

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 AUGUST 2013

1. NOTES TO THE INTERIM FINANCIAL STATEMENTS

1.01 Basis of Preparation

The interim financial statement has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) 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.

1.02 Changes in Accounting Policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 August 2012 except for the new standards amendments to published standards and interpretations as set out below:

	Effective for financial periods beginning on or after
<u>New MFRSs</u>	
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
<u>Revised MFRSs</u>	
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Financial Reporting Standards	1 January 2013
MFRS 7 Financial Instruments: Disclosures	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 101 Presentation of Financial Statements	1 January 2013
MFRS 116 Property, Plant and Equipment	1 January 2013
MFRS 132 Financial Instruments: Presentation	1 January 2013
MFRS 134 Interim Financial Reporting	1 January 2013
<u>New IC Int</u>	
IC Int 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<u>Amendments to IC Int</u>	
IC Int 2 Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

The adoption of these new MFRSs and Amendments do not have any material impact on the interim financial statements of the Group.

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1.02 Changes in Accounting Policies (cont'd)

The following MFRSs, IC Interpretations and Amendments to MFRSs have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2014
MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
<u>New IC Int</u>		
IC Int 21	Levies	1 January 2014

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.

1.07 Issuances And Repayment Of Debt And Equity Securities

As of 10.7.2013 being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report, the Company has purchased 100 units of its own shares.

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.

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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 28.2 million and it has resulted in a revaluation surplus of RM 18.05 million which has been recognised in the quarter’s 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 fourth quarter ended 31 August 2013, registered a total turnover of RM20.83 million, as compared to RM13.46 million in the fourth quarter of last financial year. The higher turnover was due to increase in local customers' order from liquor & confectionary industry.

2.02 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM20.83 million as compared to the preceding quarter of RM11.15 million. The Group has registered a profit after tax and minority interest of RM2.98 million as compared to preceding quarter of RM0.73 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 31 Aug 2013 RM'000	Current Year to date 31 Aug 2013 RM'000
Current tax expense	(899)	437
	-----	-----
	(899)	437
	=====	=====

Tax expense for the current quarter ended 31 Aug 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

(A) Proposed Par Value Reduction, Proposed Share Premium Reduction and Proposed Amendments

On 19th 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**");

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(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

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

All the above corporate proposals were approved by the shareholders of the company at an extraordinary general meeting (“**EGM**”) convened on the 5th June 2013.

An office copy of the sealed order of the High Court of Malaya confirming the following:

(i) reduction of the issued and paid-up share capital of the company pursuant to Section 64(1) of the Act involving the cancellation of RM0.50 par value per share; and

(ii) reduction of up to RM2,157,000 from the share premium account of the company pursuant to Section 60(2) and 64(1) of the Act,

has been lodged with the Companies Commission of Malaysia on 22 August 2013, upon which the Proposed Par Value Reduction and Proposed Share Premium Reduction shall take effect and hence deemed completed.

(B) Proposed Rights Issue of Shares with Warrants

On 14 October 2013, on behalf of the Board of Directors of the Company, TA Securities Holdings Berhad (“TA Securities”) had announced that the Company proposed to undertake a renounceable rights issue of 86,569,800 new ordinary shares of RM0.50 each in Bright (“**Bright Shares**”) (“**Rights Shares**”) on the basis of two (2) Rights Shares for every one (1) existing Bright Share held, together with 57,713,200 free detachable warrants (“**Warrants**”) on the basis of two (2) Warrants for every three (3) Rights Shares subscribed at an entitlement date to be determined later (“**Proposed Rights Issue of Shares with Warrants**”)

TA Securities had on 18 Oct 2013 submitted an application to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the admission of the Warrants to the official list of the Main Market of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new Bright Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

2.09 Group Borrowings and Debt Securities

As at 31/08/2013, 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 31/08/2013	Preceding Year Quarter 31/08/2012	Current Year Quarter 31/08/2013	Preceding Year Quarter 31/08/2012
a) <u>Basic earnings per share</u>				
Net profit/(loss) for the period (RM'000)	2,977	1,481	7,029	3,780
Weighted average number of Ordinary shares issued (RM'000)	43,285	43,285	43,285	43,285
Basic earnings per share (sen)	6.88	3.42	16.24	8.73

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 31 August 2013 and 31 August 2012 are analyzed as follows:

	As at 31/08/2013 RM'000	As at 31/08/2012 RM'000
Total accumulated loss of the Company and its subsidiaries:		
-Realised	(29,273)	(61,675)
-Unrealised	(2,174)	(859)
	<hr style="width: 100%; border: 0.5px solid black;"/> (31,447)	<hr style="width: 100%; border: 0.5px solid black;"/> (62,534)
Less: Consolidation adjustments	<hr style="width: 100%; border: 0.5px solid black;"/> 35,957	<hr style="width: 100%; border: 0.5px solid black;"/> 36,143
Accumulated profit / (loss) as per financial statements	<hr style="width: 100%; border: 1px solid black;"/> 4,510	<hr style="width: 100%; border: 1px solid black;"/> (26,391)