

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 MAY 2014

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 2013.

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 2013 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 2013 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 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 FRS 8 – Operating Segments.

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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 2013.

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2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

2.01 Review Of Performance

The Group, for the third quarter ended 31 May 2014, registered a total turnover of RM7.89 million, as compared to RM11.15 million in the third quarter of last financial year. The lower turnover was due to decrease in overseas customers' order from tobacco industry.

2.02 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM7.89 million as compared to the preceding quarter of RM9.88 million. The Group has registered a profit after tax and minority interest of RM0.81 million as compared to preceding quarter of RM1.77 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 May 2014 RM'000	Current Year to date 31 May 2014 RM'000
Current tax expense	(22)	(138)
	-----	-----
	(22)	(138)
	=====	=====

Tax expense for the current quarter ended 31 May 2014 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) Proposals

On 18 April 2014, on behalf of the Board of Director of the Company, TA Securities Holdings Berhad ("TA Securities") had announced that the Company proposed to undertake the following proposals:-

- a) Proposed establish and implement a share issuance scheme of up to fifteen percent (15%) of the Company's issued and paid-up share capital (excluding treasury shares, if any) at any one time during the duration of the scheme ("**Proposed SIS**"), for the Directors and employees of Bright and its subsidiaries ("**Bright Group**") (excluding dormant subsidiaries) who fulfill the eligibility criteria.
- b) Proposed increase in the authorised share capital of Bright from RM100,000,000 comprising 200,000,000 Bright Shares to RM200,000,000 comprising 400,000,000 Bright Shares

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(“ **Proposed Increase in Authorised Share Capital**”); and

- c) Proposed amendments to the Memorandum and Articles of Association of Bright as a consequence of the Proposed Increase in Authorised Share Capital (“**Proposed Amendments**”).

(Collectively referred as the “**Proposals**”)

Shareholders’ approval for the Proposals were obtained at the Extraordinary General Meeting held on 28 May 2014.

(B) Private Placement

On 10 June 2014, on behalf of the Board of Director of the Company, TA Securities had announced that the Company proposed to undertake the proposed private placement of up to ten percent (10%) of the issued and paid up share capital of Bright (excluding treasury shares) (“**Proposed Private Placement**”).

Bursa Malaysia Securities Berhad had on 12 June 2014 approved the Proposed Private Placement.

2.09 Group Borrowings and Debt Securities

As at 31/05/2014, 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.

2.13 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/05/2014	Preceding Year Corresponding Quarter 31/05/2013	Current Year Quarter 31/05/2014	Preceding Year Corresponding Quarter 31/05/2013
a) <u>Basic earnings per share</u>				
Net profit/(loss) for the period (RM’000)	808	733	5,516	4,052
Weighted average number of Ordinary shares issued	129,855	43,285	84,192	43,285
Basic earnings per share (sen)	0.62	1.69	6.55	9.36

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b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/05/2014	Preceding Year Corresponding Quarter 31/05/2013	Current Year Quarter 31/05/2014	Preceding Year Corresponding Quarter 31/05/2013
Net profit/(loss) for the period (RM'000)	808	-	5,516	-
<u>Potential ordinary share (units)</u>	187,568	-	141,905	-
Weighted average number of Ordinary shares issued	129,855	-	84,192	-
Full conversion of Warrants to Shares	57,713	-	57,713	-
Diluted earnings per share (sen)	0.43	-	3.89	-

2.14 Realised and Unrealised Profit/ (Losses) Disclosure

The accumulated loss of the Group as at 31 May 2014 and 31 August 2013 are analyzed as follows:

	As at 31/05/2014 RM'000	As at 31/08/2013 RM'000
Total accumulated loss of the Company and its subsidiaries:		
-Realised	(22,603)	(28,147)
-Unrealised	12,018	12,047
	<u>(10,585)</u>	<u>(16,100)</u>
Add: Consolidation adjustments	35,957	35,957
Accumulated profit / (loss) as per financial statements	<u>25,372</u>	<u>19,857</u>