

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

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

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.

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

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.

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

2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

2.01 Review Of Performance

The Group, for the fourth quarter ended 31 August 2014, registered a total turnover of RM7.79 million, as compared to RM20.83 million in the fourth 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 RM7.79 million as compared to the preceding quarter of RM7.89 million due to lower sales order. The Group has registered a loss after tax and minority interest of RM3.84 million as compared to preceding quarter profit after tax of RM0.81 million.

2.03 Current Year Prospects

The Group has invested in two new production lines & upgraded its three existing production lines in 2014, whereby the performance of the Group is expected to be improved due to larger production capacity & better efficiency.

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 August 2014 RM'000	Current Year to date 31 August 2014 RM'000
Current tax expense	-	(138)
	-----	-----
	-	(138)
	=====	=====

Tax expense for the current quarter ended 31 August 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) Private Placement

On 25 July 2014, the company announced that 12,985,000 new Bright Shares will be listed on the Main Market of Bursa Securities on 30 July 2014.

The Private Placement was completed subsequent to the listing of the 12,985,000 new Bright Shares on the Main Market of Bursa Securities on 30 July 2014.

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

The gross proceeds of RM7,791,000 raised from the Private Placement of 12,985,000 new Bright Shares at issue price of RM0.60 per share has been utilised as follows:

	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Remaining balance (RM'000)	Expected time frame for the utilisation of proceeds (from the date of listing of the Placement Shares)
Upgrading of existing production lines	3,900	3,900	-	Within 9 months
Purchase of raw materials	3,666	3,794	-	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	225	97	-	
Total estimated proceeds	7,791	7,791	-	

2.09 Group Borrowings and Debt Securities

As at 31/08/2014, 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

Save for our announcement made on 4 Sept 2014 regarding to Ang Lay Chieng vs Bright Packaging Industry Berhad (Kuala Lumpur High Court Writ No. 22NCC-309-08/2014) in which the Plaintiff's primary claim against the Company is that there are irregularities in her resignation letter dated 11 March 2014 as a director of the Company ("Resignation Letter") and the Directors Statement made in respect of the Financial Statements for the financial year ended 31 August 2013 ("Financial Statement") on the ground that her signature in the said Resignation Letter and the Financial Statement have been forged, the Group is not engaged in any other 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	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	31/08/2014	31/08/2013	31/08/2014	31/08/2013
a) <u>Basic earnings per share</u>				
Net profit/(loss) for the period (RM'000)	(3,846)	2,977	1,671	7,029
Weighted average number of Ordinary shares issued	134,230	43,285	96,804	43,285
Basic earnings per share (sen)	(2.86)	6.88	1.73	16.24

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

b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/08/2014	Preceding Year Corresponding Quarter 31/08/2013	Current Year Quarter 31/08/2014	Preceding Year Corresponding Quarter 31/08/2013
Net profit/(loss) for the period (RM'000)	(3,846)	-	1,671	-
<u>Potential ordinary share (units)</u>	191,943	-	154,517	-
Weighted average number of Ordinary shares issued	134,230	-	96,804	-
Full conversion of Warrants to Shares	57,713	-	57,713	-
Diluted earnings per share (sen)	(2.00)	-	1.08	-

2.14 Realised and Unrealised Profit/ (Losses) Disclosure

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

	As at 31/08/2014 RM'000	As at 31/08/2013 RM'000
Total accumulated loss of the Company and its subsidiaries:		
-Realised	(26,317)	(28,147)
-Unrealised	11,891	12,047
	(14,426)	(16,100)
Add: Consolidation adjustments	35,957	35,957
Accumulated profit / (loss) as per financial statements	21,531	19,857