

**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 2020. 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 2020.

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 2020 except for the adoption of the followings:-

<b>FRSs/IC Interpretations</b>	<b>Effective date</b>
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
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 101 and MFRS 108: Definition of Material MFRS 15	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

**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 2020.

**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 2020.

## Notes – for the financial year ended 31 Mar 2021

**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 issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

**A8. Dividend Paid**

The Group paid RM1.71 million dividends during this 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 Mar 2021 was as follows:

	12-Mth to Mar 2021				Group RM'000
	Manufacturing and trading RM'000	Services RM'000	Investment holding RM'000	Others RM'000	
Revenue					
External	78,783	-	-	-	78,783
Inter-segment	49,543	480	4,500	-	54,523
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	128,326	480	-	-	133,306
Consolidation adjustments					(54,523)
					<hr/>
					78,783
Results					
Segment results	12,672	(239)	4,208	-	16,641
Finance costs					(1,178)
					<hr/>
					15,463
Consolidation adjustments					(7,307)
Profit before tax					<hr/>
					8,156

## Segment information (continued)

	12-Mth to Mar 2021				Group RM'000
	Manufacturing and trading RM'000	Services RM'000	Investment holding RM'000	Others RM'000	
Revenue					
External	79,716	-	-	-	79,716
Inter-segment	44,529	480	1,500	-	46,509
	<u>124,245</u>	<u>480</u>	<u>1,500</u>	<u>-</u>	<u>126,225</u>
Consolidation adjustments					<u>(46,509)</u>
					<u>79,716</u>
Results					
Segment results	14,760	(339)	1,061	52	15,534
Finance costs					<u>(1,499)</u>
					<u>14,035</u>
Consolidation adjustments					<u>(7,931)</u>
Profit before tax					<u>6,104</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 revaluation of property, plant and equipment in these financial statements.

**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**

	Current Year-To-Date 31 Mar 2021 RM' 000 Group	Current Year-To-Date 31 Mar 2021 RM' 000 Company
Capital expenditure Approved and contracted for	<u>5,928</u>	<u>-</u>

**A15. Contingent Liabilities**

	<b>Current Year-To-Date 31 Mar 2021 RM' 000 Group</b>	<b>Current Year-To-Date 31 Mar 2021 RM' 000 Company</b>
Corporate guarantees given to licensed bank for banking facilities granted to subsidiaries	<u>22,801</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 Mar 2021 RM' 000</b>
Fixed deposits	7,189
Cash and bank balances	6,820
Money market funds	3,362
Fixed deposit pledged to bank	(444)
	<u>16,927</u>

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

The Group achieved revenue of RM78.78 million for the financial year ended 31 Mar 2021 as compared to RM79.72 million recorded for the financial year ended 31 Mar 2020. This is a marginal drop. The Group recorded higher profit before tax of RM8.16 million and profit after taxation of RM6.02 million as compared to a profit before taxation of RM5.36 million and profit after taxation of RM4.06 million for previous financial year ended 31 Mar 2020 mainly due to lower operating and finance cost. Included in the results are reversal of allowance for doubtful debts of approximately RM0.61 million, loss on disposal of investment property of RM0.72 million, fair value gain RM0.56 million

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

The Group achieved revenue of RM24.35 million for the current quarter under review as compared to RM21.63 million in the previous quarter. The Group recorded profit before taxation of RM2.79 million and profit after taxation of RM2.3\20 million for current financial period under review as compared to profit before taxation of RM3.38 million and profit after taxation of RM2.60 million for preceding quarter.

**B3. Current year prospects**

It is a challenging time ahead as the widespread of covid-19 pandemic is negatively affecting the business operations of the Group. Economic outlook is uncertain and volatile. The Group will monitor and manage the impact therefrom as well as continue with its effort to improve the performance of all segments by improving the demand for its products as well as implementing measures to reduce expenditure. The Group will also monitor and adhere to the Standard Operating Procedure outlined by the Government.

**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 Mar 2021 RM' 000</b>	<b>Individual Quarter 31 Mar 2020 RM' 000</b>
Current tax expense	1,026	516
Deferred tax credit	(433)	(119)
	<u>593</u>	<u>397</u>

Tax expense for the current period ended 31 Mar 2021 is derived based on management's best estimate.

## Notes – for the financial year ended 31 Mar 2021

**B6. Notes to Comprehensive Income Statement**

	Individual Quarter		Cumulative Quarter	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(33)	(21)	(126)	(123)
Interest expense	213	389	1,178	1,498
Depreciation				
Property, plant and equipment	1,271	(1,225)	4,477	2,637
Rights-of-use assets	465	1,522	1,911	1,522
Impairment loss of property and equipment	-	15	1	21

**B7. Status of corporate proposal**

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

**B8. 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	-	-
Lease liabilities	184	491
Trust receipts and bankers' acceptances	15,581	-
Term loans	2,327	4,678
Total	<u>18,092</u>	<u>5,169</u>

**B9. 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 in January 2018.

Defendants files Notice of Application to set aside judgement in default and notice of application for stay of bankruptcy proceeding. We have filed Affidavit in Reply and defendants have served Defendant's Affidavit in Reply on 23 April 2018. On 4 May 2018, the judge allowed the defendant's application and case management took place on 23 May 2018. We had had applied for Summary Judgment (Order 14) where further Case Management was fixed on 6 June 2018.

**B9. Material Litigations (continued)**

On 6 June 2018, the Court instructed us to file Affidavit in Support and Defendants to file their Affidavit in Reply by 11 June 2018 and 25 June 2018 respectively and set the matter for further case management on 27 June 2018. Thereafter, the Court on 27 June 2018 fixed 12 July 2018 for us to file our Affidavit in Reply and 27 July 2018 for both parties to file Written Submissions and Bundle of Authorities. The Court on 6 August 2018 granted Summary Judgement (Order 14) and cost of RM3,000.00 in favour of us and against Defendants.

Defendants subsequently appealed to the Shah Alam High Court. On 21 Nov 2018, the Honourable Judge of Shah Alam High Court has struck out the Appellants application to set aside our Summary Judgement with cost of RM2,000.00.

Sealed Judgement against Datin Norini and Dato' Mustafa were obtained on 15 November 2019. Sealed Bankruptcy Notice on Datin Norini has been served. Creditors Petition hearing was held on 14 July 2020. Bankruptcy proceeding commenced against Datin Norini was heard on 9 Sep 2020. Proof of Debts had been prepared and subsequently filed accordingly at the Solvency Department.

The Court has also fixed 3 May 2021 for Bankruptcy proceeding against Dato' Mustafa. Creditors Petition hearing is fixed on 28 June 2021.

**B10. Dividends**

The Company declared dividend of RM1.71 million during this period under review.

**B11. 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 Mar 2021 RM'000</b>	<b>Year To Date 31 Mar 2021 RM'000</b>
Profit attributable to holders of the parent for the period	2,196	6,018
Number of ordinary shares in issue	137,205	137,205
Basic earnings per share based on the number of shares in issue (sen)	1.60	4.39

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.

**B12. Derivative Financial Instruments**

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

**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.