



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the second quarter ended 30 June 2024

## 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 2023 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:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024



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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:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

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 2023.



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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 cast acrylic sheets and trading in chemical products.

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 30 June 2024 RM'000	Comparative Quarter ended 30 June 2023 RM'000	6 Months Current Cumulative ended 30 June 2024 RM'000	6 Months Comparative Cumulative ended 30 June 2023 RM'000
<u>Segment revenue</u>				
Investment holdings and others	1,376	1,384	2,615	2,662
Manufacturing	24,731	25,930	56,668	54,067
	26,107	27,314	59,283	56,729
<u>Segment results</u>				
Investment holdings and others	(2,079)	4,499	(2,718)	3,346
Manufacturing	(3,048)	(2,163)	(3,564)	(3,307)
	(5,127)	2,336	(6,282)	39



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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 30 June 2024	Comparative Quarter ended 30 June 2023	6 Months Current Cumulative ended 30 June 2024	6 Months Comparative Cumulative ended 30 June 2023
	RM'000	RM'000	RM'000	RM'000
India	6,383	6,229	13,529	13,603
Malaysia	7,156	8,133	15,226	15,462
Middle East	4,038	5,085	13,704	12,755
USA	4,613	4,161	9,741	7,252
Europe	1,798	1,875	2,431	3,412
Others	2,119	1,831	4,652	4,245
	<u>26,107</u>	<u>27,314</u>	<u>59,283</u>	<u>56,729</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 30 June 2024 RM'000	Comparative Quarter ended 30 June 2023 RM'000	6 months Current Cumulative ended 30 June 2024 RM'000	6 months Comparative Cumulative ended 30 June 2023 RM'000
<u>Revenue</u>				
Manufacturing	24,731	25,930	56,668	54,067
Investment holdings and others	1,376	1,384	2,615	2,662
	<u>26,107</u>	<u>27,314</u>	<u>59,283</u>	<u>56,729</u>
<u>Loss before tax</u>				
Manufacturing	(3,048)	(2,163)	(3,564)	(3,307)
Investment holdings and others	(1,997)	4,574	(2,535)	3,533
	<u>(5,045)</u>	<u>2,411</u>	<u>(6,099)</u>	<u>226</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 RM26.107 million and loss before tax of RM5.045 million as compared to revenue of RM27.314 million and profit before tax of RM2.411 million recorded in the corresponding quarter of 2023. Performance of the respective operating business segments is analysed as below:

**1. Manufacturing**

The manufacturing segment's revenue decreased by RM1.199 million to RM24.731 million, as compared with RM25.930 million recorded in the corresponding quarter of 2023. The decrease was mainly attributed to the decrease in sales volume.

During the quarter under review, this sector posted a loss before tax of RM3.048 million compared to RM2.163 million in the previous corresponding quarter. This was mainly due to higher production costs, as conversion costs increased this quarter because of lower production activities.

**2. Investment holdings and others**

The renewable energy segment recorded a revenue of RM1.376 million during the period under review compared to RM1.384 million in the corresponding quarter of 2023. 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 RM1.997 million as compared to a profit before tax of RM4.574 million in the corresponding quarter of 2023. Profit in the corresponding quarter was mainly due to gain on disposal of an associate.



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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 RM59.283 million and loss before tax of RM6.099 million as compared to revenue of RM56.729 million and profit before tax of RM0.226 million recorded in the corresponding cumulative period of 2023. Performance of the respective operating business segments is analysed as below:

**1. Manufacturing**

The manufacturing segment's revenue increased by RM2.601 million to RM56.668 million, as compared with RM54.067 million recorded in the corresponding cumulative period of 2023. The increase was mainly attributed to the increase in sales volume and average selling price.

During the period under review, this sector posted a loss before tax of RM3.564 million compared to RM3.307 million loss before tax in the previous corresponding period. This was mainly due to higher production costs.

**2. Investment holdings and others**

The renewable energy segment recorded a revenue of RM2.615 million during the period under review compared to RM2.662 million in the corresponding cumulative quarter of 2023. 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 RM2.535 million as compared to a profit before tax of RM3.533 million in the corresponding cumulative of 2023. Profit in the corresponding cumulative quarter was mainly due to gain on disposal of an associate.





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**2 Variation of Result Against Preceding Quarter**

	<b>Individual Quarter</b>	
	<b>2nd Quarter ended 30 June 2024 RM'000</b>	<b>1st Quarter ended 31 March 2024 RM'000</b>
Revenue	26,107	33,175
Loss for the period	<u>(5,127)</u>	<u>(1,155)</u>

**3 Realised and Unrealised Profits**

	<b>As at 30 June 2024 RM'000</b>	<b>As at 30 June 2023 RM'000</b>
Total retained earnings		
Realised	(12,527)	3,502
Unrealised	20	20
Total retained earnings as per statements of financial position	<u>(12,507)</u>	<u>3,522</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, the global cast acrylic sheet market is expected to grow 5% to 6% annually. The demand for cast acrylic sheet will continue to see a gradual recovery from both emerging and developed economies.



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**4 Business Prospects (Cont'd)**

The Group has introduced an eco-friendly cell-cast acrylic, a-castGreen readily replaces and is suitable for use in a broad range of indoor and outdoor applications. Its characteristics are comparable to virgin monomer produced acrylic especially in key areas such as light transmittance, surface characteristics, durable and easy fabrication, and machining.

The Group is also continuing to establish a track record in the green energy sector which is continuing to see a growing revenue stream.

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.

**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.



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**11 Earnings per share**

**Basic**

Basic (loss)/earnings per share figures are computed by dividing (loss)/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 30 June 2024	Comparative Quarter ended 30 June 2023	Current Cumulative ended 30 June 2024	Comparative Cumulative ended 30 June 2023
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(5,092)	2,346	(6,275)	97
Weighted average number of ordinary shares in issue ('000)	958,503	958,503	958,503	958,503
Basic loss per share (sen)	<u>(0.53)</u>	<u>0.24</u>	<u>(0.65)</u>	<u>0.01</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 23 August 2024.

**By order of the Board of Directors**

**Dato' Yeo Boon Leong**

**Executive Chairman**

**23 August 2024**