



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the fourth quarter ended 31 March 2021

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)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 16: Covid-19-Related Rent Concessions

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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:-

The Group has early adopted Amendments to MFRS 16 ‘Covid-19-Related Rent Concessions’ and ‘Covid-19-Related Rent Concessions beyond 30 June 2021’ which allow lessees to elect not to assess whether a COVID-19-related rent concession is a lease modification when conditions are met.



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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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendment to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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.



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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 2020.

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.

8 Dividends paid

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



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9 Segment information

Operating 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 2021 RM'000	Comparative Quarter ended 31 March 2020 RM'000	3 Months Current Cumulative ended 31 March 2021 RM'000	3 Months Comparative Cumulative ended 31 March 2020 RM'000
<u>Segment revenue</u>				
Investment holdings and others	1,454	-	1,454	-
Manufacturing	22,026	14,795	22,026	14,795
	<u>23,480</u>	<u>14,795</u>	<u>23,480</u>	<u>14,795</u>
<u>Segment results</u>				
Investment holdings and others	(124)	(650)	(124)	(650)
Manufacturing	205	405	205	405
	<u>81</u>	<u>(245)</u>	<u>81</u>	<u>(245)</u>

Geographical Information

The Group operates in Malaysia and generates revenue from the following geographical locations of customers: -



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	Individual Quarter		Cumulative Quarter	
	Current	Comparative	3 Months	3 Months
	Quarter ended 31 March 2021	Quarter ended 31 March 2020	Current Cumulative ended 31 March 2021	Comparative Cumulative ended 31 March 2020
	RM'000	RM'000	RM'000	RM'000
Brazil	1,934	2,932	1,934	1,934
India	3,963	4,622	3,963	3,963
Malaysia	8,987	3,975	8,987	8,987
MiddleEast	3,498	2,264	3,498	3,498
USA	399	370	399	399
Europe	240	245	240	240
Others	3,005	337	3,005	3,005
	<u>22,026</u>	<u>14,795</u>	<u>22,026</u>	<u>14,795</u>

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.



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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 March 2021 RM'000	Comparative Quarter ended 31 March 2020 RM'000	3 months Current Cumulative ended 31 March 2021 RM'000	3 months Comparative Cumulative ended 31 March 2020 RM'000
<u>Revenue</u>				
Manufacturing	22,026	14,795	22,026	14,795
Investment holdings and others	1,454	-	1,454	-
	<u>23,480</u>	<u>14,795</u>	<u>23,480</u>	<u>14,795</u>
<u>Profit / (Loss) before tax</u>				
Manufacturing	482	442	482	442
Investment holdings and others	(120)	(658)	(120)	(658)
	<u>362</u>	<u>(208)</u>	<u>362</u>	<u>(208)</u>



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a) Current quarter against previous year corresponding quarter

Group recorded revenue of RM23.480 million and profit before tax of RM0.362 million as compared to revenue of RM14.795 million and loss before tax of RM0.208 million recorded in the corresponding quarter 2020. Performance of the respective operating business segments is analysed as below:

1. Manufacturing

The manufacturing segment recorded a revenue of RM22.026 million, was 48.9% more than the revenue of RM14.795 million recorded in the corresponding quarter 2020. The increase in revenue was mainly due to higher demand from the local and export markets.

During the quarter under review, this sector posted a profit before tax of RM0.482 million as compared to RM0.442 million profit before tax in previous corresponding quarter. This improved performance was mainly due to higher average selling price and better factory utilisation rate achieved during the quarter.

2. Investment holdings and others

The Renewable Energy segment contributed revenue of RM1.454 million during the quarter under review compare to nil revenue recorded in the corresponding quarter 2020. The increase in revenue was mainly due to the biogas plant for billings of sale of electricity to TNB.

The investment holdings and others sector recorded a loss before tax of RM0.120 million as compared to a loss before tax of RM0.649 million in the corresponding quarter 2020.

b) Current cumulative period against previous year cumulative period

Group recorded revenue of RM23.480 million and profit before tax of RM0.362 million as compared to revenue of RM14.795 million and loss before tax of RM0.208 million recorded in the corresponding cumulative period 2020. Performance of the respective operating business segments is analysed as below:



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1. Manufacturing

The manufacturing segment recorded revenue of RM22.026 million was 48.9% more than the revenue of RM14.795 million recorded in the corresponding cumulative period 2020. The increase in revenue was mainly due to higher demand from the local and export markets.

During the period under review, this sector posted a profit before tax of RM0.482 million as compared to RM442 million profit before tax in previous cumulative corresponding period. This improved performance was mainly attributable to higher average selling price and better factory utilisation rate achieved during the period.

2. Investment holdings and others

The Renewable Energy segment contributed revenue of RM1.454 million during the period under review. The increase in revenue was mainly due to the biogas plant for billings of sale of electricity to TNB.

The investment holdings and others sector recorded a loss before tax of RM0.120 million as compared to a loss before tax of RM0.649 million in the corresponding period 2020.

17 **Variation of result against preceding quarter**

	Individual Quarter	
	1st	4th
	Quarter	Quarter
	ended 31	ended 31
	March	December
	2021	2020
	RM'000	RM'000
Revenue	23,480	23,235
Profit / (Loss) for the period	81	16,011



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18 Realised and Unrealised Profits / (Losses)

	As at 31 March 2021 RM'000	As at 31 March 2020 RM'000
Total retained earnings/(loss)		
Realised	16,982	648
Unrealised	20	20
Total retained earnings as per statements of financial position	<u>17,002</u>	<u>668</u>

19 Business prospects

The Group is primarily engaged in manufacturing of cast acrylic sheets. Cast acrylic sheets are used widely in sanitary wares, signage & displays, architectural designs, interior design, automotive & transportation, and other applications. Other applications include food, medical, industrial equipment, and sports. According to a research, the global cast acrylic sheet market is expected to grow 5% to 6% annually.

The global outlook remains bleak as the pandemic resurgence in many countries poses difficult economy versus health decisions. Also the ongoing trade war, volatility in currency, disruption in global supply chain and the intensifying regional business competition have made our operating environment extremely challenging and difficult to predict. The global vaccination programme has been rolled out since the beginning of the year 2021, the efficacy of the vaccines as well as the speed and coverage of the vaccination programme remain to be observed. In view of the increasing pandemic risk, our segments of business are continually reviewing the demand and supply situation and cost mitigation measures to ensure business continuity and longer term sustainability. As the segment business reorganise themselves to meet the operating environment of the normal, the segment are optimistic they will prevail.

Moving forward, the Group remains optimistic of the longer-terms prospects. The Group shall closely monitor and take the conservative steps to sustain the performance of the existing ventures as well as continue to explore and consider new ventures or business activities which are synergistic to the operations of the Group.



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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.

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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	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 31 March 2021 RM'000	Comparative Quarter ended 31 March 2020 RM'000	Current Cumulative ended 31 March 2021 RM'000	Comparative Cumulative ended 31 March 2020 RM'000
Profit / (loss) attributable to equity holders of the Company (RM'000)	82	(245)	82	(245)
Weighted average number of ordinary shares in issue ('000)	797,238	447,869	556,768	447,869
Basic earnings / (loss) per share (sen)	<u>0.01</u>	<u>(0.05)</u>	<u>0.01</u>	<u>(0.05)</u>

(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 2021 RM'000	Comparative Quarter ended 31 March 2020 RM'000	Current Cumulative ended 31 March 2021 RM'000	Comparative Cumulative ended 31 March 2020 RM'000
Profit / (loss) attributable to equity holders of the Company (RM'000)	82	(245)	82	(245)
Weighted average number of ordinary shares in issue ('000)	834,255	457,869	686,268	457,869
Diluted earnings / (loss) per share (sen)	<u>0.01</u>	<u>(0.05)</u>	<u>0.01</u>	<u>(0.05)</u>



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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 27 May 2021.

By order of the Board of Directors

Dato' Yeo Boon Leong

Executive Chairman

27 May 2021