



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/03/2019 RM' 000	Preceding Year Corresponding Quarter Ended 31/03/2018 RM' 000	3 Months Current Year-To-Date 31/03/2019 RM' 000	3 Months Preceding Year Corresponding Year-To-Date 31/03/2018 RM' 000
Revenue	17,343	16,376	17,343	16,376
Cost of sales	(17,216)	(14,990)	(17,216)	(14,990)
Gross profit / (loss)	127	1,386	127	1,386
Other Income	253	163	253	163
Operating expenses	(1,266)	(1,344)	(1,266)	(1,344)
Other expenses	(146)	(141)	(146)	(141)
Finance Costs	(95)	(40)	(95)	(40)
Share of loss in associate	(60)	-	(60)	-
Profit / (Loss) before tax	(1,187)	24	(1,187)	24
Income tax expense / tax credit	(28)	(98)	(28)	(98)
Profit / (Loss) for the period	(1,215)	(74)	(1,215)	(74)
Other comprehensive income / (loss)				
Items that will be reclassified subsequently to profit or loss				
Gain / (Loss) on foreign currency translation re	-	(271)	-	(271)
Total comprehensive income / (loss) for the period	(1,215)	(345)	(1,215)	(345)
Profit / (Loss) attributable to:				
Equity holders of the Company	(1,215)	(52)	(1,215)	(52)
Non-Controlling Interest	-	(22)	-	(22)
	(1,215)	(74)	(1,215)	(74)
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company	(1,215)	(252)	(1,215)	(252)
Non-Controlling Interest	-	(93)	-	(93)
	(1,215)	(345)	(1,215)	(345)
Earnings / (Loss) per share attributable to the equity holders of the Company :				
Basic (sen)	(0.27)	(0.01)	(0.27)	(0.01)
Diluted (sen)	(0.27)	(0.01)	(0.27)	(0.01)

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 2018 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 FIRST QUARTER ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	3 Months (Unaudited)	12 Months (Audited)
	As At 31/03/2019 RM ' 000	As At 31/12/2018 RM ' 000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	36,529	36,697
Inventories	15,300	15,260
Investment in shares	6,331	-
	58,160	51,957
CURRENT ASSETS		
Inventories	10,085	10,935
Trade receivables	15,579	13,880
Other receivables and prepaid expenses	2,651	4,229
Tax recoverable	658	658
Cash and bank balances	19,769	27,003
	48,742	56,705
TOTAL ASSETS	106,902	108,662
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	64,245	64,245
Warrant Reserve	12,018	12,018
Other Reserve	(12,018)	(12,018)
Esos Reserve	856	763
Revaluation Reserve	14,569	14,569
FCTR	-	(1)
Retained earnings	3,555	4,770
	83,225	84,346
Non-controlling interest	-	74
	83,225	84,420
NON-CURRENT LIABILITIES		
Hire-purchase payables - non-current portion	91	91
Deferred tax liabilities	2,846	2,846
	2,937	2,937
CURRENT LIABILITIES		
Trade payables	12,114	13,196
Other payables and accrued expenses	544	1,912
Short-term borrowings	8,047	6,151
Hire-purchase payables - current portion	35	46
	20,740	21,305
TOTAL LIABILITIES	23,677	24,242
TOTAL EQUITY AND LIABILITIES	106,902	108,662
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.19	0.19

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 2018 and the accompany explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			Distributable			Total Equity
	Share Capital	Warrant Reserve	Non-Distributable Other Reserve	Share option Reserve	F. Currency Translation Res	Reserve - Retained Earnings	
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Balance as at 1 January 2018	54,918	12,019	(12,019)	14,569	384	9,646	79,446
Loss after taxation for the financial year	-	-	-	-	-	(2,855)	(2,855)
Other comprehensive income for the financial year	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive income / (expense) for the financial year	-	-	-	-	-	70	68
Contributions by and distributions to owners of the Company							
Issuance of shares by conversion of ICFS	2,527	-	-	-	-	-	2,527
Acquisition of a subsidiary	6,800	-	-	-	-	-	6,800
Share option to employees	-	-	-	563	-	-	563
Dividends by the Company	-	-	-	-	-	(2,206)	(2,206)
Cancellation of SIS	-	-	-	(184)	-	184	-
Total transactions with owners	9,327	-	-	379	-	(2,022)	7,684
Balance as of 31 December 2018	64,245	12,019	(12,019)	14,569	763	4,769	84,420
Balance as at 1 January 2019	64,245	12,019	(12,019)	14,569	763	(1)	84,420
Loss after taxation for the financial year	-	-	-	-	-	(1,215)	(1,215)
Other comprehensive income for the financial year	-	-	-	-	-	-	-
Total comprehensive income / (expense) for the financial year	-	-	-	-	-	(1,215)	(1,215)
Contributions by and distributions to owners of the Company							
Disposal of a subsidiary	-	-	-	-	-	-	-
Share option to employees	-	-	-	93	-	-	93
Total transactions with owners	-	-	-	93	-	-	94
Balance as of 31 March 2019	64,245	12,019	(12,019)	14,569	856	3,555	83,225

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 2018 and the accompany explanatory notes attached to the interim financial statements.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended 31/03/2019 RM' 000	3 Months Ended 31/03/2018 RM' 000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit / (Loss) before tax	(1,187)	24
Adjustments for :		
Depreciation of property, plant and equipment	431	451
Share based payments	93	261
Interest income	250	163
Finance costs	95	40
Operating Profit Before Working Capital Changes	(318)	939
(Increase) / Decrease in :		
Inventories	850	(2,274)
Trade receivables	(1,699)	4,017
Other receivables and prepaid expenses	1,505	11,114
(Decrease) / Increase in :		
Trade payables	(1,082)	(5,375)
Other payables and accrued expenses	(1,039)	151
Cash Generated From Operations	(1,783)	8,572
Income tax paid	(28)	(230)
Net Cash From Operating Activities	(1,811)	8,342
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Interest received	(250)	(163)
Purchase of property, plant and equipment	(304)	(196)
Investment in shares	(6,331)	(8,000)
Net Cash From / (Used In) Investing Activities	(6,885)	(8,359)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended 31/03/2019 RM' 000	3 Months Ended 31/03/2018 RM' 000
CASH FLOWS USED IN FINANCING ACTIVITIES		
Increase/ (Decrease) in short-term borrowings	1,897	336
Finance costs paid	(95)	(40)
Increase in hire purchase payables	-	(11)
Decrease of non-controlling interest from acquisition of a subsidiary	-	(116)
Net Cash Used In Financing Activities	<u>1,802</u>	<u>169</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(6,894)	153
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	27,003	29,335
Effect of changes in exchange rate	<u>-</u>	<u>(271)</u>
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	<u>20,109</u>	<u>29,217</u>

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

Cash and bank balances	<u>19,769</u>	<u>29,217</u>
	<u>19,769</u>	<u>29,217</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 2018 and the accompany explanatory notes attached to the interim financial statements.



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Unaudited Interim Financial Report for the first quarter ended 31 March 2019

NOTES TO THE INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

1 Basis of preparation

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2 Malaysian Financial Reporting Standards (“MFRSs”)

During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles:

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value



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The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

MFRS 9 introduces a new classification and measurement requirements for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. MFRS 9 contains 3 principal classification categories for financial assets i.e. measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income and eliminates the previous categories of held to maturity, loans and receivables and available-for-sale financial assets. In addition, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' model. This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

MFRS 15 requires an entity to recognise revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019



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Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

3 Auditors' report on preceding annual financial statements

There were no audit qualifications on the annual financial statements for the year ended 31 December 2018.

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

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 31 March 2019 RM'000	Comparative Quarter ended 31 March 2018 RM'000	3 Months Current Cumulative ended 31 March 2019 RM'000	3 Months Comparative Cumulative ended 31 March 2018 RM'000
<u>Segment revenue</u>				
Investment holdings and others	-	-	-	-
Manufacturing	16,597	16,146	16,597	16,146
Trading	746	230	746	230
	<u>17,343</u>	<u>16,376</u>	<u>17,343</u>	<u>16,376</u>
<u>Segment results</u>				
Investment holdings and others	1	(227)	1	(227)
Manufacturing	(1,251)	117	(1,251)	117
Trading	35	36	35	36
	<u>(1,215)</u>	<u>(74)</u>	<u>(1,215)</u>	<u>(74)</u>



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10 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment during the current financial quarter under review.

11 Material events subsequent to the end of the quarter

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

12 Changes in the composition of Group

There are no changes in the composition of Company during the current financial quarter under review.

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 31 March 2019 RM'000	Comparative Quarter ended 31 March 2018 RM'000	3 months Current Cumulative ended 31 March 2019 RM'000	3 months Comparative Cumulative ended 31 March 2018 RM'000
Revenue	17,343	16,376	17,343	16,376
Profit/(loss) before tax	(1,187)	24	(1,187)	24

For the financial quarter ended 31 March 2019, the Group recorded a revenue of RM17.343 million and a loss before taxation of RM1.187 million compared with a revenue of RM16.376 million and a profit before taxation of RM0.024 million for the previous corresponding quarter.

17 Variation of result against preceding quarter

	Individual Quarter	
	1st Quarter ended 31 March 2019 RM'000	4th Quarter ended 31 December 2018 RM'000
Revenue	17,343	20,291
Profit/(Loss) for the period	(1,215)	(2,025)



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18 Realised and Unrealised Profits / (Losses)

	As at 31 March 2019 RM'000	As at 31 March 2018 RM'000
Total retained earnings		
Realised	2,663	6,783
Unrealised	<u>20</u>	<u>20</u>
	2,683	6,803
Consolidation adjustments	<u>872</u>	<u>872</u>
Total retained earnings as per statements of financial position	<u>3,555</u>	<u>7,675</u>

19 Business prospects

We expect the financial year ending 31 December 2019 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.

23 Unsecured borrowings and debt securities

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



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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 31 March 2019 RM'000	Comparative Quarter ended 31 March 2018 RM'000	Current Cumulative ended 31 March 2019 RM'000	Comparative Cumulative ended 31 March 2018 RM'000
Profit / (loss) attributable to equity holders of the Company (RM'000)	(1,215)	(52)	(1,215)	(52)
Weighted average number of ordinary shares in issue ('000)	449,141	425,348	449,141	425,348
Basic earnings per share (sen)	<u>(0.27)</u>	<u>(0.01)</u>	<u>(0.27)</u>	<u>(0.01)</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 31 March 2019 RM'000	Comparative Quarter ended 31 March 2018 RM'000	Current Cumulative ended 31 March 2019 RM'000	Comparative Cumulative ended 31 March 2018 RM'000
Profit / (loss) attributable to equity holders of the Company (RM'000)	(1,215)	(52)	(1,215)	(52)
Weighted average number of ordinary shares in issue ('000)	449,141	425,348	449,141	425,348
Diluted earnings per share (sen)	<u>(0.27)</u>	<u>(0.01)</u>	<u>(0.27)</u>	<u>(0.01)</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 30 May 2019.

By order of the Board of Directors

Dato' Yeo Boon Leong
Executive Chairman
30 May 2019