

RESINTECH BERHAD (341662-X)**CONDENSED CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

For The Period Ended 31 Dec 2016

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year 31 Dec 2016 RM'000 (Unaudited)	Preceding Year Corresponding Other Quarter 31 Dec 2015 RM'000 (Unaudited)	Current Year To Date 31 Dec 2016 RM'000 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2015 RM'000 (Unaudited)
Revenue		18,850	19,737	59,581	55,309
Cost of sales		(14,370)	(15,907)	(49,138)	(46,679)
Gross profit		4,480	3,830	10,443	8,630
Other operating income		1,202	1,153	3,359	4,118
Selling and distribution expenses		(679)	(483)	(1,363)	(1,346)
Administrative expenses		(1,464)	(1,512)	(4,579)	(5,109)
Other operating expenses		(320)	(524)	(1,580)	(1,862)
Finance costs		(299)	(428)	(1,210)	(1,283)
Share of (loss)/profit of associate		(24)	(33)	(162)	(158)
Profit before taxation		2,896	2,003	4,908	2,990
Income tax expense	B5	(1,486)	(356)	(2,075)	(663)
Profit after taxation		1,410	1,647	2,833	2,327
Total comprehensive income for the period					
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of the parent		1,408	1,649	2,833	2,329
Minority interests		2	(2)	-	(2)
		<u>1,410</u>	<u>1,647</u>	<u>2,833</u>	<u>2,327</u>
Earnings per share (sen):					
Basic	B12	1.03	1.20	2.06	1.70
Diluted	B12	N/A	N/A	N/A	N/A

Note:

This is prepared based on consolidated results of the Group for the financial period ended 31 Dec 2016 and is to be read in conjunction with the Notes to the Interim Financial Report and the audited consolidated results of the Group for the financial year ended 31 March 2016.

RESINTECH BERHAD (341662-X)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**For The Period Ended **31 Dec 2016**

(The figures have not been audited)

	Current year quarter 31 Dec 2016 RM'000 (Unaudited)	As at 31 Mar 2016 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Investment in an associate	(1)	160
Property, plant and equipment	87,721	89,232
Other investment	1,677	1,677
Investment properties	26,397	25,200
Intangible asset	8	35
	<u>115,802</u>	<u>116,304</u>
CURRENT ASSETS		
Inventories	13,465	11,719
Short-term investment	101	101
Trade receivables	24,381	22,650
Other receivables, deposits and prepayments	11,695	7,580
Tax refundable	1,311	136
Fixed deposits with a licensed bank	700	4,625
Cash and bank balances	1,659	1,654
	<u>53,312</u>	<u>48,465</u>
TOTAL ASSETS	<u>169,114</u>	<u>164,769</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	68,602	68,600
Revaluation reserves	32,997	33,300
Foreign exchange translation reserve	(1,076)	(518)
Retained profits	22,891	21,401
TOTAL ATTRIBUTABLE TO THE OWNER OF THE COMPANY	<u>123,414</u>	<u>122,783</u>
Non-controlling interests	(22)	(21)
TOTAL EQUITY	<u>123,392</u>	<u>122,762</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	1,169	1,924
Deferred tax liabilities	13,605	13,644
	<u>14,774</u>	<u>15,568</u>

RESINTECH BERHAD (341662-X)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****For The Period Ended 31 Dec 2016**

(The figures have not been audited)

	Current year quarter 31 Dec 2016 RM'000 (Unaudited)	Current year quarter 31 Mar 2016 RM'000 (Audited)
CURRENT LIABILITIES		
Trade payables	3,674	2,619
Other payables and accruals	3,556	2,779
Due to related party	-	297
Provision for taxation	3,304	822
Short-term borrowings	14,682	15,919
Bank overdrafts	5,732	4,003
	<u>30,948</u>	<u>26,439</u>
TOTAL LIABILITIES	<u>45,722</u>	<u>42,007</u>
TOTAL EQUITY AND LIABILITIES	<u>169,114</u>	<u>164,769</u>
	-	-
Net Assets per share based on number of shares in issue (sen)	<u>89.95</u>	<u>89.49</u>

Note:

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Notes to the Interim Financial Report and the Group's audited financial statements for the financial year ended 31 March 2016.

Net assets per share as at 31 Dec 2016 is arrived at based on the Group's Net Assets of RM123.41 million over the number of ordinary shares of in issue of 137,204,900 shares of RM0.50 each. Net Assets per share as at 31 Mar 2016 was arrived at based on the Group's Net Assets of RM122.78 million over the number of ordinary shares of 137,200,000 shares of RM0.50 each.

RESINTECH BERHAD (341662-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Period Ended 31 Dec 2016

(The figures have not been audited)

	Share Capital RM'000	Revaluation Reserves RM'000	Exchange Translation Reserves RM'000	Distributable Retained Profits RM'000	Sub-total RM'000	Non - Controlling Interests RM'000	Total RM'000
Financial year ended 31 March 2016							
At 1 April 2015	68,600	33,735	(308)	20,057	122,084	(19)	122,065
Total comprehensive income for the financial year	-	-	-	4,330	4,330	(2)	4,328
Foreign currency translation	-	-	(210)	-	(210)	-	(210)
Realisation of revaluation surplus	-	(444)	-	444	-	-	-
Revaluation surplus for the year	-	9	-	-	9	-	9
Dividend	-	-	-	(3,430)	(3,430)	-	(3,430)
At 31 Mar 2016 (audited)	<u>68,600</u>	<u>33,300</u>	<u>(518)</u>	<u>21,401</u>	<u>122,783</u>	<u>(21)</u>	<u>122,762</u>
Financial period ended 31 Dec 2016							
At 1 April 2016	68,600	33,300	(518)	21,401	122,783	(21)	122,762
Addition	2	-	-	-	2	-	2
Total comprehensive income for the financial period	-	-	-	2,833	2,833	(1)	2,832
Foreign currency translation	-	-	(558)	-	(558)	-	(558)
Realisation of revaluation surplus	-	(303)	-	303	-	-	-
Dividend	-	-	-	(1,646)	(1,646)	-	(1,646)
At 31 Dec 2016 (unaudited)	<u>68,602</u>	<u>32,997</u>	<u>(1,076)</u>	<u>22,891</u>	<u>123,414</u>	<u>(22)</u>	<u>123,392</u>

RESINTECH BERHAD (341662-X)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For The Period Ended 31 Dec 2016

(The figures have not been audited)

	Current Year To Date 31 Dec 2016 RM'000 (Unaudited)	Preceding Year To Date 31 Dec 2015 RM'000 (Unaudited)
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	4,908	2,988
Adjustments for:		
Amortisation of intangible asset	27	35
Bad debts written off	253	-
Depreciation	4,056	4,391
Dividend		(2)
Equipment written off	60	7
Fair value gain		(72)
Gain on disposal of plant and equipment		5
Interest income	(63)	(109)
Interest expense	1,210	1,283
Reversal of impairment loss on plant and equipment	-	
Reversal of impairment loss on trade receivables	-	
Share of loss/(profit) of associate	162	158
Unrealised (gain)/ loss on foreign exchange	(2,563)	(2,202)
Operating profit before working capital changes	<u>8,050</u>	<u>6,482</u>
Inventories	(1,746)	(135)
Receivables	(3,537)	8,130
Payables	1,534	(2,115)
Cash from operations	<u>4,301</u>	<u>12,362</u>
Interest paid	(1,210)	(1,283)
Tax paid	(819)	(2,212)
Net cash for operating activities	<u>2,272</u>	<u>8,867</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	63	109
Dividend received		2
Other investment		(30)
Proceed from disposal of property, plant and equipment	-	1,368
Purchase of property, plant and equipment	(2,102)	(939)
Net cash for investing activities	<u>(2,039)</u>	<u>510</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Related party	-	(396)
Bill payables	(134)	2,676
Dividend paid	(1,646)	(3,430)
Proceeds from issuance of shares	2	-
Net decrease in hire purchase obligations	(398)	214
Net decrease in term loans	(1,459)	(1,560)
Net cash for financing activities	<u>(3,635)</u>	<u>(2,496)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,402)	6,881
Effects of foreign exchange translation	(2,247)	(2,153)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,276	(592)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	<u>(3,373)</u>	<u>4,136</u>

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RESINTECH BERHAD (341662-X)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For The Period Ended 31 Dec 2016

(The figures have not been audited)

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 Dec 2016 and is to be read in conjunction with the audited financial results for the financial year ended 31 March 2016.

RESINTECH BERHAD (341662-X)

Notes – for the financial year ended 31 December 2016

PART A: EXPLANATORY NOTES PERSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS 134”)

A1. Basis of preparation

The interim financial statements of Resintech Berhad (“RB”) are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 – Interim Financial Reporting issued by the Malaysian Accounting standards Board (“MASB”) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 31 Dec 2016.

The accounting policies and methods of computation adopted in this quarterly financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 March 2016 except for the adoption of the followings:-

FRSs/IC Interpretations	Effective date
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1 (Revised): Government Loans	1 January 2013
Amendments to FRS 7: Disclosures - Transfers of Financial Assets	1 January 2010 1 January 2012
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 And Transition Disclosures	1 January 2015
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 15 Agreements for the Construction of Real Estate	Withdrawn on 19 November 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20 Stripping Costs in the Production Phase Of a Surface Mine	1 January 2013
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011

RESINTECH BERHAD (341662-X)

Notes – for the financial year ended 31 December 2016

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted in this interim financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 March 2016.

A3. Qualification of Annual Financial Statements

There were no audit qualifications on the financial statements of the Company for the financial year ended 31 March 2016.

A4. Seasonal and cyclical factors

The Group's business operations were not materially affected by any major seasonal or cyclical factors.

A5. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A6. Material changes in estimates

There were no material changes in estimates of amounts reported in the current quarter under review.

A7. Issuances and repayment of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

A8. Dividend Paid

During the financial period under review, the Company paid a single-tier interim dividend of RM1.65 million.

RESINTECH BERHAD (341662-X)

Notes – for the financial year ended 31 December 2016

A9. Segment information

Operating Segment

In determining the operating segments of the Group, segment revenue is based on the products and services provided.

The Group's financial information analyzed by operating segment as at 31 Dec 2016 was as follows:

	9-Mth to Dec 2016				Consolidation adjustment RM'000	Group RM'000
	Manufacturing and trading RM'000	Services RM'000	Investment holding RM'000	Others RM'000		
Revenue						
External	59,581	-	-	-		59,581
Inter-segment	51,092	293	-	-	(51,385)	-
	<u>110,673</u>	<u>293</u>	<u>-</u>	<u>-</u>		<u>59,581</u>
Results						
Segment results	7,271	239	1,074	(204)	(2,100)	6,280
Finance costs	(1,210)	-	-	-		(1,210)
	<u>6,061</u>	<u>239</u>	<u>1,074</u>	<u>(204)</u>		<u>5,070</u>
Profit/(loss) before tax						
Share of profit/(loss) of associate					(162)	(162)
Income tax (expense) / credit						(2,075)
Profit after taxation						<u>2,833</u>

	9-Mth to Dec 2015				Consolidation adjustment RM'000	Group RM'000
	Manufacturing and trading RM'000	Services RM'000	Investment holding RM'000	Others RM'000		
Revenue						
External	54,463	-	846	-		55,309
Inter-segment	52,378	293	-	-	(52,671)	-
	<u>106,837</u>	<u>293</u>	<u>846</u>	<u>-</u>		<u>55,309</u>
Results						
Segment results	2,922	246	1,397	(138)	4	4,431
Finance costs	(1,283)	-	-	-		(1,283)
	<u>1,639</u>	<u>246</u>	<u>1,397</u>	<u>(138)</u>		<u>3,148</u>
Profit/(loss) before tax						
Share of profit/(loss) of associate					(158)	(158)
Income tax (expense) / credit						(663)
Profit after taxation						<u>2,327</u>

A10. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

There were no revaluation of property, plant and equipment in these financial statements.

RESINTECH BERHAD (341662-X)**Notes – for the financial year ended 31 December 2016****A11. Material events subsequent to the end of the interim period**

There were no material events subsequent to the current financial quarter ended up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A13. Changes in contingent liabilities and contingent assets

As at the date of this announcement, there were no material contingent liabilities and contingent assets incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

A14. Capital Commitments

	Individual Quarter 31 Dec 2016 RM' 000 Group	Current Year To Date 31 Dec 2016 RM' 000 Company
Acquisition of plant and machineries Approved and contracted for	<u>1,523</u>	<u>N/A</u>

A15. Contingent Liabilities

	Individual Quarter 31 Dec 2016 RM' 000 Group	Current Quarter 31 Dec 2016 RM' 000 Company
Corporate guarantees given to licensed bank for banking facilities granted to subsidiaries	<u>18,145</u>	<u>-</u>

A16. Significant Related Party Transactions

There were no significant related party transactions during the financial period under review.

A17. Cash and cash equivalents

	At 31 Dec 2016 RM' 000
Cash and bank balances	1,659
Fixed deposits	700
Bank overdrafts	<u>(5,732)</u>
	<u>(3,373)</u>

RESINTECH BERHAD (341662-X)

Notes – for the financial year ended 31 December 2016

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

The Group achieved revenue of RM59.58 million for the financial quarter ended 31 Dec 2016 as compared to RM55.30 million recorded for the financial quarter ended 31 Dec 2015. The Group recorded a profit before taxation of RM4.91 million and profit after taxation of RM2.83 million as compared to a profit before taxation of RM2.99 million and profit after taxation of RM2.33 million for previous financial quarter ended 31 Dec 2015. The higher profit is mainly due to higher demand for its products during this period.

B2. Variation of results against preceding quarter

The Group achieved revenue of RM18.85 million for the current quarter under review as compared to RM22.08 million in the previous quarter. The Group recorded profit before taxation of RM2.90 million and profit after taxation of RM1.40 million for current financial period under review as compared to profit before taxation of RM0.36 million and profit after taxation of RM0.46 million for preceding quarter.

B3. Current year prospects

The Group will continue to improve the performance of all the segments by improving the demand for its products as well as implementing measures to reduce expenditure. As for the food and beverage segment, the Group will strategize effective plans to turnaround the business so as to improve the overall Group's performance.

Barring any unforeseen circumstances, the Board expects the Group to continue to achieve satisfactory performance.

B4. Variance of actual and forecast profit

The disclosure requirements for the explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

B5. Income tax

	Individual Quarter 31 Dec 2016 RM' 000	Individual Quarter 31 Dec 2015 RM' 000
Current tax expense	1,506	393
Deferred tax credit	(20)	(86)
	<u>1,486</u>	<u>356</u>

Tax expense for the current period ended 31 Dec 2016 is derived based on management's best estimate of the tax rate for the financial period. The effective tax rate for the period presented above is higher than the statutory tax rate principally due to unallowable expenses.

B6. Notes to Comprehensive Income Statement

	Individual Quarter		Cumulative Quarter	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Interest income	(23)	(63)	(63)	(109)
Interest expense	299	429	1,210	1,284
Depreciation	1,230	1,472	4,056	4,391
Amortisation of intangible asset	4	12	27	35
Allowance for doubtful debts	-	-	-	-
Bad debts written off	11	-	132	-
Plants and machineries written off	-	6	-	6
Realised (gain)/loss on foreign exchange	152	583	398	777
Fair value gain on investment properties	-	-	-	75

B7. Realised and Unrealised Profits

	Current Quarter 31 Dec 2016 RM' 000	Preceding Year Quarter 31 Dec 2015 RM' 000
Total retained profits:		
Realised	78,545	78,326
Unrealised	(11,043)	(14,540)
	<u>67,502</u>	<u>63,786</u>
Total share of retained losses of an associate		
Realised	-	-
Unrealised	1	(1)
	<u>67,854</u>	<u>63,785</u>
Less: Consolidation adjustment	(44,611)	(44,518)
	<u>22,891</u>	<u>19,267</u>

B8. Status of corporate proposal

There were no corporate proposals announced for the financial period under review.

B9. Group borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short-Term (Secured) RM'000	Long-Term (Secured) RM'000
Bank overdrafts	5,732	-
Hire purchase	531	1,124
Trust receipts and bankers' acceptances	13,598	-
Term loans	553	45
Total	<u>20,414</u>	<u>1,169</u>

RESINTECH BERHAD (341662-X)

Notes – for the financial year ended 31 December 2016

B10. Material litigation

Save as disclosed below, neither our Group or our subsidiary companies is engaged in any litigation either as plaintiff or defendant pending since the previous financial period which might materially affect the position or business of the Company or any of its subsidiaries:-

- (i) On 5 August 2010, Tenaga Nasional Berhad (“TNB”) has filed a suit against our subsidiary, Resintech Engineering Sdn Bhd (“RESB”) for RM4,380,147.59 together with interest for arrears owing for the consumption of electricity at a land and factory. Resintech Engineering Sdn Bhd (“RESB”), being the previous occupant of the land and factory had previously applied to TNB for the supply of electricity. Subsequently, the property was occupied by Crystal Bright Plastics Sdn Bhd (“the Third Party”) at the material time and the arrears owing to TNB thereof are attributable to the Third Party although the account holder is RESB. RESB had filed and served its Statement of Defense on 13 September 2010. RESB had filed its Third Party proceedings against the Third Party to pay the arrears claimed by TNB as the Third Party were occupying the property at the material time.

To date, the Third Party had settled all its installment payments to TNB. At this juncture, RESB is awaiting for the sealed consent judgement from TNB’s lawyer.

- (ii) On 4 April 2016, our subsidiary, Resintech Plastics (M) Sdn Bhd (“RPSB”), filed a claim for RM985,407.80 together with interest against Banjaran Mendi Trading owned by Datin Norini Binti Abdul Malek (“First Defendant”) and its guarantors, Dato’ Mustaffa Bin Shariff, for goods sold and delivered. Defendants did not enter appearance and/or defence. Sealed judgement in default was obtained on 31 May 2016. Notice served to guarantors house address.

Case Management for bankruptcy against First Defendant is scheduled on 7 June 2017. Case Management for bankruptcy against Second Defendant on 12 July 2017.

B11. Dividends

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

B12. Basic earnings per share

The basic earnings per share for the current quarter and cumulative year to date are computed as follow:-

	Individual Current Year Quarter 31 Dec 2016 RM’000	Year To Date 31 Dec 2016 RM’000
Profit attributable to holders of the parent for the period	<u>1,408</u>	<u>2,833</u>
Number of ordinary shares of RM0.50 each in issue	<u>137,205</u>	<u>137,205</u>
Basic earnings per share based on the number of shares in issue (sen)	<u>1.03</u>	<u>2.06</u>
Diluted earnings per share based on the number of shares		

RESINTECH BERHAD (341662-X)

Notes – for the financial year ended 31 December 2016

in issue (sen)

N/A

N/A

The diluted earnings per share is equal to the basic earnings per share as there is an anti dilutive effect arising from the conversion of warrants.

B13. Authorisation for issue

This quarterly report was authorized for issue by the Board of Directors in accordance with the resolution of the directors duly passed.