



ASIA POLY HOLDINGS BERHAD

Company No. 619176-A

(Incorporated in Malaysia)

Unaudited Interim Financial Report for the third quarter ended 30 September 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:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 September 2024 RM'000	Comparative Quarter ended 30 September 2023 RM'000	9 Months Current Cumulative ended 30 September 2024 RM'000	9 Months Comparative Cumulative ended 30 September 2023 RM'000
<u>Segment revenue</u>				
Investment holdings and others	1,808	1,349	4,423	4,013
Manufacturing	27,213	23,055	83,881	77,121
	29,021	24,404	88,304	81,134
<u>Segment results</u>				
Investment holdings and others	(815)	(2,972)	(3,531)	375
Manufacturing	(4,711)	(2,530)	(8,275)	(5,837)
	(5,526)	(5,502)	(11,806)	(5,462)



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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 September 2024	Comparative Quarter ended 30 September 2023	9 Months Current Cumulative ended 30 September 2024	9 Months Comparative Cumulative ended 30 September 2023
	RM'000	RM'000	RM'000	RM'000
India	6,053	6,160	19,582	19,763
Malaysia	10,786	7,664	26,013	23,127
Middle East	3,729	3,738	17,433	16,492
USA	6,037	2,764	15,778	10,016
Europe	770	1,424	3,200	4,837
Others	1,646	2,654	6,298	6,899
	<u>29,021</u>	<u>24,404</u>	<u>88,304</u>	<u>81,134</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 September 2024 RM'000	Comparative Quarter ended 30 September 2023 RM'000	9 months Current Cumulative ended 30 September 2024 RM'000	9 months Comparative Cumulative ended 30 September 2023 RM'000
<u>Revenue</u>				
Manufacturing	27,213	23,055	83,881	77,121
Investment holdings and others	1,808	1,349	4,423	4,013
	<u>29,021</u>	<u>24,404</u>	<u>88,304</u>	<u>81,134</u>
 <u>Loss before tax</u>				
Manufacturing	(4,711)	(2,530)	(8,275)	(5,837)
Investment holdings and others	(717)	(2,896)	(3,250)	638
	<u>(5,428)</u>	<u>(5,426)</u>	<u>(11,525)</u>	<u>(5,199)</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 RM29.021 million and loss before tax of RM5.428 million as compared to revenue of RM24.404 million and loss before tax of RM5.426 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 increased by RM4.158 million to RM29.021 million, as compared with RM24.404 million recorded in the corresponding quarter of 2023. The increase was mainly attributed to the higher average selling price.

During the quarter under review, this sector posted a loss before tax of RM4.711 million compared to RM2.530 million in the previous corresponding quarter. This was mainly due to higher production costs.

2. Investment holdings and others

The renewable energy segment recorded a revenue of RM1.790 million during the period under review compared to RM1.349 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 RM0.717 million as compared to a loss before tax of RM2.896 million in the corresponding quarter of 2023. Loss before tax in the corresponding quarter was mainly due to impairment loss on property, plant and equipment.



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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 RM88.304 million and loss before tax of RM11.525 million as compared to revenue of RM81.134 million and loss before tax of RM5.199 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 RM6.760 million to RM83.881 million, as compared with RM77.121 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 RM8.275 million compared to RM5.837 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 RM4.405 million during the period under review compared to RM4.013 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 RM3.250 million as compared to a profit before tax of RM0.638 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

	Individual Quarter	
	3rd Quarter ended 30 September 2024 RM'000	2nd Quarter ended 30 June 2024 RM'000
Revenue	29,021	26,107
Loss for the period	<u>(5,526)</u>	<u>(5,127)</u>

3 Realised and Unrealised Profits

	As at 30 September 2024 RM'000	As at 30 September 2023 RM'000
Total retained earnings		
Realised	(29,385)	(809)
Unrealised	20	20
Total retained earnings as per statements of financial position	<u>(29,365)</u>	<u>(789)</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 per share figures are computed by dividing loss 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	Comparative	Current	Comparative
	Quarter	Quarter	Cumulative	Cumulative
	ended 30	ended 30	ended 30	ended 30
	September	September	September	September
	2024	2023	2024	2023
Loss attributable to equity holders of the Company (RM'000)	(5,572)	(4,312)	(11,848)	(4,214)
Weighted average number of ordinary shares in issue ('000)	958,503	958,503	958,503	958,503
Basic loss per share (sen)	<u>(0.58)</u>	<u>(0.45)</u>	<u>(1.24)</u>	<u>(0.44)</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 26 November 2024.

By order of the Board of Directors

Dato' Yeo Boon Leong
Executive Chairman
26 November 2024