



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2018 RM' 000	Preceding Year Corresponding Quarter Ended 31/12/2017 RM' 000	12 Months Current Year-To-Date 31/12/2018 RM' 000	12 Months Preceding Year Corresponding Year-To-Date 31/12/2017 RM' 000
Revenue	20,291	25,781	73,018	83,245
Cost of sales	(20,394)	(24,342)	(68,956)	(77,177)
Gross profit / (loss)	(103)	1,439	4,062	6,068
Other Income	184	608	643	789
Finance Costs	(68)	(53)	(193)	(181)
Operating expenses	(2,149)	(1,498)	(6,957)	(5,715)
Other expenses	(140)		(563)	
Profit / (Loss) before tax	(2,276)	496	(3,008)	961
Income tax expense / tax credit	251	188	(50)	(436)
Profit / (Loss) for the period	(2,025)	684	(3,058)	525
Other comprehensive income / (loss) Items that will be reclassified subsequently to profit or loss				
Foreign currency translation differences	250	(139)	138	(139)
Total comprehensive income / (loss) for the period	(1,775)	545	(2,920)	386
Profit / (Loss) attributable to :				
Equity holders of the Company	(1,970)	806	(2,855)	647
Non-Controlling Interest	(55)	(122)	(203)	(122)
	(2,025)	684	(3,058)	525
Total comprehensive income / (loss) attributable to :				
Equity holders of the Company	(1,687)	735	(2,785)	576
Non-Controlling Interest	(88)	(190)	(135)	(190)
	(1,775)	545	(2,920)	386
Earnings / (Loss) per share attributable to the equity holders of the Company :				
Basic (sen)	(0.44)	0.25	(0.64)	0.20
Diluted (sen)	(0.44)	0.22	(0.64)	0.18

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 FOURTH QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	12 Months (Unaudited) As At 31/12/2018 RM ' 000	12 Months (Audited) As At 31/12/2017 RM ' 000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	36,697	37,017
Deferred expenditure	2,918	-
Land held for development	15,260	-
	<u>54,875</u>	<u>37,017</u>
CURRENT ASSETS		
Inventories	10,935	10,457
Trade receivables	13,880	18,079
Other receivables and prepaid expenses	1,311	11,617
Tax recoverable	658	35
Cash and bank balances	27,003	29,335
	<u>53,787</u>	<u>69,523</u>
TOTAL ASSETS	<u>108,662</u>	<u>106,540</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	64,245	54,918
Warrant Reserve	12,018	12,018
Other Reserve	(12,018)	(12,018)
Esos Reserve	763	383
Revaluation Reserve	14,569	14,569
FCFR	-	(71)
Retained earnings	4,769	9,647
	<u>84,346</u>	<u>79,446</u>
Non-controlling interest	74	209
	<u>84,420</u>	<u>79,655</u>
NON-CURRENT LIABILITIES		
Hire-purchase payables - non-current portion	91	38
Deferred tax liabilities	2,846	2,923
	<u>2,937</u>	<u>2,961</u>
CURRENT LIABILITIES		
Trade payables	13,196	18,442
Other payables and accrued expenses	1,912	1,715
Tax Payable	-	186
Short-term borrowings	6,151	3,570
Hire-purchase payables - current portion	46	11
	<u>21,305</u>	<u>23,924</u>
TOTAL LIABILITIES	<u>24,242</u>	<u>26,885</u>
TOTAL EQUITY AND LIABILITIES	<u>108,662</u>	<u>106,540</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.19</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.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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)	-	-	(68)	(139)
Total comprehensive income for the year	-	-	-	-	-	-	(71)	647	647	(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	-	-	-	-	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	399	399
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 loss for the year	-	-	-	-	-	-	-	(3,058)	(2,785)	(135)	(2,920)
Loss on foreign currency translation	-	-	-	-	-	-	71	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	-	(3,058)	(2,785)	(135)	(2,920)
Issuance of ordinary shares:	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary	4,700	-	-	-	-	-	-	203	4,701	-	4,701
Conversion of ICPS	4,627	-	-	-	-	-	-	-	4,627	-	4,627
Share-based payments	-	-	-	-	-	563	-	-	563	-	563
Dividend paid	-	-	-	-	-	-	-	(2,206)	(2,206)	-	(2,206)
Transfer to retained earnings upon cancellation of share options	-	-	-	-	-	(184)	-	184	-	-	-
Balance as of 31 December 2018	64,245	-	12,019	(12,019)	14,569	763	-	4,769	84,346	74	84,420

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)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months Ended 31/12/2018 RM' 000	12 Months Ended 31/12/2017 RM' 000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit / (Loss) before tax	(3,008)	961
Adjustments for :		
Depreciation of property, plant and equipment	1,929	1,854
Share based payments	-	551
Interest income	643	-
Finance costs	-	181
Unrealised loss (gain) on foreign exchange	106	494
Property, plant and equipment written off	-	17
Allowance for doubtful debts no longer required	-	(221)
Allowance for inventory obsolescence no longer required	-	(41)
Operating Profit Before Working Capital Changes	(330)	3,796
(Increase) / Decrease in :		
Inventories	(477)	560
Trade receivables	4,094	(4,579)
Other receivables and prepaid expenses	8,108	(947)
(Decrease) / Increase in :		
Trade payables	(5,246)	9,334
Other payables and accrued expenses	120	355
Cash Generated From Operations	6,269	8,519
Income tax paid	(810)	(2,158)
Net Cash From Operating Activities	5,459	6,361
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	(643)	-
Purchase of property, plant and equipment	(1,607)	(661)
Investment in subsidiary	(6,004)	(10,179)
Net Cash From/ (Used In) Investing Activities	(8,254)	(10,840)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months Ended 31/12/2018 RM' 000	12 Months Ended 31/12/2017 RM' 000
CASH FLOWS USED IN FINANCING ACTIVITIES		
Increase/ (Decrease) in short-term borrowings	2,581	608
Finance costs paid	-	(181)
Dividend paid	(2,206)	(1,668)
Increase in hire purchase payables	88	(68)
Expenses relating to issuance of shares	-	(1,045)
Proceeds from issuance of ordinary shares	-	4,856
Proceeds from issuance of irredeemable convertible preference shares	-	16,678
Increase of non-controlling interest from acquisition of a subsidiary	-	399
Net Cash Used In Financing Activities	463	19,579
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,332)	15,100
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	29,335	14,983
Effect of changes in exchange rate	-	(748)
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	27,003	29,335

Cash & cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	27,003	29,335
	27,003	29,335

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.



ASIA POLY HOLDINGS BERHAD

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Unaudited Interim Financial Report for the third quarter ended 31 December 2018

NOTES TO THE INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

1 Basis of preparation

The interim financial reports are 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 2017. 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 2017.

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 ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of revised Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the following amendments to MFRSs issued by Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual financial periods beginning on or after 1 January 2017:

Amendments to MFRS 107 Statement of Cash Flows - *Disclosure Initiative*

Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to MFRSs Annual improvements to MFRSs 2014-2016 Cycle

The adoption of the above amendments did not have material effect on the financial statements of the Group.



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Unaudited Interim Financial Report for the third quarter ended 31 December 2018

Key requirements of MFRS 9:

(a) All recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

(b) With regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

(c) In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

(d) The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Group anticipate that the application of MFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 9 until the Group complete a detailed review.



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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

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

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.



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Unaudited Interim Financial Report for the third quarter ended 31 December 2018

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.

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 31 December 2018 RM'000	Comparative Quarter ended 31 December 2017 RM'000	12 months Current Cumulative ended 31 December 2018 RM'000	12 months Comparative Cumulative ended 31 December 2017 RM'000
Revenue	20,291	25,781	73,018	83,245
Profit/(loss) before tax	(2,276)	496	(3,008)	961

For the financial quarter ended 31 December 2018, the Group recorded a revenue of RM20.291 million and a loss before taxation of RM2.276 million compared with a revenue of RM25.781 million and a profit before taxation of RM0.496 million for the previous corresponding quarter.



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Unaudited Interim Financial Report for the third quarter ended 31 December 2018

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.

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.



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Unaudited Interim Financial Report for the third quarter ended 31 December 2018

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 February 2019.

By order of the Board of Directors

Dato' Yeo Boon Leong

Executive Chairman

28 February 2019