

**BRIGHT PACKAGING INDUSTRY BERHAD  
QUARTERLY REPORT  
FOR THE QUARTER ENDED 28 FEBRUARY 2013**

**1. NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**1.01 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting 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 2012. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 August 2012.

**1.02 Changes in Accounting Policies**

The Group’s accounting policies and methods of computation used in the interim financial reports are consistent with those adopted in the most recent Annual Financial Statements for the year ended 31 August 2012, except for the adoption of the following new Financial Reporting Standards (FRSs) and Amendments to FRSs:

**i) Effective for financial periods beginning on or after 1 January 2012:-**

Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

Amendments to FRS 7: Disclosures – Transfers of Financial Assets

Amendments to FRS 112: Deferred Tax – Recovery of Underlying Assets

FRS 124: Related Party Disclosures

**ii) Effective for financial periods beginning on or after 1 July 2012:-**

Amendments FRS 101: Presentation of Items of Other Comprehensive Income

The adoption of the above FRSs and Amendments to FRSs do not have any material impact on the interim financial statements of the Group.

**1.03 Qualified Audit Report**

The auditors’ report on the financial statements for the year ended 31 August 2012 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.

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**1.07 Issuances And Repayment Of Debt And Equity Securities**

There were no issuance and repayment of debt and equity securities for the financial period under review.

**1.08 Dividend Paid**

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

**1.09 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 FRS 8 – Operating Segments.

**1.10 Valuation of Property, Plant and Equipment**

The Group has engaged a professional valuer from Raine & Horne International Zaki + Partners Sdn Bhd to revalue two parcels of its freehold land and building located at Lot 20 & Lot 23 of Subang Hi-Tech Industrial Park, Shah Alam (“the Properties”) to determine the fair value of the Properties in compliance to FRS 116, Property, plant and equipment. The last revaluation of the Properties was done in 2006.

Based on the valuation report dated 3 January 2013, the Properties are valued at RM 23 million and it has resulted to a revaluation surplus of RM 12.85 million which has been recognised in the current quarter of the interim financial statements.

**1.11 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.

**1.12 Changes In The Composition Of The Group**

There were no changes in the composition of the Group for the financial period under review.

**1.13 Changes In Contingent Liabilities**

There were no changes in other contingent liabilities since the last annual financial statements as at 31 August 2012.

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**2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS**

**2.01 Review Of Performance**

The Group, for the second quarter ended 28 February 2013, registered a total turnover of RM8.83 million, as compared to RM14.86 million in the second quarter of last financial year. The lower turnover was due to reduced orders from a local tobacco manufacturer; whilst the higher margin was attributed to lower costs of materials and improved operational efficiency.

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

During the current quarter, the Group registered total revenue of RM8.83 million as compared to the preceding quarter of RM11.41 million. The Group has registered a profit after tax and minority interest of RM 1.63 million as compared to preceding quarter of RM1.69 million.

**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 28 February 2013 RM'000	Current Year to date 28 February 2013 RM'000
Current tax expense	699	1,146
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	699	1,146
	=====	=====

Tax expense for the current quarter ended 28 February 2013 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**

On 19<sup>th</sup> April 2013, the Company announced that it proposes to undertake the following:

- (i) proposed reduction of the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Companies Act, 1965 ("Act") involving the cancellation of RM0.50 par value of all existing ordinary shares of RM1.00 each ("Bright Shares") in the Company ("**Proposed Par Value Reduction**");
- (ii) proposed reduction of up to RM2,157,000 from the share premium account of the Company pursuant to Sections 60(2) and 64(1) of the Act ("**Proposed Share Premium Reduction**");
- (iii) proposed amendments to the Memorandum and Articles of Association ("M&A") of the Company to facilitate the Proposed Par Value Reduction ("**Proposed Amendments**"); and

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- (iv) proposed authority for the Company to buy-back its own share (“**Proposed Share Buy-Back**”)

The **Proposed Par Value Reduction** and **Proposed Share Premium Reduction** allow the Company to substantially reduce its existing accumulated losses which serve to rationalise the statement of financial position of the Company and to facilitate the Company’s objective to obtain a better financial position moving forward. The **Proposed Par Value Reduction** and **Proposed Share Premium Reduction** will not have any effect on the share capital, substantial shareholders’ shareholding of the Company, the net assets (“NA”) per share, gearing and earnings per share (“EPS”) of the Group as well as on the market price of Bright shares.

The **Proposed Amendments** to the M&A are intended to facilitate the change in the par value of each Bright share as a result of the Proposed Par Value Reduction.

The Proposals are subject to and conditional upon approvals being obtained from the following:

- (i) the shareholders of the Company at an extraordinary general meeting (“EGM”) to be convened for the Proposals;
- (ii) sanctions of the High Court of Malaya for the Proposed Par Value Reduction and Proposed Share Premium Reduction; and
- (iii) any other relevant authority, if required.

The Proposed Par Value Reduction, Proposed Share Premium Reduction and Proposed Amendments are inter-conditional upon each other

The Company proposes to seek the approval from its shareholders for the **Proposed Share Buy-Back** at the forthcoming extraordinary general meeting (“EGM”) to be convened.

A circular to the shareholders of the Company containing the details of the Proposed Share Buy-Back together with a notice to convene the EGM will be despatched to the shareholders of the Company in due course.

Barring any unforeseen circumstance and subject to the approval of the relevant authorities being obtained, the Board expects the Proposals (i), (ii) & (iii) to be completed by the third quarter of 2013.

**2.09 Group Borrowings and Debt Securities**

As at 28/02/2013, the Group did not have any long term Bank borrowings and debt securities.

**2.10 Off Balance Sheet Financial Instruments**

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

**2.11 Material Litigation**

As at the date of this announcement, the Group is not engaged in any material litigation which in the opinion of the Board of Directors will have a material impact on the financial position or business of the Group.

**2.12 Dividend**

No dividend was recommended for the quarter under review.

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**2.13 Earnings Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 28/02/2013	Preceding Year Quarter 28/02/2012	Current Year Quarter 28/02/2013	Preceding Year Quarter 28/02/2012
a) Basic earnings per share				
Net profit/(loss) for the period (RM'000)	1,628	722	3,319	1,385
Weighted average number of Ordinary shares issued (RM'000)	43,285	43,285	43,285	43,285
Basic earnings per share (sen)	3.76	1.67	7.67	3.20
b) Diluted earnings per share				
The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been disclosed.				

**2.14 Realised and Unrealised Profit/ (Losses) Disclosure**

The accumulated loss of the Group as at 28 February 2013 and 31 August 2012 are analyzed as follows:

	As at 28/02/2013 RM'000	As at 31/08/2012 RM'000
Total accumulated loss of the Company and its subsidiaries:		
-Realised	(58,175)	(61,675)
-Unrealised	(1,044)	(859)
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	(59,219)	(62,534)
Less: Consolidation adjustments	36,147	36,143
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Accumulated loss as per financial statements	(23,072)	(26,391)
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