

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
BURSA SECURITIES QUARTERLY REPORT - QUARTER 3

SUMMARY OF KEY FINANCIAL INFORMATION	31 MAY 2021			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/5/2021 RM'000	31/05/2020 RM'000	31/5/2021 RM'000	31/05/2020 RM'000
1 Revenue	9,417	12,966	29,748	36,896
2 (Loss)/profit before tax	(562)	709	(2,754)	(72)
3 (Loss)/profit for the period	(560)	708	(2,754)	(75)
4 (Loss)/profit attributable to owners of the Company	(560)	708	(2,754)	(75)
5 Basic (loss)/earnings per share (Sen)	(0.27)	0.34	(1.34)	(0.04)
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to owners of the Company (RM)	0.55		0.57	

ADDITIONAL INFORMATION				
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/5/2021 RM'000	31/05/2020 RM'000	31/5/2021 RM'000	31/05/2020 RM'000
1 Profit/(loss) from operations	(773)	380	(3,380)	(1,130)
2 Gross interest income	211	329	626	1,058
3 Gross interest expense	-	-	-	-

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
(Incorporated in Malaysia)

QUARTERLY REPORT

ON THE CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MAY 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/5/2021 RM'000	31/05/2020 RM'000	31/5/2021 RM'000	31/05/2020 RM'000
			(Unaudited)	(Audited)
Revenue	9,417	12,966	29,748	36,896
Cost of sales	(9,439)	(11,928)	(29,029)	(35,305)
Gross (loss)/profit	(22)	1,038	719	1,591
Other income	373	733	318	822
Operating expenses	(1,124)	(1,391)	(4,417)	(3,543)
(Loss)/Profit from operations	(773)	380	(3,380)	(1,130)
Interest income	211	329	626	1,058
(Loss)/Profit before tax	(562)	709	(2,754)	(72)
Income tax expense	2	(1)	-	(3)
Total comprehensive (Loss)/Profit for the financial period	(560)	708	(2,754)	(75)
Total comprehensive (loss)/profit attributed to:				
Owners of the Company	(560)	708	(2,754)	(75)
Non-controlling interest	-	-	-	-
	(560)	708	(2,754)	(75)
(Loss)/Earnings per share attributed to owners of the Company:				
Basic (Sen)	(0.27)	0.34	(1.34)	(0.04)

The above condensed consolidated statements of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 August 2020 and the accompanying explanatory notes attached to these interim financial statements.

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31/5/2021 RM'000 (Unaudited)	AS AT 31/8/2020 RM'000 (Audited)
Assets		
Property, plant and equipment	52,637	55,384
Non-current asset	52,637	55,384
Inventories	4,275	11,472
Trade and other receivables	14,515	15,909
Cash and bank balances	50,619	50,790
Current assets	69,409	78,171
Total assets	122,046	133,555
Equity and liabilities		
Share capital	97,717	97,717
Treasury shares	(1)	(1)
Retained earnings	16,040	18,794
Equity attributable to owners of the Company	113,756	116,510
Non-controlling interest	(2)	(2)
Total equity	113,754	116,508
Deferred tax liabilities	2,973	2,672
Finance lease liabilities	6	32
Non-current liabilities	2,979	2,704
Trade and other payables	5,279	14,310
Finance lease liabilities	34	33
Current liabilities	5,313	14,343
Total liabilities	8,292	17,047
Total equity and liabilities	122,046	133,555
Net assets per share attributable to owners of the Company (RM)	0.55	0.57

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 August 2019 and the accompanying explanatory notes attached to these interim financial statements.

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended	
	31/5/2021 RM'000	31/05/2020 RM'000
	(Unaudited)	(Audited)
Cash flow from operating activities		
Loss before tax	(2,754)	(644)
Adjustments for:		
Depreciation of property, plant and equipment	2,748	4,946
Unrealised loss on foreign exchange	(355)	-
Finance income	(211)	(1,015)
Operating (loss)/profit before working capital changes	(572)	3,365
Decrease in inventories	7,197	212
Decrease in receivables	2,050	117
(Decrease)/increase in payables	(9,029)	61
Cash (used in)/generated from operations	(354)	3,755
Interest received	211	1,015
Tax paid	(2)	(5)
Net cash (used in)/generated from operating activities	(145)	4,687
Cash flow from investing activity		
Purchase of property, plant and equipment	(1)	-
Net cash used in investing activity	(1)	-
Cash flow from financing activity		
Payment of finance lease liabilities	(25)	(23)
Net cash used in financing activity	(25)	(23)
Net (decrease)/increase in cash and cash equivalents	(171)	4,664
Cash and cash equivalents at beginning of year	50,790	39,521
Cash and cash equivalents at end of year	50,619	44,185
Cash and cash equivalents at end of year comprises:		
Cash and bank balances	50,619	44,185
	50,619	44,185

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 August 2019 and the accompanying explanatory notes attached to these interim financial statements

BRIGHT PACKAGING INDUSTRY BERHAD (161776 - W)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →				
	← Non-distributable →		Distributable	Non- controlling interest	Total equity
	Share capital	Treasury Share	Retained earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 September 2020	97,717	(1)	18,794	(2)	116,508
Total comprehensive loss for the period	-	-	(2,754)	-	(2,754)
At 31 MAY 2021	97,717	(1)	16,040	(2)	113,754
At 1 September 2019	97,717	(1)	20,031	(2)	117,745
Total comprehensive loss for the period	-	-	(1,237)	-	(1,237)
At 31 AUGUST 2020	97,717	(1)	18,794	(2)	116,508

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 August 2020 and the accompanying explanatory notes attached to these interim financial statements.

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 31 MAY 2021

1. NOTES TO THE INTERIM FINANCIAL STATEMENTS

1.01 Basis of Preparation

These interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting* issued by Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 August 2020.

1.02 Changes in Accounting Policies

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, new interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
MFRS 16	Leases	<u>1 January 2019</u>

The initial application of the MFRSs, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretations are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group and the Company do not expect the application of MFRS 16 to have a significant effect on its consolidated financial statements.

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 31 MAY 2021

1.03 Qualified Audit Report

The auditors' report on the financial statements for the year ended 31 August 2020 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 were no changes in estimates that have had any material effect during the current quarter and financial period to-date.

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 MFRS 8 - Operating Segments.

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 2020.

2. NOTES AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

2.01 Review Of Performance

The Group for third quarter ended 31 August 2021 registered a total turnover of RM9.42 million, as compared to RM12.97 million in the third quarter of last financial year. The lower turnover was mainly due to lower customer demand from tobacco industry. The loss after tax and minority interest is RM0.56 million for third quarter ended 31 August 2021 as compared to profit after tax and minority interest of RM0.71 million in the third quarter of last financial year.

2.02 Comparison With Preceding Quarter's Results

During the current quarter, the Group registered total revenue of RM9.42 million as compared to the preceding quarter of RM9.61 million.

The Group has registered a loss after tax and minority interest of RM0.56 million as compared to preceding quarter loss after tax of RM0.84 million.

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 31 MAY 2021

2.03 Current Year Prospects

Barring unforeseen circumstances, the Directors foresee a weaker performance for the Group during the current year under influence of global economic downturn, weak recovery from slow domestic economic environment due to implication of pandemic COVID-19 outbreak.

With the introduction of vaccine for COVID-19 to all the countries, the Directors remain optimistic that the Group performance will regain some momentum towards the end of the year and excel in the following year.

2.04 Variance Of Actual Profit From Forecast Profit / Profit Guarantee

Not applicable.

2.05 Income Tax Expense

	Quarter Ended		Year Ended	
	31/05/2021 RM'000	31/05/2020 RM'000	31/05/2021 RM'000	31/05/2020 RM'000
Income tax	(2)	1	-	3
Deferred tax	-	-	-	-
	(2)	1	-	3

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current and previous corresponding periods.

2.06 (Loss)/Profit Before Tax

	Quarter Ended		Year Ended	
	31/05/2021 RM'000	31/05/2020 RM'000	31/05/2021 RM'000	31/05/2020 RM'000
Net foreign exchange (loss)/gain				
- Realised	(103)	(256)	(343)	(197)
- Unrealised	355	720	230	736

BRIGHT PACKAGING INDUSTRY BERHAD
QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 31 MAY 2021

2.07 Trade Receivables

	As at 31/05/2021 RM'000	As at 31/08/2020 RM'000
Trade receivables	13,966	15,828
Less: Allowable for impairment loss	-	-
	<u>13,966</u>	<u>15,828</u>

The ageing analysis of the Group's trade receivables is as follows:

	As at 31/05/2021 RM'000	As at 31/08/2020 RM'000
Not past due and no credit impaired	-	-
Past due and no credit impaired:		
< 30 days	2,880	4,993
31 – 60 days	3,231	2,947
61 – 90 days	2,654	4,723
91 – 120 days	5,201	3,165
Trade receivables (gross)	<u>13,966</u>	<u>15,828</u>

2.08 Profit On Sale Of Investment And / Or Properties

There were no sales of investment / or properties for the financial period under review.

2.09 Purchase Or Disposal Of Quoted Securities

There were no purchases and / or disposal of quoted securities for the financial period under review.

2.10 Status Of Corporate Proposals

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

2.11 Group Borrowings and Debt Securities

The Group borrowings as at 31 May 2021 are as follows:

Secured	Long term RM'000	Short term RM'000	Total borrowings RM'000
Hire Purchase	6	34	40

2.12 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 THIRD QUARTER ENDED 31 MAY 2021

2.13 Material Litigation

On 4th September 2020, the Group has applied to intervene in Kuala Lumpur High Court Suit No.: WA-22NCC-171-05/2020 (“Suit 171”) to protect its interest in the subject matter of the dispute. The intervention is not anticipated to have any material financial and operational impact on the Group’s results for the financial year ending 31 August 2021 as the Group is acting as an intervener, not a plaintiff nor a defendant. The Court has fixed the Hearing of the Group’s Intervener Application on 2 February 2021.

The Group has filed its appeal to the Court of Appeal, against the decision of Kuala Lumpur High Court on 2 February 2021 dismissing the Group’s application to intervene in the abovementioned civil suit. The next case management of the appeal of the application to intervene in Suit 171, Civil Appeal No. W-01(IM)(NCC)-80-02/2021 is fixed on 5 May 2021.

The Defendant 1 and 3 of the Suit 171 have filed a Discovery Application (“Enclosure 161”) against Bright Packaging Industry Berhad on 25 February 2021 for the two Expert Reports commissioned by the Company as the Company has earlier engaged independent experts to conduct a Valuation Report and Forensic Audit Report (“Expert Reports”) in relation to the Suit 171. The next case management of the Enclosure 161 is fixed on 28 April 2021.

On 7 April 2021, the Board of Directors of the Company has decided during the board meeting to form a Special Committee to study and review the two Expert Reports and to provide recommendations to the Board.

On 28 April 2021, during the case management of Discovery Application (“Enclosure 161”) via E-Review, the Court was informed that the Applicants wish to withdraw Enclosure 161 with no order as to costs. The learned Judicial Commissioner ordered Enclosure 161 to be struck out with no order as to costs.

On 5 May 2021, after the case management of the appeal to intervene in Suit 171, Civil Appeal No. W-01(IM)(NCC)-80-02/2021 through the E-Review system of the courts, which ended only on 6 May 2021, the Court has fixed the hearing on 14 October 2021 at 9:00a.m.

2.14 Dividend

No dividend was recommended for the quarter under review.

2.15 (Loss)/Earnings Per Share

a) Basic

	Quarter Ended		Year Ended	
	31/05/2021	31/05/2020	31/05/2021	31/05/2020
(Loss)/Profit attributable to the owners of the Company (RM’000)	(560)	708	(2,754)	(75)
Weighted average number of ordinary shares issued (’000)	205,331	205,331	205,331	205,331
Basic (loss)/earnings per share (Sen)	(0.27)	0.34	(1.34)	(0.04)