



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the fourth quarter ended 31 December 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



**ASIA POLY HOLDINGS BERHAD**

**Company No. 619176-A**

**(Incorporated in Malaysia)**

**Unaudited Interim Financial Report for the fourth quarter ended 31 December 2019**

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:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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



**ASIA POLY HOLDINGS BERHAD**

**Company No. 619176-A**

**(Incorporated in Malaysia)**

**Unaudited Interim Financial Report for the fourth quarter ended 31 December 2019**

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.



**ASIA POLY HOLDINGS BERHAD**

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the fourth quarter ended 31 December 2019

**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 December 2019 RM'000	Comparative Quarter ended 31 December 2018 RM'000	12 Months Current Cumulative ended 31 December 2019 RM'000	12 Months Comparative Cumulative ended 31 December 2018 RM'000
<u>Segment revenue</u>				
Investment holdings and others	-	-	-	-
Manufacturing	17,640	17,961	70,654	68,387
Trading	784	2,330	2,458	4,631
	<u>18,468</u>	<u>20,291</u>	<u>73,112</u>	<u>73,018</u>
<u>Segment results</u>				
Investment holdings and others	(280)	(340)	(5,414)	(1,354)
Manufacturing	1,808	(1,752)	223	(1,970)
Trading	62	67	138	266
	<u>1,590</u>	<u>(2,025)</u>	<u>(5,053)</u>	<u>(3,058)</u>



**ASIA POLY HOLDINGS BERHAD**

**Company No. 619176-A**

**(Incorporated in Malaysia)**

**Unaudited Interim Financial Report for the fourth quarter ended 31 December 2019**

**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.



**ASIA POLY HOLDINGS BERHAD**

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the fourth quarter ended 31 December 2019

**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 2019 RM'000	Comparative Quarter ended 31 December 2018 RM'000	12 months Current Cumulative ended 31 December 2019 RM'000	12 months Comparative Cumulative ended 31 December 2018 RM'000
Revenue	18,468	20,291	73,112	73,018
Profit/(loss) before tax	2,555	(2,276)	(4,028)	(3,008)

For the financial quarter ended 31 December 2019, the Group recorded a revenue of RM18.468 million and a profit before taxation of RM2.555 million compared with a revenue of RM20.291 million and a loss before taxation of RM2.276 million for the previous corresponding quarter.

**17 Variation of result against preceding quarter**

	Individual Quarter	
	4th Quarter ended 31 December 2019 RM'000	3rd Quarter ended 30 September 2019 RM'000
Revenue	18,468	20,207
Profit / (Loss) for the period	1,590	(2,129)



**ASIA POLY HOLDINGS BERHAD**

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the fourth quarter ended 31 December 2019

**18 Realised and Unrealised Profits / (Losses)**

	<b>As at 31 December 2019 RM'000</b>	<b>As at 31 December 2018 RM'000</b>
Total retained earnings/(loss)		
Realised	(378)	3,878
Unrealised	20	20
	<hr/>	<hr/>
Consolidation adjustments	(358)	3,898
	872	872
	<hr/>	<hr/>
Total retained earnings/(loss) as per statements of financial position	<u>514</u>	<u>4,770</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.



**ASIA POLY HOLDINGS BERHAD**

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the fourth quarter ended 31 December 2019

**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 December 2019 RM'000	Comparative Quarter ended 31 December 2018 RM'000	Current Cumulative ended 31 December 2019 RM'000	Comparative Cumulative ended 31 December 2018 RM'000
Profit / (loss) attributable to equity holders of the Company (RM'000)	1,590	(1,970)	(5,053)	(2,855)
Weighted average number of ordinary shares in issue ('000)	457,719	447,969	457,719	447,969
Basic earnings/ (loss) per share (sen)	<u>0.35</u>	<u>(0.44)</u>	<u>(1.10)</u>	<u>(0.64)</u>





**ASIA POLY HOLDINGS BERHAD**

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the fourth quarter ended 31 December 2019

**(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 December 2019 RM'000	Comparative Quarter ended 31 December 2018 RM'000	Current Cumulative ended 31 December 2019 RM'000	Comparative Cumulative ended 31 December 2018 RM'000
Profit /(loss) attributable to equity holders of the Company (RM'000)	1,590	(1,970)	(5,053)	(2,855)
Weighted average number of ordinary shares in issue ('000)	457,719	447,969	457,719	447,969
Diluted earnings/(loss) per share (sen)	0.35	(0.44)	(1.10)	(0.64)

**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 25 February 2020.

**By order of the Board of Directors**

**Dato' Yeo Boon Leong**  
Executive Chairman  
25 February 2020