

**BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)**  
**BURSA SECURITIES QUARTERLY REPORT - QUARTER 2**

| SUMMARY OF KEY FINANCIAL INFORMATION                              | 29 FEBRUARY 2020                             |  |  |   |
|---|--|--|--|---|
|   | INDIVIDUAL PERIOD                            |  | CUMULATIVE PERIOD                            |   |
|   | CURRENT YEAR QUARTER<br>29/02/2020<br>RM'000 | PRECEDING YEAR CORRESPONDING QUARTER<br>28/02/2019<br>RM'000 | CURRENT YEAR TO DATE<br>29/02/2020<br>RM'000 | PRECEDING YEAR CORRESPONDING PERIOD<br>28/02/2019<br>RM'000 |
| 1 Revenue   | 12,903                                       | 18,889   | 23,930                                       | 35,459  |
| 2 (Loss) before tax   | (398)  | (243)  | (781)  | (332)   |
| 3 (Loss) for the period   | (400)  | (244)  | (785)  | (335)   |
| 4 (Loss) attributable to owners of the Company                    | (400)  | (244)  | (785)  | (335)   |
| 5 Basic (loss) per share (Sen)                                    | (0.19)                                       | (0.12)   | (0.38)                                       | (0.16)  |
| 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<br>29/02/2020<br>RM'000 | PRECEDING YEAR CORRESPONDING QUARTER<br>28/02/2019<br>RM'000 | CURRENT YEAR TO DATE<br>29/02/2020<br>RM'000 | PRECEDING YEAR CORRESPONDING PERIOD<br>28/02/2019<br>RM'000 |
|                          | 1 (Loss) from operations                     | (761)  | (547)  | (1,509)   |
| 2 Gross interest income  | 363  | 328  | 728  | 647   |
| 3 Gross interest expense | -  | (24)   | -  | (50)  |

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

**QUARTERLY REPORT**

ON THE CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 29 FEBRUARY 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 |
|  | 29/02/2020<br>RM'000 | 28/02/2019<br>RM'000                 | 29/02/2020<br>RM'000 | 28/02/2019<br>RM'000                |
|  |                      |                                      | <b>(Unaudited)</b>   | <b>(Audited)</b>                    |
| Revenue  | 12,903               | 18,889                               | 23,930               | 35,459                              |
| Cost of sales  | (12,639)             | (17,769)                             | (23,377)             | (34,192)                            |
| Gross profit/(loss)  | 264                  | 1,120                                | 553                  | 1,267                               |
| Other income   | 172                  | (389)                                | 90                   | (87)                                |
| Operating expenses   | (1,197)              | (1,278)                              | (2,152)              | (2,109)                             |
| Loss from operations                                       | (761)                | (547)                                | (1,509)              | (929)                               |
| Interest income  | 363                  | 328                                  | 728                  | 647                                 |
| Finance costs  | -                    | (24)                                 | -                    | (50)                                |
| <b>Loss before tax</b>                                     | <b>(398)</b>         | <b>(243)</b>                         | <b>(781)</b>         | <b>(332)</b>                        |
| Income tax expense   | (2)                  | (1)                                  | (4)                  | (3)                                 |
| <b>Total comprehensive loss for the financial period</b>   | <b>(400)</b>         | <b>(244)</b>                         | <b>(785)</b>         | <b>(335)</b>                        |
| <b>Total comprehensive loss attributed to:</b>             |                      |                                      |                      |                                     |
| Owners of the Company                                      | (400)                | (244)                                | (785)                | (335)                               |
| Non-controlling interest                                   | -                    | -                                    | -                    | -                                   |
|  | <b>(400)</b>         | <b>(244)</b>                         | <b>(785)</b>         | <b>(335)</b>                        |
| <b>Loss per share attributed to owners of the Company:</b> |                      |                                      |                      |                                     |
| Basic (Sen)  | (0.19)               | (0.12)                               | (0.38)               | (0.16)                              |
| Diluted (Sen)  | (0.19)               | (0.12)                               | (0.38)               | (0.16)                              |

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**

|  | <b>AS AT<br/>29/02/2020<br/>RM'000<br/>(Unaudited)</b> | <b>AS AT<br/>31/8/2019<br/>RM'000<br/>(Audited)</b> |
|--|--|---|
| <b>Assets</b>  |  |   |
| Property, plant and equipment  | 57,190   | 58,992  |
| <b>Non-current assets</b>  | <b>57,190</b>  | <b>58,992</b>                                       |
| Inventories  | 8,271  | 11,768  |
| Trade and other receivables  | 10,034   | 13,916  |
| Cash and bank balances   | 51,181   | 44,520  |
| <b>Current assets</b>  | <b>69,486</b>  | <b>70,204</b>                                       |
| <b>Total assets</b>  | <b>126,676</b>   | <b>129,196</b>                                      |
| <b>Equity and liabilities</b>  |  |   |
| Share capital  | 97,717   | 97,717  |
| Retained earnings  | 19,248   | 20,030  |
| Equity attributable to owners of the Company                           | 116,965  | 117,747   |
| Non-controlling interest   | (3)  | (2)   |
| <b>Total equity</b>  | <b>116,962</b>   | <b>117,745</b>                                      |
| Deferred tax liabilities   | 2,973  | 2,973   |
| Finance lease liabilities  | 57   | 65  |
| <b>Non-current liabilities</b>   | <b>3,030</b>   | <b>3,038</b>  |
| Trade and other payables   | 6,660  | 8,381   |
| Finance lease liabilities  | 24   | 32  |
| <b>Current liabilities</b>   | <b>6,684</b>   | <b>8,413</b>  |
| <b>Total liabilities</b>   | <b>9,714</b>   | <b>11,451</b>                                       |
| <b>Total equity and liabilities</b>                                    | <b>126,676</b>   | <b>129,196</b>                                      |
| <b>Net assets per share attributable to owners of the Company (RM)</b> | <b>0.57</b>  | <b>0.57</b>   |

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                          |                                   |
|--|-------------------------------------|-----------------------------------|
|  | 29/02/2020<br>RM'000<br>(Unaudited) | 28/02/2019<br>RM'000<br>(Audited) |
| <b>Cash flow from operating activities</b>             |                                     |                                   |
| Loss before tax  | (783)                               | (332)                             |
| Adjustments for:                                       |                                     |                                   |
| Depreciation of property, plant and equipment          | 1,803                               | 3,302                             |
| Unrealised gain on foreign exchange                    | (135)                               | -                                 |
| Finance costs  | -                                   | 50                                |
| Finance income   | (363)                               | (647)                             |
| <b>Operating profit before working capital changes</b> | <b>522</b>                          | <b>2,373</b>                      |
| Decrease/(Increase) in inventories                     | 3,497                               | 1,596                             |
| Decrease/(Increase) in receivables                     | 4,017                               | (2,697)                           |
| (Decrease)/increase in payables                        | (1,719)                             | (192)                             |
| <b>Cash generated from operations</b>                  | <b>6,317</b>                        | <b>1,080</b>                      |
| Interest received                                      | 363                                 | 647                               |
| Interest paid  | -                                   | (50)                              |
| Tax paid   | (2)                                 | (3)                               |
| <b>Net cash from operating activities</b>              | <b>6,678</b>                        | <b>1,674</b>                      |
| <b>Cash flow from investing activity</b>               |                                     |                                   |
| Purchase of property, plant and equipment              | (1)                                 | -                                 |
| <b>Net cash used in investing activity</b>             | <b>(1)</b>                          | <b>-</b>                          |
| <b>Cash flow from financing activity</b>               |                                     |                                   |
| Payment of finance lease liabilities                   | (16)                                | (15)                              |
| <b>Net cash used in financing activity</b>             | <b>(16)</b>                         | <b>(15)</b>                       |
| <b>Net increase in cash and cash equivalents</b>       | <b>6,661</b>                        | <b>1,659</b>                      |
| Cash and cash equivalents at beginning of year         | 44,520                              | 39,521                            |
| <b>Cash and cash equivalents at end of year</b>        | <b>51,181</b>                       | <b>41,180</b>                     |
| Cash and cash equivalents at end of year comprises:    |                                     |                                   |
| Cash and bank balances                                 | 51,181                              | 41,180                            |
|  | <u>51,181</u>                       | <u>41,180</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)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | ← Attributable to owners of the Company → |                                  |                             |                                    |                              |                            | Distributable<br>Retained<br>earnings<br>RM'000 | Non-<br>controlling<br>RM'000 | Total equity<br>RM'000 |
|---|---|----------------------------------|-----------------------------|------------------------------------|------------------------------|----------------------------|---|-------------------------------|------------------------|
|   | Share<br>capital<br>RM'000                | Revaluation<br>Reserve<br>RM'000 | Treasury<br>Share<br>RM'000 | Share Option<br>Reserves<br>RM'000 | Warrant<br>reserve<br>RM'000 | Other<br>reserve<br>RM'000 |   |                               |                        |
| At 1 September 2019                     | 97,717                                    | -                                | (1)                         | -                                  | -                            | -                          | 20,031  | (2)                           | 117,745                |
| Total comprehensive loss for the period | -   | -                                | -                           | -                                  | -                            | -                          | (783)   | -                             | (783)                  |
| Warrants expired                        | -   | -                                | -                           | -                                  | -                            | -                          | -   | -                             | -                      |
| <b>At 29 February 2020</b>              | <b>97,717</b>                             | <b>-</b>                         | <b>(1)</b>                  | <b>-</b>                           | <b>-</b>                     | <b>-</b>                   | <b>19,248</b>                                   | <b>(2)</b>                    | <b>116,962</b>         |
| At 1 September 2018                     | 97,717                                    | -                                | -                           | -                                  | 30,496                       | (30,496)                   | 18,096  | -                             | 115,813                |
| Total comprehensive loss for the period | -   | -                                | -                           | -                                  | -                            | -                          | (335)   | -                             | (335)                  |
| Warrant 2014/2019 expired               | -   | -                                | -                           | -                                  | (30,496)                     | 30,496                     | -   | -                             | -                      |
| <b>At 28 February 2019</b>              | <b>97,717</b>                             | <b>-</b>                         | <b>-</b>                    | <b>-</b>                           | <b>-</b>                     | <b>-</b>                   | <b>17,761</b>                                   | <b>-</b>                      | <b>115,478</b>         |

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 29 FEBRUARY 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<br>financial periods<br><u>beginning on or after</u><br>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.

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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 29 February 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 second quarter ended 29 February 2020 registered a total turnover of RM12.90 million, as compared to RM11.03 million in the first quarter for this year. The higher turnover was mainly due to increase in customer demand from tobacco industry.

**2.02 Comparison With Preceding Quarter's Results**

During the current quarter, the Group registered total revenue of RM12.90 million as compared to the preceding quarter of RM18.89 million. The Group has registered a loss after tax and minority interest of RM0.40 million as compared to preceding quarter loss after tax of RM0.24 million. The decrease in profit was mainly due to the reduction in turnover in current quarter.

**2.03 Current Year Prospects**

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

**2.04 Variance Of Actual Profit From Forecast Profit / Profit Guarantee**

Not applicable.

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**2.05 Income Tax Expense**

|              | Quarter Ended |            | Year Ended |            |
|--------------|---------------|------------|------------|------------|
|              | 29/02/2020    | 28/02/2019 | 29/02/2020 | 28/02/2019 |
|              | RM'000        | RM'000     | RM'000     | RM'000     |
| Income tax   | 2             | 1          | 4          | 3          |
| Deferred tax | -             | -          | -          | -          |
|              | <u>2</u>      | <u>1</u>   | <u>4</u>   | <u>3</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 Loss Before Tax**

|                                  | Quarter Ended |            | Year Ended |            |
|----------------------------------|---------------|------------|------------|------------|
|                                  | 29/02/2020    | 28/02/2019 | 29/02/2020 | 28/02/2019 |
|                                  | RM'000        | RM'000     | RM'000     | RM'000     |
| Net foreign exchange loss/(gain) |               |            |            |            |
| - Realised                       | (56)          | (195)      | (59)       | (112)      |
| - Unrealised                     | (135)         | 287        | (16)       | 175        |

**2.07 Trade Receivables**

|                                     | As at        | As at         |
|-------------------------------------|--------------|---------------|
|                                     | 29/02/2020   | 31/08/2019    |
|                                     | RM'000       | RM'000        |
| Trade receivables                   | 9,713        | 13,718        |
| Less: Allowable for impairment loss | -            | -             |
|                                     | <u>9,713</u> | <u>13,718</u> |

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

|                                     | As at        | As at         |
|-------------------------------------|--------------|---------------|
|                                     | 29/02/2020   | 31/08/2019    |
|                                     | RM'000       | RM'000        |
| Not past due and no credit impaired | -            | 9,011         |
| Past due and no credit impaired:    |              |               |
| < 30 days                           | 5,455        | 4,707         |
| 31 – 60 days                        | 3,067        | -             |
| 61 – 90 days                        | 1,191        | -             |
| Trade receivables (gross)           | <u>9,713</u> | <u>13,718</u> |

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**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 29 February 2020 are as follows:

|                | <b>Long term<br/>RM'000</b> | <b>Short term<br/>RM'000</b> | <b>Total borrowings<br/>RM'000</b> |
|----------------|-----------------------------|------------------------------|------------------------------------|
| <b>Secured</b> |                             |                              |                                    |
| Hire Purchase  | 57                          | 24                           | 81                                 |

**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 Loss Per Share**

**a) Basic**

|  | <b>Quarter Ended</b> |                   | <b>Year Ended</b> |                   |
|--|----------------------|-------------------|-------------------|-------------------|
|  | <b>29/02/2020</b>    | <b>28/02/2019</b> | <b>29/02/2020</b> | <b>28/02/2019</b> |
| Loss attributable to the owners of the Company (RM'000)  | (400)                | (244)             | (783)             | (335)             |
| Weighted average number of ordinary shares issued ('000) | 205,331              | 205,331           | 205,331           | 205,331           |
| <b>Basic loss per share (sen)</b>                        | <b>(0.19)</b>        | <b>(0.12)</b>     | <b>(0.38)</b>     | <b>(0.16)</b>     |

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**b) Diluted**

|  | <b>Quarter Ended</b> |                   | <b>Year Ended</b> |                   |
|--|----------------------|-------------------|-------------------|-------------------|
|  | <b>29/02/2020</b>    | <b>28/02/2019</b> | <b>29/02/2020</b> | <b>28/02/2019</b> |
| Loss attributable to the owners of the Company (RM'000)  | (400)                | (244)             | (783)             | (335)             |
| Weighted average number of ordinary shares issued ('000) | 205,331              | 205,331           | 205,331           | 205,331           |
| Warrants 2014/2019 expired *                             | -                    | -                 | -                 | -                 |
| <b>Diluted loss per share (sen)</b>                      | <b>(0.19)</b>        | <b>(0.12)</b>     | <b>(0.38)</b>     | <b>(0.16)</b>     |

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