



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the third quarter ended 30 September 2016

NOTES TO THE INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

1 Basis of preparation

The interim financial reports is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2015.

2 Malaysian Financial Reporting Standards (“MFRSs”)

The interim financial reports of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The significant accounting policies and methods of computation adopted in the preparation of this Interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2015 except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”):

MFRSs

Amendments to Defined Benefit Plans: Employee Contributions
MFRS 119

Annual Improvements to MFRSs 2010 – 2012 cycle

Annual Improvements to MFRSs 2011 - 2013 cycle

The adoption of these new and revised MFRSs and IC Interpretation did not result in significant changes in the accounting policies of the Group and has no significant effect on the financial performance or position of the Group.



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Standards and IC interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were in issue but not yet effective and not early adopted by the Company are as listed below.

MFRS 9		Financial Instruments (IFRS 9 issued by IASB in July 2014) ²
MFRS 15		Revenue from Contracts with Customers ²
MFRS 16		Leases ⁵
Amendments to 10, MFRS 12 and MFRS 128	MFRS	Investment Entities: Applying the Consolidation Exception ¹
Amendments to 10 and MFRS 128	MFRS	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to 11	MFRS	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to 101	MFRS	Disclosure Initiative ¹
Amendments to 107	MFRS	Disclosure Initiative ³
Amendments to 112	MFRS	Recognition of Deferred Tax Assets for Unrealised Losses ³
Amendments to 116 and MFRS 138	MFRS	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to MFRS 116 and 141		Agriculture: Bearer Plants ¹
Amendments to 127	MFRS	Equity Method in Separate Financial Statements ¹

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

⁴ Effective date deferred to a date to be determined and announced, with earlier application still permitted.

⁵ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted provided MFRS 15 is also applied.

The Directors anticipate that the abovementioned Standards will be adopted in the annual financial statements of the Company when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group in the period of initial application.



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3 Auditors' report on preceding annual financial statements

There were no audit qualifications on the annual financial statements for the year ended 31 December 2015.

4 Seasonal or cyclical factors

The Group's operations were not materially affected by seasonal or cyclical factors during the financial quarter under review.

5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the financial quarter under review.

6 Material changes in estimates

There were no changes in estimates of amounts which give a material effect for the current financial quarter under review.

7 Debt and equity securities

For the period ended 30 September 2016, the issued and paid up capital of the Company has increased to 303,190,880 shares @ RM0.10 each by way of exercise of warrants and special bumiputera issue @ RM0.19 each as follows :-

- i) 1,013,000 conversion of warrants 2015/2020 to ordinary shares listed on 14 July 2016;
- ii) 370,000 conversion of warrants 2015/2020 to ordinary shares listed on 25 July 2016;
- iii) 37,350,000 special bumiputera issue listed on 11 August 2016.

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.



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8 Dividends paid

There was no dividend paid during the financial quarter under review.

9 Segment information

Business segments

The Group is primarily engaged in manufacturing of cast acrylic sheets and trading in chemical products.

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 30 September 2016 RM'000	Comparative Quarter ended 30 September 2015 RM'000	Current Cumulative ended 30 September 2016 RM'000	Comparative Cumulative ended 30 September 2015 RM'000
<u>Segment revenue</u>				
Investment holdings and others	-	-	-	-
Manufacturing	14,000	19,393	44,479	37,685
Trading	-	206	34	417
	<u>14,000</u>	<u>19,599</u>	<u>44,513</u>	<u>38,102</u>
<u>Segment results</u>				
Investment holdings and others	(38)	-	(301)	-
Manufacturing	864	598	3,168	1,013
Trading	-	5	9	17
	<u>826</u>	<u>603</u>	<u>2,876</u>	<u>1,030</u>

10 Valuation of property, plant and equipment

There was a valuation on the property during the current financial quarter under review which increased from RM4,520,000 to RM20,000,000.

11 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter under review.



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12 Changes in the composition of Group

Subsequent to the current financial quarter under review, the Company has disposed an associate of the Group;

<u>Company Name</u>	<u>Date of Disposal</u>
FDL Technology Sdn Bhd	28 October 2016

13 Contingent liabilities

The company has given unsecured corporate guarantees to certain licensed banks for credit facilities granted for the subsidiary company.

14 Capital commitment

There was no capital commitment during the current financial quarter under review.

15 Significant related party transactions

There were no significant related party transactions during the current financial quarter under review.



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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

16 Review of performance

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 30 September 2016 RM'000	Comparative Quarter ended 30 September 2015 RM'000	Current Cumulative ended 30 September 2016 RM'000	Comparative Cumulative ended 30 September 2015 RM'000
Revenue	14,000	19,599	44,513	38,102
Profit before tax	1,260	856	4,503	1,377

For the financial quarter ended 30 September 2016, the Group recorded a revenue of RM14.000 million and a profit before taxation of RM1.260 million compared with a revenue of RM19.599 million and a profit before tax of RM0.856 million for the previous corresponding quarter.

17 Variation of result against preceding quarter

	Individual Quarter	
	3rd Quarter ended 30 September 2016 RM'000	2nd Quarter ended 30 June 2016 RM'000
Revenue	14,000	12,008
Profit for the period	826	641



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18 Realised and Unrealised Profits / (Losses)

	As at 30 September 2016 RM'000	As at 30 September 2015 RM'000
Total retained earnings		
Realised	9,241	9,901
Unrealised	<u>2</u>	<u>2</u>
	9,243	9,903
Consolidation adjustments	<u>872</u>	<u>872</u>
Total retained earnings as per statements of financial position	<u><u>10,115</u></u>	<u><u>10,775</u></u>

19 Business prospects

We expect the financial year ending 31 December 2016 to be challenging in view of the volatile environment of the current global economy.

20 Profit forecast, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee and internal targets in any public document or any announcement made.

21 Taxation

Income tax on the profit for the period comprise of deferred tax.

22 Status of corporate proposals

There were no corporate proposals undertaken or announced by the Group as at the date of this report.



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23 Unsecured borrowings and debt securities

There were no unsecured borrowings and debt securities for the quarter under review.

24 Material litigation

There was no material litigation pending at the date of this report.

25 Dividends

There was no dividend declared during the financial quarter under review.

26 Earnings per share

(a) Basic

Basic earnings per share figures are computed by dividing profits for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 30 September 2016 RM'000	Comparative Quarter ended 30 September 2015 RM'000	Current Cumulative ended 30 September 2016 RM'000	Comparative Cumulative ended 30 September 2015 RM'000
Profit attributable to equity holders of the Company (RM'000)	826	603	2,876	1,030
Weighted average number of ordinary shares in issue ('000)	271,443	87,915	271,443	87,915
Basic earnings per share (sen)	<u>0.30</u>	<u>0.69</u>	<u>1.06</u>	<u>1.17</u>



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(b) Diluted

Diluted earnings per share is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period adjusted for potential dilutive ordinary shares from the exercise of Warrants.

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 30 September 2016 RM'000	Comparative Quarter ended 30 September 2015 RM'000	Current Cumulative ended 30 September 2016 RM'000	Comparative Cumulative ended 30 September 2015 RM'000
Profit attributable to equity holders of the Company (RM'000)	826	603	2,876	1,030
Weighted average number of ordinary shares in issue ('000)	303,266	87,915	303,266	87,915
Diluted earnings per share (sen)	<u>0.27</u>	<u>0.69</u>	<u>0.95</u>	<u>1.17</u>

27 Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 November 2016.

By order of the Board of Directors

Dato' Yeo Boon Leong
Executive Chairman
28 November 2016