

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Note	INDIVIDUAL QUARTER 3 MONTHS		CUMULATIVE QUARTER 9 MONTHS	
		Current Year Quarter 30.09.23 RM'000	Preceding Year Corresponding Quarter 30.09.22 RM'000	Current Period To Date 30.09.23 RM'000	Preceding Year Corresponding Period 30.09.22 RM'000
Revenue	8	41,661	47,230	119,554	139,812
Profit from operations		3,121	5,749	10,829	21,165
Finance income		480	652	1,483	811
Finance costs		-	-	-	-
Profit before tax	15	3,601	6,401	12,312	21,976
Tax expense	19	(933)	(1,462)	(3,131)	(3,667)
Profit for the period		2,668	4,939	9,181	18,309
Other comprehensive income / (expense), net of tax:					
Fair value of available-for-sale financial assets		-	-	-	-
Foreign currency translation differences		444	4,169	5,031	8,882
		444	4,169	5,031	8,882
Total comprehensive income / (expense) for the year attributable to owners of the Company		3,112	9,108	14,212	27,191
Earnings per share					
Basic (Sen)	28	0.84	1.56	2.89	5.78
Diluted (Sen)		N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2022.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Note	As at End of Current Quarter 30.09.23 RM'000	Audited As at End of Preceding Financial Year 31.12.22 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	20	58,175	59,420
Right-of-use assets		10,296	9,743
Intangible assets		9	9
		68,480	69,172
Current Assets			
Inventories		43,093	45,076
Trade and other receivables	24	29,827	31,398
Current tax assets		18	270
Cash and cash equivalents		80,694	83,354
		153,632	160,098
TOTAL ASSETS		222,112	229,270
EQUITY TO OWNERS OF THE COMPANY			
Share capital		113,680	113,680
Reserves		81,699	79,373
TOTAL EQUITY		195,379	193,053
Non-current Liabilities			
Deferred tax liabilities		9,607	9,754
Current Liabilities			
Trade and other payables		12,342	20,797
Current tax liabilities		822	695
Derivative financial liabilities		-	217
Dividend payable		3,962	4,754
		17,126	26,463
TOTAL LIABILITIES		26,733	36,217
TOTAL EQUITY AND LIABILITIES		222,112	229,270
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		61.6	60.9

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2022.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	<-----Attributable to owners of the Company----->				
	<----- Non- Distributable ----->			Distributable	
	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2023	113,680	2,766	(106)	76,713	193,053
Net profit for the period	-	-	-	9,181	9,181
Other comprehensive income for the period	-	5,031	-	-	5,031
Total comprehensive income for the period	-	5,031	-	9,181	14,212
Dividend	-	-	-	(11,886)	(11,886)
At 30 September 2023	113,680	7,797	(106)	74,008	195,379
At 1 January 2022	113,680	(1,830)	(106)	73,566	185,310
Net profit for the period	-	-	-	18,309	18,309
Other comprehensive income for the period	-	8,882	-	-	8,882
Total comprehensive income for the period	-	8,882	-	18,309	27,191
Dividend	-	-	-	(12,678)	(12,678)
At 30 September 2022	113,680	7,052	(106)	79,197	199,823

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2022.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Note	PERIOD ENDED	
		30.09.23 RM'000	30.09.22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		12,312	21,976
Adjustments:			
Depreciation of property, plant and equipment		4,647	4,646
Depreciation of right-of-use assets		113	108
Gain on disposal of property, plant and equipment		-	(10)
Gain on disposal of right-of-use assets		-	(5,055)
Finance income		(1,483)	(811)
Property, plant & equipment written off		1	25
(Reversal) / Impairment loss on trade receivables		11	(125)
Operating profit before changes in working capital		15,601	20,754
Changes in working capital:			
Inventories		3,627	(6,058)
Trade and other receivables		2,162	(2,190)
Trade and other payables		(10,741)	(2,936)
Cash generated from operations		10,649	9,570
Income tax paid		(2,899)	(2,984)
Net cash generated from operating activities		7,750	6,586
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	20	(233)	(939)
Proceeds from disposal of property, plant and equipment		-	10
Proceeds from disposal of right-of-use assets		-	6,305
Interest received		1,483	811
Net cash generated from investing activities		1,250	6,187
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(12,678)	(12,678)
Net cash used in financing activities		(12,678)	(12,678)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(3,678)	95
Effects of foreign exchange rate differences		1,018	2,548
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		83,354	77,153
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		80,694	79,796

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONT'D)

	Note	PERIOD ENDED	
		30.09.23 RM'000	30.09.22 RM'000
Cash and cash equivalents included in the consolidated statements of cash flows comprise the following statements of financial position amounts:			
Short-term placements in money market with a licensed bank (including Islamic short term placement of RM19.7 million (30.09.22: RM19.2 million))		38,786	37,852
Short-term deposits with licensed banks		20,950	21,446
Cash and bank balances		20,958	20,498
		80,694	79,796

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2022.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting in Malaysia and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 December 2022, except for the adoption of the following Amendments effective 1 January 2023:

- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from Single Transaction

The Group has adopted the Amendments that are relevant and effective for accounting periods beginning on or after 1 January, 2023. The adoption of these Amendments has not resulted in any material impact on the financial statements of the Group.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been applied by the Group:

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

2 Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2022 were not subject to any qualification.

3 Seasonal or Cyclical Factors

The operations of the Group during the current quarter under review have not been materially affected by any seasonal or cyclical factors.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

4 Unusual Items

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

5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim period or financial year that have a material effect in the current quarter under review.

6 Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

7 Dividends Paid

A first interim single-tier tax exempt dividend of 1.0 sen per share in respect of financial year ending 31 December 2023 was declared by the Board on 5 May 2023 and subsequently paid on 6 July 2023.

A second interim single-tier tax exempt dividend of 1.25 sen per share in respect of financial year ending 31 December 2023 was declared by the Board on 5 August 2023 and subsequently paid on 5 October 2023.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

8 Operating segments

The Group is principally involved in the manufacturing and sale of plastic packaging and its related products and trading of polymer products. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before tax are mainly confined to one operating segment.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers as follows:

	INDIVIDUAL QUARTER 3 MONTHS				CUMULATIVE QUARTER 9 MONTHS			
	Current Year		Preceding Year		Current Period To		Preceding Year	
	Quarter		Corresponding		Date		Corresponding	
	30.09.23		30.09.22		30.09.23		30.09.22	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	27,082	65%	26,156	55%	78,232	65%	80,372	57%
Japan	12,591	30%	15,378	33%	34,119	29%	44,600	32%
Australia	1,054	3%	1,938	4%	3,138	3%	5,705	4%
Other countries	934	2%	3,758	8%	4,065	3%	9,135	7%
Total	41,661	100%	47,230	100%	119,554	100%	139,812	100%

9 Valuation of Property, Plant and Equipment

The valuations of land and building have been brought forward, without amendment from the annual financial statements for the year ended 31 December 2022. There were no valuations of property, plant and equipment during the current quarter under review.

10 Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements as at date of this report.

11 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review. In streamlining the Group's corporate structure, on 16 February 2021, the Company decided to proceed with a voluntary winding up of its wholly owned subsidiary, Sinliplas Sdn Bhd, a dormant subsidiary.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

12 Changes in contingent liabilities or contingent assets

The Company has provided corporate guarantees to financial institutions for banking facilities granted to its subsidiaries collectively up to limits of RM44 million as at 30 September 2023, of which, approximately RM2.4 million of the total banking facilities was utilised as at 30 September 2023. The Company has also issued corporate guarantees to non-financial institutions for the supply of goods and services provided to subsidiaries collectively amounting to RM5.0 million as at 30 September 2023.

13 Capital Commitments

Capital commitments for the purchase of property, plant and equipment as at the end of the current quarter was as follows:

	Total RM'000
Approved and contracted for:	
Property, plant and equipment	1,444
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14 Significant related party transactions

There were no significant transactions entered into between the Group and other related parties during the current year under review except the following:

	Current Year-To-Date RM'000
Sales of plastic films and plastic bags to a company controlled by a Director	934
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART B : EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A

15 Review of Performance

	INDIVIDUAL QUARTER 3 MONTHS			CUMULATIVE QUARTER 9 MONTHS		
	Current Year Quarter 30.09.23 RM'000	Preceding Year Corresponding Quarter 30.09.22 RM'000	Variance %	Current Period To Date 30.09.23 RM'000	Preceding Year Corresponding Period 30.09.22 RM'000	Variance %
Revenue	41,661	47,230	(11.8%)	119,554	139,812	(14.5%)
Profit Before Tax	3,601	6,401	(43.7%)	12,312	21,976	(44.0%)
Profit After Tax	2,668	4,939	(46.0%)	9,181	18,309	(49.9%)
Profit Before Tax Margin	8.6%	13.6%	(5.0%)	10.3%	15.7%	(5.4%)
Profit After Tax Margin	6.4%	10.5%	(4.1%)	7.7%	13.1%	(5.4%)

For the current quarter ended 30 September 2023, the Group recorded revenue of RM41.7 million, a decrease of 11.8% from RM47.2 million recorded in the corresponding quarter last year. The significant decrease in revenue was attributable to the softening demand from Japan and regional markets. Lower revenue recorded during current quarter has resulted the Group posted a lower Profit Before Tax (“PBT”) of RM3.6 million, dropped 43.7% from RM6.4 million recorded in the corresponding quarter last year. The significant drop in PBT was due to change in product mix and higher production cost per unit resulted from increase in utility cost as well as lower plant utilization. Furthermore, average selling price have been adjusted due to intense competition in this industry.

For the current period ended 30 September 2023, the Group recorded lower revenue of RM119.6 million, a decrease of 14.5% from RM139.8 million recorded in the corresponding period last year. This was attributed to softening demand from oversea market. In line with lower revenue posted in the current period, the Group recorded RM12.3 million of PBT, a decrease of 44% compared with RM22 million recorded in the corresponding period last year. The significant drop in PBT was due to explanation given in the preceding paragraph coupled with absent of a non-recurring gain resulted from disposal of right-of-use assets last year.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

16 Comment on material change in profit before tax

	Current	Preceding	Variance	
	Quarter	Quarter	RM'000	%
	30.09.23	30.06.23		
	RM'000	RM'000	RM'000	%
Revenue	41,661	37,627	4,034	9.7%
Profit Before Tax	3,601	4,675	(1,074)	(29.8%)
Profit After Tax	2,668	3,486	(818)	(30.7%)
Profit Before Tax Margin	8.6%	12.4%	-	(3.8%)
Profit After Tax Margin	6.4%	9.3%	-	(2.9%)

For the current quarter ended 30 September 2023, the Group recorded a higher revenue of RM41.7 million compared to RM37.6 million recorded in the preceding quarter. The increase in revenue was attributed to increase in sales to local and Japan markets.

Despite higher revenue achieved in the current quarter, the Group's PBT dropped by 29.8% to RM3.6 million from RM4.7 million. The significant drop in PBT has been explained in Note 15. PBT is further eased off due to the Group incurring higher production wastage as the Group is engaging in new products development during the quarter under review.

17 Current year prospects

The current global economic environment is expected to remain weak, despite entering into conventional peak seasons. Aligned with the on-going and additional geopolitical conflicts and tensions, coupled with the inflationary factors, the Group expects market sentiments to maintain status-quo and remain cautious for the remainder of the year.

Going forward, given the facts of current fragile economy and challenging operating environment, the Group will strive to pave its way by demonstrating the strength of product innovations in ensuring sustainable profitability, continue to exercise financially disciplined in achieving balance between capex needs and delivery of returns to stakeholders.

18 Variance between Actual Profit and Forecast Profit

Not applicable.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

19 Taxation

	INDIVIDUAL QUARTER 3 MONTHS		CUMULATIVE QUARTER 9 MONTHS	
	Current Year Quarter 30.09.23 RM'000	Preceding Year Corresponding Quarter 30.09.22 RM'000	Current Period To Date 30.09.23 RM'000	Preceding Year Corresponding Period 30.09.22 RM'000
Income tax				
Current year	1,074	1,306	3,284	3,460
Prior year	(6)	(84)	(6)	(84)
	1,068	1,222	3,278	3,376
Deferred tax				
Current year	(135)	240	(147)	291
Prior year		-		-
	933	1,462	3,131	3,667

Effective tax rate in the current year quarter and financial year-to-date is 26% and 25% respectively.

20 Property, plant and equipment

During the financial period ended 30 September 2023, the Group has acquired / disposed the following assets:

	30.09.23	
	Acquisition of assets RM'000	Disposal/ written of assets RM'000
Plant, machinery and factory equipment	203	(1)
Motor vehicle	28	-
Office furniture and equipment	2	-
	233	(1)

21 Unquoted investments and properties

There were no purchases or sale of unquoted investment or properties for the current quarter under review.

22 Quoted securities

There were no acquisitions or disposals of quoted securities for the current quarter under review and the financial year-to-date.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

23 Borrowings and debt Securities

Other than bank guarantee facilities, there were no outstanding bank loans and borrowings.

24 Trade and other receivables

	30.09.23	31.12.22
	RM'000	RM'000
Trade		
Trade receivables (net of impairment)	25,554	26,981
Amount due from a company controlled by a Director	455	626
Non-trade		
Other receivables	1,471	3,115
Deposits	172	204
Prepayments	2,175	472
	29,827	31,398

Included in prepayments of the Group are RM0.3 million and RM1.4 million (31.12.2022: RM Nil and RM Nil) representing advance payments to suppliers for purchases of plant and machinery and raw materials respectively.

The ageing analysis of the Group's trade receivables as at 30 September 2023 is as follows:

	Gross Carrying	Loss Allowances	Net Balance
	Amount	(ECL)	RM'000
	RM'000	RM'000	RM'000
Not past due	18,650	(14)	18,636
Past due 0 – 30 days	5,642	(4)	5,638
Past due 31 – 120 days	1,733	(1)	1,732
Past due more than 120 days	80	(77)	3
	26,105	(96)	26,009

25 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the end of current quarter to the date of this quarterly report.

26 Material Litigation

There are no material litigation against the Group as at the date of this quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

27 Proposed Dividend

Details of the dividends approved and declared by the Board of Directors are as follows:

30.09.23

Third Interim Dividend

Dividend for the financial year ending	31 December 2023
Declared on	10 November 2023
Dividend per share	1.25 sen
Entitlements to dividends based on record of	
Depositors as at	8 December 2023
Date payable	5 January 2024

28 Earnings Per Share

	Individual Quarter 3 MONTHS		Cumulative Quarter 9 MONTHS	
	Current Year Quarter 30.09.23	Preceding Year Corresponding Quarter 30.09.22	Current Period To Date 30.09.23	Preceding Year Corresponding Period 30.09.22
BASIC EARNINGS PER SHARE				
Profit attributable to owners of the Company (RM'000)	2,668	4,939	9,181	18,309
Weighted average number of ordinary shares in issue ('000)	316,960	316,960	316,960	316,960
Basic Earnings per Share (sen)	0.84	1.56	2.89	5.78

There was no dilution in the earnings per share as there was no potential diluted ordinary share outstanding as at the end of the current quarter under review.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

29 Notes to the Statement of Comprehensive Income

	Individual Quarter 3 MONTHS		Cumulative Quarter 9 MONTHS	
	Current Year Quarter 30.09.23 RM'000	Preceding Year Corresponding Quarter 30.09.22 RM'000	Current Period To Date 30.09.23 RM'000	Preceding Year Corresponding Period 30.09.22 RM'000
Profit from operations for the period is arrived at after charging the following items:				
Depreciation and amortisation	1,519	1,570	4,647	4,646
Depreciation of right-of-use assets	39	37	113	108
Impairment loss on trade receivables	33	-	11	-
Loss on derivative – unrealised	-	340	-	1,053
Net foreign exchange loss	-	153	-	-
and after crediting the following items:				
Interest income	480	652	1,483	811
Gain on disposal of property, plant and equipment	-	-	-	10
Gain on disposal of right-of-use assets	-	-	-	5,055
Gain on derivative – unrealised	3	-	223	-
Net foreign exchange gain	48	-	234	94
Reversal of impairment loss on trade receivables	-	13	-	125

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

30 Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board.