



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

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.



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

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.



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

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 December 2021 RM'000	Comparative Quarter ended 31 December 2020 RM'000	12 Months Current Cumulative ended 31 December 2021 RM'000	12 Months Comparative Cumulative ended 31 December 2020 RM'000
<u>Segment revenue</u>				
Investment holdings and others	1,353	1,251	5,917	2,765
Manufacturing	18,268	21,984	78,271	77,758
	<u>19,621</u>	<u>23,235</u>	<u>84,188</u>	<u>80,523</u>
<u>Segment results</u>				
Investment holdings and others	(3,945)	9,122	(3,098)	7,801
Manufacturing	(3,188)	2,391	(4,777)	8,211
	<u>(7,133)</u>	<u>11,513</u>	<u>(7,875)</u>	<u>16,012</u>

Geographical Information

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



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

	Individual Quarter		Cumulative Quarter	
	Current	Comparative	12 Months	12 Months
	Quarter ended 31 December 2021	Quarter ended 31 December 2020	Current Cumulative ended 31 December 2021	Comparative Cumulative ended 31 December 2020
	RM'000	RM'000	RM'000	RM'000
Brazil	-	3,431	4,831	14,167
India	3,912	4,891	14,561	14,888
Malaysia	7,330	7,758	29,971	18,865
MiddleEast	4,538	3,059	16,379	10,562
USA	1,322	767	5,987	9,409
Europe	-	720	240	7,084
Others	1,166	1,358	6,302	2,783
	<u>18,268</u>	<u>21,984</u>	<u>78,271</u>	<u>77,758</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.



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

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 2021 RM'000	Comparative Quarter ended 31 December 2020 RM'000	12 months Current Cumulative ended 31 December 2021 RM'000	12 months Comparative Cumulative ended 31 December 2020 RM'000
<u>Revenue</u>				
Manufacturing	18,268	21,984	78,271	77,758
Investment holdings and others	1,353	1,251	5,917	2,765
	<u>19,621</u>	<u>23,235</u>	<u>84,188</u>	<u>80,523</u>
<u>Profit / (Loss) before tax</u>				
Manufacturing	(3,455)	8,705	(5,043)	9,982
Investment holdings and others	(3,684)	2,734	(2,822)	7,584
	<u>(7,139)</u>	<u>11,439</u>	<u>(7,865)</u>	<u>17,566</u>



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

a) Current quarter against previous year corresponding quarter

Group recorded revenue of RM19.621 million and loss before tax of RM7.139 million as compared to revenue of RM23.235 million and profit before tax of RM11.439 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 RM18.268 million, was 16.9% less than the revenue of RM21.984 million recorded in the corresponding quarter 2020. The decrease in revenue in 4th quarter is mainly due to the adverse impact of Covid-19 outbreak globally and the global logistic activities disruptions. Moreover, the dramatic increase in logistic costs has also slow down the global trade and business activities.

During the quarter under review, this sector posted a loss before tax of RM3.455 million as compared to RM8.705 million profit before tax in previous corresponding quarter. The decrease is mainly due to adverse impact of Covid-19 outbreak, global logistic activities disruptions, increase in logistic costs which lower the profit margin and the flood incident in Dec 2021 which caused production downtime.

2. Investment holdings and others

The Renewable Energy segment contributed revenue of RM1.353 million during the quarter under review compare to revenue of 1.251 million 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 loss before tax of RM3.684 million as compared to a profit before tax of RM2.734 million in the corresponding quarter 2020. This was mainly due to impairment of assets in an associate company, PT Rimba Tripa amount to RM3.7 Million.

b) Current cumulative period against previous year cumulative period

Group recorded revenue of RM84.188 million and loss before tax of RM7.865 million as compared to revenue of RM80.523 million and profit before tax of RM17.566 million recorded in the corresponding cumulative period 2020. Performance of the respective operating business segments is analysed as below:



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

1. Manufacturing

The manufacturing segment recorded revenue of RM78.271 million was 0.7% more than the revenue of RM77.758 million recorded in the corresponding cumulative period 2020. The increase in revenue was mainly due to increase in selling price due to higher raw material cost.

During the period under review, this sector posted a loss before tax of RM5.043 million as compared to RM9.982 million profit before tax in previous cumulative corresponding period. This was mainly affected by the adverse impact of Covid-19 outbreak, global logistic activities disruptions, increased in logistic costs which affected the profit margin as unable to pass on the burden to customers.

2. Investment holdings and others

The Renewable Energy segment contributed revenue of RM5.917 million during the period under review as compared to RM1.353 million recorded in the corresponding cumulative period 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 RM2.822 million as compared to a profit before tax of RM7.584 million in the corresponding cumulative period 2020. This was mainly due to impairment of assets in an associate company.

17 Variation of result against preceding quarter

	Individual Quarter	
	4th	3rd
	Quarter	Quarter
	ended 31	ended 30
	December	September
	2021	2021
	RM'000	RM'000
Revenue	19,621	18,173
Profit / (Loss) for the period	(7,133)	(1,871)



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

18 Realised and Unrealised Profits / (Losses)

	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Total retained earnings/(loss)		
Realised	13,366	16,901
Unrealised	20	20
Total retained earnings as per statements of financial position	<u>13,386</u>	<u>16,921</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 outbreak of Covid-19 pandemic has caused major disruptions and significant levels of uncertainties to the global economy and our Malaysian economy was not spared as well. The Group will continue to be cautious and continue to take prudent measures to cushion the impact and adapt to the new environment resulted from the pandemic in order to sustain the business during this trying time. However, the demand for cast acrylic sheet from our oversea customers is expected to remain robust.

Our 3rd production line construction is expected to be ready by end of March 2022. The 3rd production capability especially in production of thicker acrylic sheets and to achieve greater cost efficiency. Globally, moving forward to endemic stage, the labour and logistic issue will be greatly improved.

The Management is confident that, there will still be strong growth after this pandemic period.



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

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.



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 31 December 2021 RM'000	Comparative Quarter ended 31 December 2020 RM'000	Current Cumulative ended 31 December 2021 RM'000	Comparative Cumulative ended 31 December 2020 RM'000
Profit / (loss) attributable to equity holders of the Company (RM'000)	(7,256)	11,514	(7,998)	16,013
Weighted average number of ordinary shares in issue ('000)	872,858	719,529	601,559	556,645
Basic earnings/(loss) per share (sen)	<u>(0.83)</u>	<u>1.60</u>	<u>(1.33)</u>	<u>2.88</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 December 2021 RM'000	Comparative Quarter ended 31 December 2020 RM'000	Current Cumulative ended 31 December 2021 RM'000	Comparative Cumulative ended 31 December 2020 RM'000
Profit / (loss) attributable to equity holders of the Company (RM'000)	(7,256)	11,514	(7,998)	16,013
Weighted average number of ordinary shares in issue ('000)	906,134	835,066	738,093	658,999
Diluted earnings/(loss) per share (sen)	<u>(0.80)</u>	<u>1.38</u>	<u>(1.08)</u>	<u>2.43</u>



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

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

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 22 February 2022.

By order of the Board of Directors

Dato' Yeo Boon Leong

Executive Chairman

22 February 2022