



ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
CONDENSED CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|----------------|--------------------|----------------|
| | Current Year | Preceding Year | 6 Months | 6 Months |
| | Quarter | Corresponding | Current | Preceding Year |
| | Ended | Quarter Ended | Year-To-Date | Corresponding |
| | 30/06/2018 | 30/06/2018 | 30/06/2018 | 30/06/2017 |
| | RM' 000 | RM' 000 | RM' 000 | RM' 000 |
| Revenue | 16,445 | 17,663 | 32,821 | 36,009 |
| Cost of sales | (14,707) | (15,629) | (29,697) | (32,652) |
| Gross profit | 1,738 | 2,034 | 3,124 | 3,357 |
| Other Income | 197 | 110 | 360 | 144 |
| Finance Costs | (33) | (37) | (73) | (73) |
| Operating expenses | (1,561) | (1,199) | (2,905) | (2,287) |
| Esos | (52) | (276) | (104) | (368) |
| Employee Benefit Scheme | (89) | - | (178) | - |
| Profit before tax | 200 | 632 | 224 | 773 |
| Income tax expense / tax credit | (147) | (225) | (245) | (445) |
| Profit for the period | 53 | 407 | (21) | 328 |
| Other comprehensive income | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | |
| Loss on foreign currency translation reserve | (83) | - | (354) | - |
| Total comprehensive income for the period | (30) | 407 | (375) | 328 |
| Profit attributable to : | | | | |
| Equity holders of the Company | 115 | 407 | 63 | 328 |
| Non-Controlling Interest | (62) | - | (84) | - |
| | 53 | 407 | (21) | 328 |
| Total comprehensive income attributable to : | | | | |
| Equity holders of the Company | 63 | 407 | (189) | 328 |
| Non-Controlling Interest | (93) | - | (186) | - |
| | (30) | 407 | (375) | 328 |
| Earnings per share attributable to the equity holders of the Company : | | | | |
| Basic (sen) | 0.03 | 0.12 | 0.01 | 0.10 |
| Diluted (sen) | 0.03 | 0.12 | 0.01 | 0.10 |

The unaudited interim condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompany explanatory notes attached to the interim financial statements.



ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 6 Months (Unaudited) As At 30/06/2018 RM ' 000 | 12 Months (Audited) As At 31/12/2017 RM ' 000 |
|---|--|---|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant & equipment | 53,862 | 37,017 |
| Investment in subsidiary - HRLSB | 14,800 | - |
| Deferred expenditure | 3,011 | - |
| | <u>71,673</u> | <u>37,017</u> |
| CURRENT ASSETS | | |
| Inventories | 16,802 | 10,457 |
| Trade receivables | 9,863 | 18,079 |
| Other receivables and prepaid expenses | 482 | 11,617 |
| Tax recoverable | 54 | 35 |
| Cash and bank balances | 27,588 | 29,335 |
| | <u>54,789</u> | <u>69,523</u> |
| TOTAL ASSETS | <u>126,462</u> | <u>106,540</u> |
| EQUITY AND LIABILITIES | | |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | | |
| Share capital | 66,345 | 54,918 |
| Warrant Reserve | 12,018 | 12,018 |
| Other Reserve | (12,018) | (12,018) |
| Esos Reserve | 573 | 383 |
| Revaluation Reserve | 29,171 | 14,569 |
| FCTR | (354) | (71) |
| Retained earnings | 5,483 | 9,647 |
| | <u>101,218</u> | <u>79,446</u> |
| Non-controlling interest | 399 | 209 |
| | <u>101,617</u> | <u>79,655</u> |
| NON-CURRENT LIABILITIES | | |
| Hire-purchase payables - non-current portion | 84 | 38 |
| Deferred tax liabilities | 5,184 | 2,923 |
| | <u>5,268</u> | <u>2,961</u> |
| CURRENT LIABILITIES | | |
| Trade payables | 15,014 | 18,442 |
| Other payables and accrued expenses | 1,123 | 1,715 |
| Tax Payable | 394 | 186 |
| Short-term borrowings | 2,970 | 3,570 |
| Hire-purchase payables - current portion | 76 | 11 |
| | <u>19,577</u> | <u>23,924</u> |
| TOTAL LIABILITIES | <u>24,845</u> | <u>26,885</u> |
| TOTAL EQUITY AND LIABILITIES | <u>126,462</u> | <u>106,540</u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | <u>0.23</u> | <u>0.24</u> |

The unaudited interim condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompany explanatory notes attached to the interim financial statements.



ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to equity holders of the Company | | | | | Distributable | | | Total Equity | | |
|--|---|---------------|-----------------------------------|---------------|---------------------|----------------------|-----------------------------|-----------------------------|--------------|-----------------------------------|---------------------------|
| | Share Capital | Share Premium | Non-Distributable Warrant Reserve | Other Reserve | Revaluation Reserve | Share option Reserve | F. Currency Translation Res | Reserve - Retained Earnings | | Attributable to owners of company | Non-Controlling Interests |
| | RM' 000 | RM' 000 | RM' 000 | RM' 000 | RM' 000 | RM' 000 | RM' 000 | RM' 000 | RM' 000 | RM' 000 | RM' 000 |
| Balance as at 1 January 2017 | 30,319 | 3,310 | 8,273 | (8,273) | 14,569 | - | - | 11,300 | 59,498 | - | 59,498 |
| Other comprehensive income for the year | - | - | - | - | - | - | - | 647 | 647 | (122) | 525 |
| Loss on foreign currency translation | - | - | - | - | - | - | (71) | - | (71) | (68) | (139) |
| Total comprehensive income for the year | - | - | - | - | - | - | (71) | 647 | 576 | (190) | 386 |
| Issuance of ordinary shares | 4,851 | - | - | - | - | - | - | - | 4,851 | - | 4,851 |
| Private placement | 5 | - | (7) | 7 | - | - | - | - | 5 | - | 5 |
| Exercise of warrants | 16,678 | - | - | - | - | - | - | - | 16,678 | - | 16,678 |
| Issuance of ICPS | - | (245) | - | - | - | - | - | (800) | (1,045) | - | (1,045) |
| Share issuance expense | - | (3,065) | - | - | - | - | - | - | - | - | - |
| Effect adoption of Companies Act, 2016 | 3,065 | - | - | - | - | - | - | - | - | 399 | 399 |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | - | - | - | - |
| Share-based payments | - | - | - | - | - | 551 | - | - | 551 | - | 551 |
| Issuance of warrants 2017/2022 | - | - | 3,753 | (3,753) | - | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | - | - | - | (1,668) | (1,668) | - | (1,668) |
| Transfer to retained earnings upon cancellation of share options | - | - | - | - | - | (167) | - | 167 | - | - | - |
| Balance as of 31 December 2017 | 54,918 | - | 12,019 | (12,019) | 14,569 | 384 | (71) | 9,646 | 79,446 | 209 | 79,655 |
| Balance as at 1 January 2018 | 54,918 | - | 12,019 | (12,019) | 14,569 | 384 | (71) | 9,646 | 79,446 | 209 | 79,655 |
| Other comprehensive income for the year | - | - | - | - | - | - | - | (21) | (21) | - | (21) |
| Loss on foreign currency translation | - | - | - | - | - | - | (283) | - | (283) | (71) | (354) |
| Total comprehensive income for the year | - | - | - | - | - | - | (283) | (21) | (304) | (71) | (375) |
| Issuance of ordinary shares : | - | - | - | - | - | - | - | - | - | - | - |
| Acquisition of subsidiary | 6,800 | - | - | - | 14,602 | - | - | (2,120) | 19,282 | 261 | 19,543 |
| Conversion of ICPS | 4,627 | - | - | - | - | - | - | - | 4,627 | - | 4,627 |
| Share-based payments | - | - | - | - | - | 373 | - | - | 373 | - | 373 |
| Dividend paid | - | - | - | - | - | - | - | (2,206) | (2,206) | - | (2,206) |
| Transfer to retained earnings upon cancellation of share options | - | - | - | - | - | (184) | - | 184 | - | - | - |
| Balance as of 30 June 2018 | 66,345 | - | 12,019 | (12,019) | 29,171 | 573 | (354) | 5,483 | 101,218 | 399 | 101,617 |

The unaudited interim condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 6 Months Ended 30/06/2018 RM' 000 | 6 Months Ended 30/06/2017 RM' 000 |
|--|--|--|
| CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES | | |
| Profit before tax | 224 | 773 |
| Adjustments for : | | |
| Depreciation of property, plant and equipment | 932 | 907 |
| Share-based payments | 373 | 368 |
| Interest income | 311 | 101 |
| Finance costs | 73 | 73 |
| Operating Profit Before Working Capital Changes | 1,913 | 2,222 |
| (Increase) / Decrease in : | | |
| Inventories | (6,344) | (1,653) |
| Trade receivables | 8,217 | 1,140 |
| Other receivables and prepaid expenses | 11,083 | (6,082) |
| (Decrease) / Increase in : | | |
| Trade payables | (3,428) | 5,338 |
| Other payables and accrued expenses | 1,798 | 390 |
| Cash Generated From Operations | 13,239 | 1,355 |
| Income tax paid/ deferred tax | (245) | (445) |
| Net Cash From Operating Activities | 12,994 | 910 |
| CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES | | |
| Interest received | (311) | (101) |
| Acquisition of a subsidiary | (8,000) | - |
| Purchase of property, plant and equipment | (3,175) | (422) |
| Net Cash From/ (Used In) Investing Activities | (11,486) | (523) |

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 6 Months Ended 30/06/2018 RM' 000 | 6 Months Ended 30/06/2017 RM' 000 |
|--|--|--|
| CASH FLOWS USED IN FINANCING ACTIVITIES | | |
| Increase/(Decrease) in short-term borrowings | (600) | 1,778 |
| Finance costs paid | (73) | (73) |
| Dividend paid | (2,206) | (1,668) |
| Payment for hire purchase payables | (22) | (36) |
| Expenses from listing issuance | - | (544) |
| Proceeds from private placement | - | 4,851 |
| Proceeds from warrants exercised | - | 5 |
| Net Cash Used In Financing Activities | <u>(2,901)</u> | <u>4,313</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (1,393) | 4,700 |
| CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD | 29,335 | 14,983 |
| Effect of changes in exchange rate | <u>(354)</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS AS AT END OF PERIOD | <u><u>27,588</u></u> | <u><u>19,683</u></u> |
| Cash & cash equivalents at the end of the financial period comprise the following: | | |
| Cash and bank balances | <u>27,588</u> | <u>19,683</u> |
| | <u><u>27,588</u></u> | <u><u>19,683</u></u> |

The unaudited interim condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompany explanatory notes attached to the interim financial statements.