

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 MAY 2015

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 2014.

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 2014 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 MAY 2015

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 2014 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 MAY 2015

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 2014.

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 MAY 2015

2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

2.01 Review Of Performance

The Group for the third quarter ended 31 May 2015 registered a total turnover of RM11.19 million, as compared to RM7.89 million in the third quarter of last financial year. The higher turnover was due to increase in customers' order from tobacco industry.

2.02 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM11.19 million as compared to the preceding quarter of RM6.84 million. The Group has registered a loss after tax and minority interest of RM0.15 million as compared to preceding quarter profit after tax of RM0.30 million. The reduction in profitability mainly due to the increase in depreciation charges.

2.03 Current Year Prospects

The Company on 13 January 2015 announced that the Company had entered into a Purchase-Sale Agreement with Zao Philip Morris Izhora, a MNC tobacco manufacturing company in Russia, to supply aluminium foil ("Agreement") at a total estimated value of USD15 million (US Dollars Fifteen Million) subject to the terms and conditions stipulated in the Agreement.

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 2015 RM'000	Current Year to date 31 May 2015 RM'000
Current tax expense	7	(42)
	-----	-----
	7	(42)
	=====	=====

Tax expense for the current quarter ended 31 May 2015 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

There were no new corporate proposals for the financial period under review.

2.09 Group Borrowings and Debt Securities

As at 31/05/2015, 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.

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 MAY 2015

2.11 Material Litigation

On 22 August 2014 the Plaintiff filed a Writ and a Statement of Claim against the Company. 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 and the Directors Statement made in respect of the Financial Statements for the financial year ended 31 August 2013 on the ground that her signature in the said Resignation Letter and the Financial Statements have been forged. The Plaintiff has sought declaratory relief, an order for rectification, general damages, exemplary damages and costs.

The Company has filed an Amended Defence and Counter-claim on 3 December 2014 and therein vehemently denies the Plaintiff's allegations and claims which are totally baseless and motivated by bad faith. In the Company's counter-claim for defamation, the Company has sought the following relief:

- (a) Special damages in the sum of RM26,425,363 and continuing;
- (b) General damages to be assessed;
- (c) An injunction to restrain the Plaintiff by its servants or agents or otherwise from circulating or further publishing the said defamatory words or any other false statements concerning the Defendant;
- (d) Exemplary damages;
- (e) Aggravated damages;
- (f) Costs on a solicitor client basis; and
- (g) Such further and/or other relief that the Honorable Court deems fit and just.

On 7 October 2014 the Plaintiff filed an application for Discovery and the appointment of a Court Expert. The Plaintiff on 4 February 2015 also filed an application for leave to serve interrogatories. The Company opposed both applications and parties filed their respective affidavits. Both applications were heard on 24 March 2015 before YA Abu Bakar Bin Jais J wherein the Plaintiff withdrew her application for Discovery. Decision was given on 20 April 2015 wherein the Judge granted leave for the Plaintiff to serve Interrogatories in respect of Questions 2.2, 3, 4, 5, and 6 of the proposed interrogatories. The Defendant filed its Answers to Interrogatories on 6 May 2015. Trial of the matter proceeded on 24, 25, 26, 29 and 30 June 2015.

The court has fixed 12 August 2015, 30 November 2015 and 1, 2, 3 December 2015 for continued trial.

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
	31/05/2015	31/05/2014	31/05/2015	31/05/2014
a) <u>Basic earnings per share</u>				
Net profit/(loss) for the period (RM'000)	(145)	808	2,297	5,516
Weighted average number of Ordinary shares issued	160,383	129,855	149,009	84,192
Basic earnings per share (sen)	(0.09)	0.62	1.54	6.55

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE QUARTER ENDED 31 MAY 2015

b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/05/2015	Preceding Year Corresponding Quarter 31/05/2014	Current Year Quarter 31/05/2015	Preceding Year Corresponding Quarter 31/05/2014
Net profit/(loss) for the period (RM'000)	(145)	808	2,297	5,516
<u>Potential ordinary share (units)</u>	218,096	187,568	206,722	141,905
Weighted average number of Ordinary shares issued	160,383	129,855	149,009	84,192
Full conversion of Warrants to Shares	57,713	57,713	57,713	57,713
Full conversion of Options to Shares	-	-	-	-
Diluted earnings per share (sen)	(0.07)	0.43	1.11	3.89

2.14 Realised and Unrealised Profit/ (Losses) Disclosure

The accumulated loss of the Group as at 31 May 2015 and 31 August 2014 are analyzed as follows:

	As at 31/05/2015 RM'000	As at 31/08/2014 RM'000
Total accumulated loss of the Company and its subsidiaries:		
-Realised	(23,714)	(25,956)
-Unrealised	11,555	11,499
	(12,159)	(14,456)
Add: Consolidation adjustments	35,960	35,960
Accumulated profit / (loss) as per financial statements	23,801	21,504