

Notes – for the financial period ended 30 Sep 2024

**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 Malaysian Financial Reporting Standard (“MFRS”) 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 2024. 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 2024.

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 2024.

During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

**MFRSs/IC Interpretations (including the Consequential Amendments)**

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

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>MFRSs/IC Interpretations</b>	<b>Effective date</b>
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
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
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

Notes – for the financial period ended 30 Sep 2024

**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 2024.

**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 2024.

**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 Shares Purchased</b>	<b>Total consideration paid RM</b>
At 1 Apr 2024	1,333,333	941,787
Changes this financial period	-	-
At 30 Sep 2024	<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.

**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:-

## Notes – for the financial period ended 30 Sep 2024

## Segment information ( continued )

	Cumulative 6-Mth to Sep 2024				Group RM'000
	Manufacturing and trading RM'000	Services RM'000	Investment holding RM'000	Others RM'000	
Revenue					
External	62,027	-	-	-	62,027
Inter-segment	37,935	330	1,559	-	39,284
	<u>99,422</u>	<u>330</u>	<u>1,559</u>	<u>-</u>	<u>101,311</u>
Consolidation adjustments					<u>(39,284)</u>
					<u>62,027</u>
Results					
Segment results	6,590	(411)	1,303	(21)	7,461
Finance costs	(660)	(124)	-	-	(784)
Consolidation adjustments					<u>(1,578)</u>
Profit before tax					<u>5,099</u>
	Individual 3-Mth to Sep 2024				
	Manufacturing and trading RM'000	Services RM'000	Investment Holding RM'000	Others RM'000	Group RM'000
Revenue					
External	33,425	-	-	-	33,425
Inter-segment	22,521	210	58	-	22,789
	<u>55,946</u>	<u>210</u>	<u>58</u>	<u>-</u>	<u>56,214</u>
Consolidation adjustments					<u>(22,789)</u>
					<u>33,425</u>
Results					
Segment results	3,468	(477)	(106)	8	2,893
Finance costs	(339)	(61)	-	-	(400)
Consolidation adjustments					<u>213</u>
Profit before tax					<u>2,706</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 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, except for the followings:-

- i) Johan Panglima (M) Sdn Bhd (“JPMSB”) was a wholly owned subsidiary of the Company. On 14 Oct 2024, CNH Group Sdn Bhd subscription of 1,800,000 ordinary shares of JPMSB for a total cash consideration of RM1.8 million was completed. The allotment of 1.8 million shares represents 40% of the entire share capital of JPMSB to date; and
- ii) Dunya Waja Sdn Bhd, a wholly owned subsidiary of the Company, had on 25 Oct 2024 entered into Sales and Purchase Agreement with Sri Pushpam Recycling Sdn Bhd for the acquisition of all that piece of leasehold land and building held under Individual Title HS9D) 41141 PT No. 660, Bandar Telok Panglima Garang, Daerah Kuala Langat, Negeri Selangor, for a total cash consideration of RM11 millions.

**Notes – for the financial period ended 30 Sep 2024**

**A12. Changes in the composition of the Group**

Johan Intan Sdn Bhd (“JISB”) was a wholly owned subsidiary of the Company. On 26 Sep 2024, SEDC Energy Sdn Bhd subscribed to 40,000 ordinary shares of JISB, representing 40% of entire share capital of Johan Intan Sdn Bhd for a total cash consideration of RM40,000.00.

**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 Year-To-Date 30 Sep 2024 RM' 000 Group</b>	<b>Current Year-To-Date 30 Sep 2024 RM' 000 Company</b>
Capital expenditure		
Approved and contracted for	11,266	-
Approved but not contracted for	-	-
	<u>                    </u>	<u>                    </u>

**A15. Contingent Liabilities**

	<b>Current Year-To-Date 30 Sep 2024 RM' 000 Group</b>	<b>Current Year-To-Date 30 Sep 2024 RM' 000 Company</b>
Corporate guarantees given to licensed bank for banking facilities granted to subsidiaries	-	58,281
	<u>                    </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 Sep 2024 RM' 000</b>
Fixed deposits	8,715
Cash and bank balances	5,649
Money market funds	223
Bank overdrafts	(1,210)
Fixed deposits pledged to bank	(988)
Fixed deposits more than 3 months	(21)
	<u>                    </u>
	<u>12,368</u>

Notes – for the financial period ended 30 Sep 2024

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

The Group achieved revenue of RM62.03 million for the financial period ended 30 Sep 2024 with corresponding profit before tax of RM5.10 million and profit after taxation of RM3.96 million. For financial period ended 30 Sep 2023, the Group recorded revenue of RM52.74 million with corresponding profit before taxation of RM4.16 million and profit after taxation of RM3.00 million. Revenue improved by approximately 17.61% mostly due to increase in demand for pipe systems. Improved results were attributed to higher productivity and efficiency.

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

The Group recorded increase of revenue by approximately 16.89% with RM33.43 million for the current quarter under review as compared to RM28.60 million in the previous quarter. The Group's profit before taxation of RM2.71 million and profit after taxation of RM2.11 million for current financial period under review are higher as compared to profit before taxation of RM2.39 million and profit after taxation of RM1.85 million despite having recorded additional RM1.36 million of unrealized foreign exchange loss in this period.

**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 fluctuating 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 Quarter 30 Sep 2024 RM' 000</b>	<b>Individual Quarter 30 Sep 2023 RM' 000</b>
Current tax expense	624	688
Deferred tax credit	(28)	(63)
	<u>596</u>	<u>625</u>

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

## Notes – for the financial period ended 30 Sep 2024

**B6. Notes to Comprehensive Income Statement**

	Individual Quarter		Cumulative Quarter	
	30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Interest income	(72)	(62)	(151)	(131)
Interest expense	420	373	785	1,346
Gain on disposal of property, plant and equipment	(51)	-	(104)	-
Net reversal on impairment losses on receivables	(10)	-	(10)	-
Net unrealised loss/(gain) on foreign exchange	1,356	219	1,735	(541)
Depreciation				
Property, plant and equipment	1,362	991	2,713	2,080
Rights-of-use assets	312	146	597	432
Equipment written off	-	-	-	5

**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
Hire purchase	279	659
Term loan	2,687	22,320
Bill payables	27,271	-
Bank overdrafts	1,210	-
Total	<u>31,447</u>	<u>22,979</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.

Notes – for the financial period ended 30 Sep 2024

**B11. 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 30 Sep 2024 RM'000</b>	<b>Year To Date 30 Sep 2024 RM'000</b>
Profit attributable to holders of the parent for the period	<u>2,110</u>	<u>3,959</u>
Number of ordinary shares in issue	<u>194,406</u>	<u>194,406</u>
Basic earnings per share based on the number of shares in issue (sen)	<u>1.09</u>	<u>2.04</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.