



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the fourth quarter ended 31 December 2022

NOTES TO THE INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING

1 Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”) and Rule 9.22 of the ACE Market Listing Requirements (“Listing Requirements”).

The interim financial report should be read in conjunction with the Group’s Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

2 Significant Accounting Policies

The accounting policies adopted by the Group are consistent with those of the previous financial years except for the adoption of the following standards that are mandatory for the current financial period:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contract – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022



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2 Significant Accounting Policies (Cont'd)

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 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 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
MFRS 16 Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101 Non-current Liabilities with Covenants	1 January 2024

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 2021.



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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 December 2022 RM'000	Comparative Quarter ended 31 December 2021 RM'000	12 Months Current Cumulative ended 31 December 2022 RM'000	12 Months Comparative Cumulative ended 31 December 2021 RM'000
<u>Segment revenue</u>				
Investment holdings and others	1,500	1,353	6,049	5,917
Manufacturing	18,390	18,268	86,035	78,271
	<u>19,890</u>	<u>19,621</u>	<u>92,084</u>	<u>84,188</u>
<u>Segment results</u>				
Investment holdings and others	(593)	(3,945)	(3,240)	(3,098)
Manufacturing	(5,595)	(3,188)	(6,742)	(4,777)
	<u>(6,188)</u>	<u>(7,133)</u>	<u>(9,982)</u>	<u>(7,875)</u>



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9 Segment Information (Cont'd)

Geographical Information

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 31 December 2022	Comparative Quarter ended 31 December 2021	12 Months Current Cumulative ended 31 December 2022	12 Months Comparative Cumulative ended 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Brazil	-	-	-	4,831
India	2,794	3,912	21,791	14,561
Malaysia	6,812	7,330	28,173	29,971
Middle East	5,679	4,538	23,010	16,379
USA	2,193	1,322	6,106	5,987
Europe	314	-	663	240
Others	598	1,166	6,292	6,302
	<u>18,390</u>	<u>18,268</u>	<u>86,035</u>	<u>78,271</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.



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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

1 Review of Performance

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 31 December 2022 RM'000	Comparative Quarter ended 31 December 2021 RM'000	12 months Current Cumulative ended 30 December 2022 RM'000	12 months Comparative Cumulative ended 30 December 2021 RM'000
<u>Revenue</u>				
Manufacturing	18,390	18,269	86,035	78,271
Investment holdings and others	1,500	1,353	6,049	5,917
	<u>19,890</u>	<u>19,621</u>	<u>92,084</u>	<u>84,188</u>
 <u>(Loss)/Profit before tax</u>				
Manufacturing	(6,953)	(3,455)	(8,570)	(5,043)
Investment holdings and others	(428)	(3,684)	(2,966)	(2,822)
	<u>(7,381)</u>	<u>(7,139)</u>	<u>(11,536)</u>	<u>(7,865)</u>



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1 Review of Performance (Cont'd)

(a) Performance of the current quarter against the preceding year corresponding quarter

The Group recorded revenue of RM19.890 million and loss before tax of RM7.381 million as compared to revenue of RM19.621 million and loss before tax of RM7.139 million recorded in the corresponding quarter of 2021. The performance of the respective operating business segments is analysed below:

1. Manufacturing

Despite the increase in revenue by RM0.121 million, the segment recorded a higher loss before tax by RM3.498 million mainly due to the higher cost of sales recognised in the current quarter as compared to the preceding year's corresponding quarter.

2. Investment holdings and others

The renewable energy segment recorded a revenue of RM1.500 million during the period under review compared to RM1.353 million in the corresponding quarter of 2021. The revenue was contributed from the biogas plant for the sale of electricity to TNB.

The investment holdings and other sectors recorded a loss before tax of RM0.428 million as compared to a loss before tax of RM3.684 million in the corresponding quarter of 2021. This was mainly due to impairment loss on investment in an associate, PT Rimba Tripa amounting RM1,838 million in the corresponding quarter of 2021.



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1 Review of Performance (Cont'd)

(b) Performance of the current cumulative period against previous year cumulative period

The Group recorded revenue of RM92.084 million and loss before tax of RM11.536 million as compared to revenue of RM84.188 million and loss before tax of RM7.865 million recorded in the corresponding cumulative period 2021. The performance of the respective operating business segments is analysed below:

1. Manufacturing

The manufacturing segment's revenue increased by RM7.764 million to RM86.035 million, as compared with RM78.271 million recorded in the corresponding cumulative period of 2021. The increase was mainly attributed to the higher sales volume in the current cumulative period and the increase in selling price due to the increase in the main raw material price.

During the period under review, this sector posted a loss before tax of RM8.570 million compared to RM5.043 million loss before tax in the previous corresponding period. This was mainly due to lower profit margin as a result of increase in the main raw material price.

2. Investment holdings and others

The renewable energy segment recorded a revenue of RM6.049 million during the period under review compared to RM5.917 million in the corresponding cumulative quarter of 2021. The revenue was contributed from the biogas plant for the sale of electricity to TNB.

The investment holdings and other sectors recorded a loss before tax of RM2.966 million as compared to a loss before tax of RM2.822 million in the corresponding cumulative 2021. This was mainly due to share of loss of an associate and loss on investment in short-term investments.



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2 Variation of Result Against Preceding Quarter

	Individual Quarter 4th Quarter ended 31 December 2022 RM'000	3rd Quarter ended 30 September 2022 RM'000
Revenue	19,890	25,035
Loss for the period	(6,188)	(2,807)

3 Realised and Unrealised Profits

	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Total retained earnings		
Realised	3,430	13,366
Unrealised	20	20
Total retained earnings as per statements of financial position	<u>3,450</u>	<u>13,1386</u>

4 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 research by Market Research Future, the global cast acrylic sheet market is expected to grow 5.83% annually. The demand for cast acrylic sheet will continue to see a gradual recovery from both emerging and developed economies.

Our third production line construction is completed in the middle of August 2022 and a pilot run is implemented in September 2022. The third production capability especially in the production of thicker acrylic sheets and to achieve greater cost efficiency.



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4 Business Prospects (Cont'd)

On 10 May 2022, the Group had been selected as one of the successful bidders under the feed-in tariff e-bidding exercise conducted by Sustainable Energy Development Authority (“SEDA”) for the development of a small hydropower plant of 10.0 MW in Pahang, Malaysia.

On 17 November 2022, the Group had been selected as one of the successful bidders under the feed-in tariff e-bidding exercise conducted by SEDA for the development of additional 4 small hydropower plants of 25.4 MW in Pahang, Malaysia.

Under the e-bidding exercises, the Group shall develop small hydropower plants with a total capacity of 35.4 MW in Pahang, Malaysia.

The Management is optimistic that, these will drive the growth of the Group moving forward.

5 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.

6 Taxation

Income tax on the profit for the period comprise of deferred tax.

7 Status of Corporate Proposals

There were no corporate proposals undertaken or announced by the Group as at the date of this report.

8 Unsecured Borrowings and Debt Securities

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



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9 Material Litigation

There was no material litigation pending at the date of this report.

10 Dividends

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

11 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 2022	Comparative Quarter ended 31 December 2021	Current Cumulative ended 31 December 2022	Comparative Cumulative ended 31 December 2021
Loss attributable to equity holders of the Company (RM'000)	(6,177)	(7,256)	(9,934)	(7,998)
Weighted average number of ordinary shares in issue ('000)	900,888	872,858	881,151	601,559
Basic loss per share (sen)	<u>(0.69)</u>	<u>(0.83)</u>	<u>(1.13)</u>	<u>(1.33)</u>



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11 Earnings per share (Cont'd)

(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 2022	Comparative Quarter ended 31 December 2021	Current Cumulative ended 31 December 2022	Comparative Cumulative ended 31 December 2021
Loss attributable to equity holders of the Company (RM'000)	(6,177)	(7,256)	(9,934)	(7,998)
Weighted average number of ordinary shares in issue ('000)	900,888	906,134	881,151	738,093
Diluted loss per share (sen)	<u>(0.69)</u>	<u>(0.80)</u>	<u>(1.13)</u>	<u>(1.08)</u>

12 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 24 February 2023.

By order of the Board of Directors

Dato' Yeo Boon Leong
Executive Chairman
24 February 2023