 18,005 | - | 115,721 |

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 30 NOVEMBER 2019

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> |
|---------|--------|--|
| MFRS 16 | Leases | 1 January 2019 |

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
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2019

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 30 November 2019.

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 first quarter ended 30 November 2019 registered a total turnover of RM11.03 million, as compared to RM16.57 million in the first quarter of last financial year. The lower turnover was due to lower customer demand from tobacco industry.

2.02 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM11.03 million as compared to the preceding quarter of RM14.38 million. The Group has registered a loss after tax and minority interest of RM0.38 million as compared to preceding quarter profit after tax of RM2.56 million. The decrease in profit was mainly due to the reduction in turnover in current quarter as well as the favourable adjustment in depreciation charges in preceding quarter.

2.03 Current Year Prospects

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

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2019

2.04 Variance Of Actual Profit From Forecast Profit / Profit Guarantee
 Not applicable.

2.05 Income Tax Expense

| | Quarter Ended | | Year Ended | |
|--------------|---------------|------------|------------|------------|
| | 30/11/2019 | 30/11/2018 | 30/11/2019 | 30/11/2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax | 2 | 2 | 2 | 2 |
| Deferred tax | - | - | - | - |
| | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

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 | |
|----------------------------------|---------------|------------|------------|------------|
| | 30/11/2019 | 30/11/2018 | 30/11/2019 | 30/11/2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net foreign exchange loss/(gain) | | | | |
| - Realised | (3) | 83 | (3) | 83 |
| - Unrealised | 119 | (111) | 119 | (111) |

2.07 Trade Receivables

| | As at | As at |
|-------------------------------------|--------------|---------------|
| | 30/11/2019 | 31/08/2019 |
| | RM'000 | RM'000 |
| Trade receivables | 7,047 | 13,718 |
| Less: Allowable for impairment loss | - | - |
| | <u>7,047</u> | <u>13,718</u> |

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

| | As at | As at |
|-------------------------------------|--------------|---------------|
| | 30/11/2019 | 31/08/2019 |
| | RM'000 | RM'000 |
| Not past due and no credit impaired | 2,736 | 9,011 |
| Past due and no credit impaired: | | |
| < 30 days | 2,735 | 4,707 |
| 31 – 60 days | 1,576 | - |
| 61 – 90 days | - | - |
| Trade receivables (gross) | <u>7,047</u> | <u>13,718</u> |

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2019

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 30 November 2019 are as follows:

| | Long term RM'000 | Short term RM'000 | Total borrowings RM'000 |
|----------------|-----------------------------|------------------------------|------------------------------------|
| Secured | | | |
| Hire Purchase | 57 | 32 | 89 |

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.

2.14 Dividend

No dividend was recommended for the quarter under review.

2.15 Earnings Per Share (“EPS”)

a) Basic EPS

| | Quarter Ended | | Year Ended | |
|---|----------------------|-------------------|-------------------|-------------------|
| | 30/11/2019 | 30/11/2018 | 30/11/2019 | 30/11/2018 |
| Profit attributable to the owners of the Company (RM'000) | (383) | (91) | (383) | (91) |
| Weighted average number of ordinary shares issued ('000) | 205,331 | 205,331 | 205,331 | 205,331 |
| Basic EPS (sen) | (0.19) | (0.04) | (0.19) | (0.04) |

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 30 NOVEMBER 2019

b) Diluted EPS

| | Quarter Ended | | Year Ended | |
|---|----------------------|-------------------|-------------------|-------------------|
| | 30/11/2019 | 30/11/2018 | 30/11/2019 | 30/11/2018 |
| Profit attributable to the owners of the Company (RM'000) | (383) | (91) | (383) | (91) |
| Weighted average number of ordinary shares issued ('000) | 205,331 | 205,331 | 205,331 | 205,331 |
| Full conversion of Warrants to Shares * | - | - | - | - |
| Diluted EPS (sen) | (0.19) | (0.04) | (0.19) | (0.04) |

- * 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.