

## Notes – for the financial period ended 30 June 2023

**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 2021. 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 2023.

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 2023. 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 period:-

| <b>FRSs/IC Interpretations</b>  | <b>Effective date</b> |
|---|-----------------------|
| MFRS 17 Insurance Contracts   | 1 January 2023        |
| 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 16: Lease Liability in s Sale and Leaseback  | 1 January 2024        |
| Amendments to MFRS 17: Insurance Contracts  | 1 January 2023        |
| Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information                                 | 1 January 2023        |
| Amendments to MFRS 101: Disclosure of Accounting Policies   | 1 January 2023        |
| Amendments to MFRS 101: Classifications 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        |
| Amendments to MFRS 108: Definition of Accounting Estimates  | 1 January 2023        |
| Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction                  | 1 January 2023        |
| Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules   | 1 January 2023        |

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted in this interim financial statements are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 March 2023.

**Notes – for the financial period ended 30 June 2023**

**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 2023.

**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 repayments of debt and equity securities during the quarter under review.

Details of the Treasury Shares held are set out below:-

|                               | <b>Number of<br/>shares<br/>purchased</b> | <b>Total<br/>consideration<br/>paid<br/>RM</b> |
|-------------------------------|---|--|
| At 1 Apr 2023                 | 1,333,333                                 | 941,787  |
| Changes this financial period | -   | -  |
| At 30 Jun 2023                | <u>1,333,333</u>                          | <u>941,787</u>                                 |

It was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

**A8. Dividend Paid**

There were no dividend payment during this period under review.

## Notes – for the financial period ended 30 June 2023

**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 was as follows:

|                           | 3-Mth to Jun 2023                      |                    |                                 |                  |                 |
|---------------------------|--|--------------------|---------------------------------|------------------|-----------------|
|                           | Manufacturing<br>and trading<br>RM'000 | Services<br>RM'000 | Investment<br>holding<br>RM'000 | Others<br>RM'000 | Group<br>RM'000 |
| Revenue                   |  |                    |                                 |                  |                 |
| External                  | 25,153                                 | -                  | -                               | -                | 25,153          |
| Inter-segment             | 16,381                                 | 120                | -                               | -                | 16,501          |
|                           | 41,534                                 | 120                | -                               | -                | 41,654          |
| Consolidation adjustments |  |                    |                                 |                  | (16,501)        |
|                           |  |                    |                                 |                  | 25,153          |
| Results                   |  |                    |                                 |                  |                 |
| Segment results           | 2,995                                  | 270                | (90)                            | (29)             | 3,146           |
| Finance costs             |  |                    |                                 |                  | (987)           |
| Consolidation adjustments |  |                    |                                 |                  | (320)           |
| Profit before tax         |  |                    |                                 |                  | 1,839           |

  

|                           | 3-Mth to Jun 2022                      |                    |                                 |                  |                 |
|---------------------------|--|--------------------|---------------------------------|------------------|-----------------|
|                           | Manufacturing<br>and trading<br>RM'000 | Services<br>RM'000 | Investment<br>holding<br>RM'000 | Others<br>RM'000 | Group<br>RM'000 |
| Revenue                   |  |                    |                                 |                  |                 |
| External                  | 21,092                                 | -                  | -                               | -                | 21,092          |
| Inter-segment             | 14,360                                 | 120                | -                               | -                | 14,480          |
|                           | 35,452                                 | 120                | -                               | -                | 35,572          |
| Consolidation adjustments |  |                    |                                 |                  | (14,480)        |
|                           |  |                    |                                 |                  | 21,092          |
| Results                   |  |                    |                                 |                  |                 |
| Segment results           | 1,478                                  | 277                | (232)                           | (15)             | 1,508           |
| Finance costs             |  |                    |                                 |                  | (504)           |
| Consolidation adjustments |  |                    |                                 |                  | (230)           |
| Profit before tax         |  |                    |                                 |                  | 774             |

**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 this period under review.

**A11. Material events subsequent to the end of the interim period**

There were no material events subsequent to the current financial period 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**

On 5 April 2023, the Company had incorporated a wholly owned subsidiary, namely Johan Intan Sdn Bhd, with an issued and paid-up capital of 100 ordinary shares of RM1 each. The intended principal activity was investment holding, manufacturing and trading. It is currently dormant.

## Notes – for the financial period ended 30 June 2023

**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>Current<br/>Year-To-Date<br/>30 Jun 2023<br/>RM' 000<br/>Group</b> | <b>Current<br/>Year-To-Date<br/>30 Jun 2023<br/>RM' 000<br/>Company</b> |
|--|---|---|
| Capital expenditure<br>Approved and contracted for | <u>1,333</u>  | <u>-</u>  |

**A15. Contingent Liabilities**

|   | <b>Current<br/>Year-To-Date<br/>30 Jun 2023<br/>RM' 000<br/>Group</b> | <b>Current<br/>Year-To-Date<br/>30 Jun 2023<br/>RM' 000<br/>Company</b> |
|---|---|---|
| Corporate guarantees given to licensed bank for<br>banking facilities granted to subsidiaries | <u>63,390</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 30 Jun 2023<br/>RM' 000</b> |
|---|-----------------------------------|
| Fixed deposits  | 6,654                             |
| Cash and bank balances                                  | 6,770                             |
| Money market funds                                      | 218                               |
| Overdrafts  | (3,588)                           |
| Fixed deposit pledged to bank and/or more than 3 months | (1,344)                           |
|   | <u><u>8,710</u></u>               |

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

The Group achieved revenue of RM25.15 million for the financial period ended 30 Jun 2023 with corresponding profit before tax of RM1.84 million and profit after taxation of RM1.31 million. For financial period ended 30 Jun 2022, the Group recorded revenue of RM21.09 million with corresponding profit before taxation of RM0.77 million and profit after taxation of RM0.54 million. Revenue improved by approximately 19.3% mostly due to increase in demand with corresponding improvement in gross margin by approximately 5% attributed to higher productivity and efficiency.

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

The Group achieved higher revenue by approximately 7.5% with RM25.15 million for the current quarter under review as compared to RM23.40 million in the previous quarter. The Group recorded profit before taxation of RM1.84 million and profit after taxation of RM1.31 million for current financial period under review as compared to profit before taxation of RM2.42 million and profit after taxation of RM2.52 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 thus achieving better economies of scales whilst continue implementing measures to reduce expenditure. However, the Group takes cautious approach in view of the weakening local currency as well as continuous rising costs.

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<br/>Quarter<br/>30 Jun 2023<br/>RM' 000</b> | <b>Individual<br/>Quarter<br/>30 Jun 2022<br/>RM' 000</b> |
|---------------------|---|---|
| Current tax expense | 607   | 291   |
| Deferred tax credit | (78)  | (55)  |
|                     | <u>529</u>  | <u>236</u>  |

Tax expense for the current period ended 30 Jun 2023 is derived based on management's best estimate.

## Notes – for the financial period ended 30 June 2023

**B6. Notes to Comprehensive Income Statement**

|                               | Individual Quarter       |                          | Cumulative Quarter       |                          |
|-------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                               | 30 Jun<br>2023<br>RM'000 | 30 Jun<br>2022<br>RM'000 | 30 Jun<br>2023<br>RM'000 | 30 Jun<br>2022<br>RM'000 |
| Interest income               | (69)                     | (41)                     | (69)                     | (41)                     |
| Interest expense              | 974                      | 495                      | 974                      | 495                      |
| Depreciation                  |                          |                          |                          |                          |
| Property, plant and equipment | 1,089                    | 1,093                    | 1,089                    | 1,093                    |
| Rights-of-use assets          | 286                      | 276                      | 286                      | 276                      |

**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<br>(Secured)<br>RM'000 | Long-Term<br>(Secured)<br>RM'000 |
|-----------------|-----------------------------------|----------------------------------|
| Hire purchase   | 103                               | 270                              |
| Term loan       | 3,096                             | 25,996                           |
| Bill payables   | 19,311                            | -                                |
| Bank overdrafts | 3,588                             | -                                |
| Total           | <u>26,098</u>                     | <u>26,266</u>                    |

**B9. Material Litigations**

There were no material litigations for the period under review.

**B10. Dividends**

The Company did not declare any dividends during the period under review.

**B11. Earnings per share**

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

|   | <b>Individual<br/>Current Year<br/>Quarter<br/>30 Jun 2023<br/>RM'000</b> | <b>Year To Date<br/>30 Jun 2023<br/>RM'000</b> |
|---|---|--|
| Profit attributable to holders of the parent for the period           | <u>1,310</u>  | <u>1,310</u>                                   |
| Number of ordinary shares in issue                                    | <u>194,407</u>  | <u>194,407</u>                                 |
| Basic earnings per share based on the number of shares in issue (sen) | <u>0.67</u>   | <u>0.67</u>                                    |

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

**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.