

## RESINTECH BERHAD ( 341662-X)

### CONDENSED CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For The Period Ended

31 Dec 2017

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year 31 Dec 2017 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2016 RM'000 (Unaudited)	Current Year To Date 31 Dec 2017 RM'000 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2016 RM'000 (Unaudited)
Revenue		17,638	18,850	54,342	59,581
Cost of sales		(14,088)	(14,370)	(43,511)	(49,138)
Gross profit		3,550	4,480	10,831	10,443
Other operating income		640	1,202	1,577	3,359
Selling and distribution expenses		(619)	(679)	(1,630)	(1,363)
Administrative expenses		(1,763)	(1,464)	(5,274)	(4,579)
Other operating expenses		(1,135)	(320)	(2,813)	(1,580)
Finance costs		(345)	(299)	(1,066)	(1,210)
Share of profit/(loss) of associate		-	(24)	-	(162)
<b>Profit before taxation</b>		328	2,896	1,625	4,908
Income tax credit/(expense)	B5	324	(1,486)	(252)	(2,075)
<b>Profit after taxation</b>		652	1,410	1,373	2,833
<b>Total comprehensive income for the period</b>					
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Equity holders of the parent		654	1,408	1,378	2,833
Minority interests		(2)	2	(5)	-
		652	1,410	1,373	2,833
<b>Earnings per share (sen):</b>					
Basic	B12	0.48	1.03	1.00	2.06
Diluted	B12	N/A	N/A	N/A	N/A

This is prepared based on consolidated results of the Group for the financial period ended 31 Dec 2017 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 2017.

**RESINTECH BERHAD ( 341662-X)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****For The Period Ended****31 Dec 2017**

(The figures have not been audited)

	<b>Current year quarter 31 Dec 2017 RM'000 (Unaudited)</b>	<b>As at 31 Mar 2017 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	81,592	88,398
Other investment	1,746	1,677
Investment properties	26,850	29,339
	<u>110,188</u>	<u>119,414</u>
<b>NON-CURRENT ASSET HELD FOR SALE</b>	4,171	-
<b>CURRENT ASSETS</b>		
Inventories	18,944	18,668
Short-term investment	101	101
Trade receivables	22,271	20,479
Other receivables, deposits and prepayments	13,677	8,265
Tax refundable	854	-
Fixed deposits with a licensed bank	2,902	738
Cash and bank balances	2,527	3,943
	<u>61,276</u>	<u>52,194</u>
<b>TOTAL ASSETS</b>	<u>175,635</u>	<u>171,608</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	68,602	68,602
Revaluation reserves	29,260	32,008
Reserves relating to non-current asset held for sale	2,420	-
Foreign exchange translation reserve	(1,035)	(975)
Retained profits	31,463	29,762
<b>TOTAL ATTRIBUTABLE TO THE OWNER OF THE COMPANY</b>	<u>130,710</u>	<u>129,397</u>
Non-controlling interests	<u>(26)</u>	<u>(21)</u>
<b>TOTAL EQUITY</b>	<u>130,684</u>	<u>129,376</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	2,200	1,119
Deferred tax liabilities	13,036	13,779
	<u>15,236</u>	<u>14,898</u>

**RESINTECH BERHAD ( 341662-X)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****For The Period Ended****31 Dec 2017**

(The figures have not been audited)

	<b>Current year quarter 31 Dec 2017 RM'000 (Unaudited)</b>	<b>Current year quarter 31 Mar 2017 RM'000 (Audited)</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	4,063	6,641
Other payables and accruals	2,556	2,763
Provision for taxation	634	563
Short-term borrowings	15,292	14,390
Bank overdrafts	5,573	2,977
	<u>28,118</u>	<u>27,334</u>
<b>LIABILITIES ASSOCIATED WITH NON-CURRENT ASSET HELD FOR SALE</b>		
	1,597	-
<b>TOTAL LIABILITIES</b>	<u>44,951</u>	<u>42,232</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>175,635</u>	<u>171,608</u>
	-	-
Net Assets per share based on number of shares in issue (sen)	<u>95.27</u>	<u>94.31</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 2017.

Net assets per share as at 31 Dec 2017 is arrived at based on the Group's Net Assets over the number of ordinary shares in issue of 137,204,900 shares. Net Assets per share as at 31 Mar 2017 was arrived at based on the Group's Net Assets of RM129.40 million over the number of ordinary shares in issue of 137,204,900 shares

## RESINTECH BERHAD ( 341662-X)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 Dec 2017

(The figures have not been audited)

	Share Capital RM'000	Revaluation Reserves RM'000	Reserves - Non-Current Asset Held For Sale RM'000	Exchange Translation Reserves RM'000	Distributable Retained Profits RM'000	Sub-total RM'000	Non - Controlling Interests RM'000	Total RM'000
<b>Financial year ended 31 March 2017</b>								
At 1 April 2016	68,600	33,300	-	(518)	21,401	122,783	(21)	122,762
Total comprehensive income for the financial year	-	-	-	-	8,715	8,715	-	8,715
Foreign currency translation	-	-	-	(457)	-	(457)	-	(457)
Realisation of revaluation surplus	-	(675)	-	-	675	-	-	-
Realisation arising from disposal of property	-	(617)	-	-	617	-	-	-
Dividend	-	-	-	-	(1,646)	(1,646)	-	(1,646)
Issuance of shares - warrants	2	-	-	-	-	2	-	2
At 31 Mar 2017 (audited)	68,602	32,008	-	(975)	29,762	129,397	(21)	129,376
<b>Financial period ended 31 Dec 2017</b>								
At 1 April 2017	68,602	32,008	-	(975)	29,762	129,397	(21)	129,376
Addition	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	1,373	1,373	(5)	1,368
Foreign currency translation	-	-	-	(60)	-	(60)	-	(60)
Realisation of revaluation surplus	-	(328) (2,420)	- 2,420	-	328	-	-	-
Dividend	-	-	-	-	-	-	-	-
At 31 Dec 2017 (unaudited)	68,602	29,260	2,420	(1,035)	31,463	130,710	(26)	130,684

This is prepared based on consolidated results of the Group for the financial period ended 31 Dec 2017 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 2017.

**RESINTECH BERHAD ( 341662-X)****CONDENSED CONSOLIDATED CASH FLOW STATEMENT****For The Period Ended 31 Dec 2017**

(The figures have not been audited)

	<b>Current Year To Date 31 Dec 2017 RM'000 (Unaudited)</b>	<b>Preceding Year To Date 31 Dec 2016 RM'000 (Unaudited)</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	1,625	4,908
Adjustments for:		
Amortisation of intangible asset	-	27
Bad debts written off	-	253
Depreciation	4,262	4,056
Equipment written off	-	60
Gain on disposal of plant and equipment	(38)	-
Interest income	(47)	(63)
Interest expense	1,066	1,210
Share of loss of associate	-	162
Unrealised loss/(gain) on foreign exchange	1,762	(2,563)
Operating profit before working capital changes	<u>8,630</u>	<u>8,050</u>
Inventories	(276)	(1,746)
Receivables	(8,971)	(3,537)
Payables	<u>(2,024)</u>	<u>1,534</u>
Cash from operations	(2,641)	4,301
Interest paid	(1,066)	(1,210)
Tax paid	<u>(1,181)</u>	<u>(819)</u>
Net cash for operating activities	<u>(4,888)</u>	<u>2,272</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	47	63
Proceed from disposal of property, plant and equipment	38	-
Proceed from disposal of investment property	1,530	-
Purchase of property, plant and equipment	<u>(1,711)</u>	<u>(2,102)</u>
Net cash for investing activities	<u>(96)</u>	<u>(2,039)</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Bill payables	(53)	(134)
Dividend paid	-	(1,646)
Proceeds from issuance of shares	-	2
Net decrease in hire purchase obligations	(501)	(398)
Net increase/(decrease) in term loans	<u>2,220</u>	<u>(1,459)</u>
Net cash for financing activities	<u>1,666</u>	<u>(3,635)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(3,318)	(3,402)
Effects of foreign exchange translation	1,570	(2,247)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	1,604	2,276
<b>CASH AND CASH EQUIVALENTS AT END LIABILITIES ASSOCIATED WITH</b>		
<b>OF THE FINANCIAL YEAR</b>	A17 <u>(144)</u>	<u>(3,373)</u>
	-	-

This is prepared based on the consolidated results of the Group for the financial period ended 31 Dec 2017 and is to be read in conjunction with the audited financial results for the financial year ended 31 March 2017.

**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 2017. 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 year ended 31 March 2017.

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 2017 except for the adoption of the followings:-

<b>FRSs/IC Interpretations</b>	<b>Effective date</b>
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

**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 2017.

**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 2017.

**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**

No dividend was paid during the financial period under review.

**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 2017 was as follows:

	9-Mth to Dec 2017				Consolidation adjustment RM'000	Group RM'000
	Manufacturing and trading RM'000	Services RM'000	Investment holding RM'000	Others RM'000		
Revenue						
External	54,342	-	-	-		54,342
Inter-segment	37,586	293	-	-	(37,879)	-
	<u>91,928</u>	<u>293</u>	<u>-</u>	<u>-</u>		<u>54,342</u>
Results						
Segment results	3,611	238	(272)	(618)	(268)	2,691
Finance costs	(1,066)	-	-	-		(1,066)
Profit before tax	<u>2,545</u>	<u>238</u>	<u>(272)</u>	<u>(618)</u>		<u>1,625</u>
Income tax expense						(252)
Profit after taxation						<u>1,373</u>

	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)
Profit before tax	<u>6,061</u>	<u>239</u>	<u>1,074</u>	<u>(204)</u>		<u>5,070</u>
Share of loss of associate					(162)	(162)
Income tax expense						(2,075)
Profit after taxation						<u>2,833</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.



## Notes – for the financial period ended 31 Dec 2017

**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**

	<b>Individual Quarter 31 Dec 2017 RM' 000 Group</b>	<b>Current Year To Date 31 Dec 2017 RM' 000 Company</b>
Acquisition of plant and machineries Approved and contracted for	<u>901</u>	<u>N/A</u>

**A15. Contingent Liabilities**

	<b>Individual Quarter 31 Dec 2017 RM' 000 Group</b>	<b>Current Year To Date 31 Dec 2017 RM' 000 Company</b>
Corporate guarantees given to licensed bank for banking facilities granted to subsidiaries	<u>22,610</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**

	<b>At 31 Dec 2017 RM' 000</b>
Cash and bank balances	2,527
Fixed deposits	2,902
Bank overdrafts	(5,573)
	<u>(144)</u>

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS****B1. Review of performance**

The Group achieved revenue of RM54.34 million for the financial period ended 31 Dec 2017 as compared to RM59.58 million recorded for the financial year ended 31 Dec 2016. Revenue dropped by approximately 9% due to slower demand for its goods. The Group recorded a profit before taxation of RM1.63 million and profit after taxation of RM1.37 million as compared to a profit before taxation of RM4.91 million and profit after taxation of RM2.83 million for previous financial period ended 31 Dec 2016. Other than the lower demand for its products, current year's performance is largely affected by the unrealized foreign exchange loss of RM1.76 million ( unrealized foreign exchange gain previously of RM2.56 million).

**B2. Variation of results against preceding quarter**

The Group achieved revenue of RM17.64 million for the current quarter under review as compared to RM20.48 million in the previous quarter. The Group recorded profit before taxation of RM0.33 million and profit after taxation of RM0.65 million for current financial period under review as compared to profit before taxation of RM0.51 million and profit after taxation of RM0.22million 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**

	<b>Individual Quarter 31 Dec 2017 RM' 000</b>	<b>Individual Quarter 31 Dec 2016 RM' 000</b>
Current tax (credit)/expense	(276)	1,506
Deferred tax credit	(48)	(20)
	<u>(324)</u>	<u>1,486</u>

Tax expense for the current period ended 31 Dec 2017 is derived based on management's best estimate of the tax rate for the financial period.

**B6. Notes to Comprehensive Income Statement**

	Individual Quarter		Cumulative Quarter	
	31 Dec 2017 RM'000	31 Dec 2016 RM'000	31 Dec 2017 RM'000	31 Dec 2016 RM'000
Interest income	(1)	(23)	(47)	(63)
Interest expense	345	299	1,066	1,210
Depreciation	1,456	1,300	4,262	4,056
Amortisation of intangible asset	-	4	-	27
Bad debts written off	-	10	-	132
Plants and machineries written off	-	-	-	60
Realised loss/(gain) on foreign exchange	(201)	157	(707)	398

**B7. Realised and Unrealised Profits**

	Current Quarter 31 Dec 2017 RM' 000	Preceding Year Quarter 31 Dec 2016 RM' 000
Total retained profits:		
Realised	74,746	78,545
Unrealised	887	(11,043)
	<u>75,633</u>	<u>67,502</u>
Total share of retained losses of an associate		
Realised	-	-
Unrealised	(3)	1
	<u>75,630</u>	<u>67,854</u>
Less: Consolidation adjustment	(44,167)	(44,611)
	<u>31,463</u>	<u>22,891</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	5,573	-
Hire purchase	695	832
Trust receipts and bankers' acceptances	12,062	-
Term loans	2,535	1,368
Total	<u>20,865</u>	<u>2,200</u>

## Notes – for the financial period ended 31 Dec 2017

**B10. Material Litigations**

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 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. Following Case Management for bankruptcy against First Defendant and Second Defendant in June and July 2017. Bankruptcy Order took place on January 2018. Now the Court has fixed 2 July 2018 for completion of all stages and Creditors Partition.

**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:-

	<b>Individual Current Year Quarter 31 Dec 2017 RM’000</b>	<b>Year To Date 31 Dec 2017 RM’000</b>
Profit attributable to holders of the parent for the period	<u>654</u>	<u>1,378</u>
Number of ordinary shares in issue	<u>137,205</u>	<u>137,205</u>
Basic earnings per share based on the number of shares in issue (sen)	<u>0.48</u>	<u>1.00</u>
Diluted earnings per share based on the number of shares in issue (sen)	<u>N/A</u>	<u>N/A</u>

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. Derivative Financial Instruments**

The Group did not entered into any derivative financial instruments which were outstanding during the financial period under reviewed.

**B14. 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.