

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	INDIVIDUAL QUARTER 3 MONTHS		CUMULATIVE QUARTER 12 MONTHS	
		Current Year	Preceding Year	Current	Preceding Year
		Quarter 31.12.23 RM'000	Corresponding Quarter 31.12.22 RM'000	Period To Date 31.12.23 RM'000	Corresponding Period 31.12.22 RM'000
Revenue	8	42,774	45,930	162,328	185,742
Profit from operations		1,431	3,134	12,260	24,299
Finance income		493	428	1,976	1,239
Finance costs		-	-	-	-
Profit before tax	15	1,924	3,562	14,236	25,538
Tax expense	19	(498)	(1,291)	(3,629)	(4,958)
Profit for the year		1,426	2,271	10,607	20,580
Other comprehensive income / (expense), net of tax:					
Fair value of available-for-sale financial assets		-	-	-	-
Foreign currency translation differences		(1,746)	(4,286)	3,285	4,596
		(1,746)	(4,286)	3,285	4,596
Total comprehensive income / (expense) for the year attributable to owners of the Company		(320)	(2,015)	13,892	25,176
Earnings per share					
Basic (Sen)	28	0.46	0.71	3.35	6.49
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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	As at End of Current Quarter 31.12.23 RM'000	Audited As at End of Preceding Financial Year 31.12.22 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	20	55,852	59,420
Right-of-use assets		10,034	9,743
Intangible assets		9	9
		65,895	69,172
Current Assets			
Inventories		42,691	45,076
Trade and other receivables	24	26,830	31,398
Current tax assets		96	270
Cash and cash equivalents		84,345	83,354
		153,962	160,098
TOTAL ASSETS		219,857	229,270
EQUITY TO OWNERS OF THE COMPANY			
Share capital		113,680	113,680
Reserves		77,417	79,373
TOTAL EQUITY		191,097	193,053
Non-current Liabilities			
Deferred tax liabilities		9,261	9,754
Current Liabilities			
Trade and other payables		14,624	20,797
Current tax liabilities		913	695
Derivative financial liabilities		-	217
Dividend payable		3,962	4,754
		19,499	26,463
TOTAL LIABILITIES		28,760	36,217
TOTAL EQUITY AND LIABILITIES		219,857	229,270
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		60.3	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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 year	-	-	-	10,607	10,607
Other comprehensive income for the year	-	3,285	-	-	3,285
Total comprehensive income for the year	-	3,285	-	10,607	13,892
Dividend	-	-	-	(15,848)	(15,848)
At 31 December 2023	113,680	6,051	(106)	71,472	191,097
At 1 January 2022	113,680	(1,830)	(106)	73,566	185,310
Net profit for the year	-	-	-	20,580	20,580
Other comprehensive income for the year	-	4,596	-	-	4,596
Total comprehensive income for the year	-	4,596	-	20,580	25,176
Dividend	-	-	-	(17,433)	(17,433)
At 31 December 2022	113,680	2,766	(106)	76,713	193,053

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	YEAR ENDED	
		31.12.23 RM'000	31.12.22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		14,236	25,538
Adjustments:			
Depreciation of property, plant and equipment		6,182	6,247
Depreciation of right-of-use assets		152	146
Gain on disposal of property, plant and equipment		-	(10)
Gain on disposal of right-of-use assets		-	(5,055)
Finance income		(1,976)	(1,239)
Property, plant & equipment written off		1	25
(Reversal) / Impairment loss on trade receivables		102	(115)
Operating profit before changes in working capital		18,697	25,537
Changes in working capital:			
Inventories		3,473	(8,734)
Trade and other receivables		4,890	604
Trade and other payables		(7,889)	3,152
Cash generated from operations		19,171	20,559
Income tax paid		(3,729)	(4,220)
Net cash generated from operating activities		15,442	16,339
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	20	(461)	(1,118)
Proceeds from disposal of property, plant and equipment		-	10
Proceeds from disposal of right-of-use assets		-	5,942
Interest received		1,976	1,239
Net cash generated from investing activities		1,515	6,073
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(16,640)	(17,433)
Net cash used in financing activities		(16,640)	(17,433)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS			
		317	4,979
Effects of foreign exchange rate differences		674	1,222
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		83,354	77,153
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		84,345	83,354

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	YEAR ENDED	
		31.12.23 RM'000	31.12.22 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 RM19.8 million (31.12.22: RM19.3 million))		39,024	38,061
Short-term deposits with licensed banks		23,196	25,185
Cash and bank balances		22,125	20,108
		84,345	83,354

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 second interim single-tier tax exempt dividend of 1.25 sen per share in respect of financial year ended 31 December 2023 was declared by the Board on 5 August 2023 and subsequently paid on 5 October 2023.

A third interim single-tier tax exempt dividend of 1.25 sen per share in respect of financial year ended 31 December 2023 was declared by the Board on 10 November 2023 and subsequently paid on 5 January 2024.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 12 MONTHS			
	Current Year		Preceding Year		Current Period To		Preceding Year	
	Quarter		Corresponding		Date		Corresponding	
	31.12.23		31.12.22		31.12.23		31.12.22	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	27,432	65%	29,610	65%	105,664	65%	109,982	59%
Japan	13,290	31%	12,630	27%	47,409	29%	57,230	31%
Australia	1,026	2%	2,418	5%	4,164	3%	8,123	4%
Other countries	1,026	2%	1,272	3%	5,091	3%	10,407	6%
Total	42,774	100%	45,930	100%	162,328	100%	185,742	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 except the final meeting to conclude the voluntary winding up of its wholly owned subsidiary, Sinliplas Sdn Bhd has been duly convened in November 2023.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 31 December 2023, of which, approximately RM1.9 million of the total banking facilities was utilised as at 31 December 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 RM4.5 million as at 31 December 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	4,986
	=====

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	1,376
	<hr style="width: 100%;"/>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 12 MONTHS		
	Current Year Quarter 31.12.23 RM'000	Preceding Year Corresponding Quarter 31.12.22 RM'000	Variance %	Current Period To Date 31.12.23 RM'000	Preceding Year Corresponding Period 31.12.22 RM'000	Variance %
Revenue	42,774	45,930	(6.9%)	162,328	185,742	(12.6%)
Profit Before Tax	1,924	3,562	(46.0%)	14,236	25,538	(44.3%)
Profit After Tax	1,426	2,271	(37.2%)	10,607	20,580	(48.5%)
Profit Before Tax Margin	4.5%	7.8%	(3.3%)	8.8%	13.7%	(4.9%)
Profit After Tax Margin	3.3%	4.9%	(1.6%)	6.5%	11.1%	(4.6%)

For the current quarter ended 31 December 2023, the Group recorded revenue of RM42.8 million, a decrease of 6.9% from RM45.9 million recorded in the corresponding quarter last year. The decrease in revenue was attributable to the softening demand from local and regional markets. In tandem with lower revenue recorded, the Group posted a lower Profit Before Tax (“PBT”) of RM1.9 million, dropped 46.0% from RM3.6 million recorded in the corresponding quarter last year. The significant drop in PBT was due to elevated production cost and downward adjustment on average selling price in order to compete in packaging industry. Further to the aforesaid, additional RM0.5 million of the inventories has been written down to net realizable value during current quarter.

For the current year ended 31 December 2023, the Group recorded lower revenue of RM162.3 million, a decrease of 12.6% from RM185.7 million recorded in last year. This was attributed to softening demand from oversea and local markets. In line with lower revenue posted, the Group recorded RM14.2 million of PBT, a decrease of 44.3% compared with RM25.5 million recorded in last year. PBT in the preceding year included gain from disposal of right-of-use assets. Without the non-recurring gain and coupled with higher production cost such as electricity cost and labour cost incurred during the year, the Group PBT suffered a greater percentage of decline.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

16 Comment on material change in profit before tax

	Current	Preceding	Variance	
	Quarter	Quarter	RM'000	%
	31.12.23	30.09.23		
	RM'000	RM'000	RM'000	%
Revenue	42,774	41,661	1,113	2.7%
Profit Before Tax	1,924	3,601	(1,677)	(46.6%)
Profit After Tax	1,426	2,668	(1,242)	(46.6%)
Profit Before Tax Margin	4.5%	8.6%	-	(4.1%)
Profit After Tax Margin	3.3%	6.4%	-	(3.1%)

For the current quarter ended 31 December 2023, the Group recorded a higher revenue of RM42.8 million compared to RM41.7 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 46.6% to RM1.9 million from RM3.6 million. The significant drop in PBT has been explained in Note 15. In addition, the Group suffered a net loss on foreign currency exchange due to strengthening of Ringgit Malaysia against the US dollar at end of the year.

17 Current year prospects

For FY2023, the Group had operated in a very challenging business landscape. Almost all operating cost remained high while the global demand had not been improved. Recent Red Sea conflict and seasonal drought crisis in Panama Canal had contributed to as an additional challenge to the global logistics and supply chain. The Group has experienced delays and extended lead time for goods imported from the North America continent, while Middle East and Asia Pacific supplies have been spared so far.

Looking forward in FY2024, the Group expects the demand to showcase an improvement and the significance of the improvement are in relation to various factors, such as economy data from the regions, consumer spending habits, currencies performances against the greenback and among others.

As the introductions of newly developed packaging products have gained favourable responses from clients, the Group expects these would bring us to tap into new markets. The Group has viewed the importance of environmental, social, governance (ESG) and sustainability aspects, and has allocated capital expenditure in FY2024, to expand production capacity to position ourself to reach out the circular packaging markets, continuous transformation into process automation to further optimising the operating cost. The Group has also decided to acquire its own workers' dormitory for better management of human resource matters.

18 Variance between Actual Profit and Forecast Profit

Not applicable.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

19 Taxation

	INDIVIDUAL QUARTER 3 MONTHS		CUMULATIVE QUARTER 12 MONTHS	
	Current Year Quarter 31.12.23 RM'000	Preceding Year Corresponding Quarter 31.12.22 RM'000	Current Period To Date 31.12.23 RM'000	Preceding Year Corresponding Period 31.12.22 RM'000
Income tax				
Current year	844	1,215	4,128	4,675
Prior year	-	-	(6)	(84)
	844	1,215	4,122	4,591
Deferred tax				
Current year	(347)	24	(494)	315
Prior year	1	52	1	52
	498	1,291	3,629	4,958

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 year ended 31 December 2023, the Group has acquired / disposed the following assets:

	31.12.23	
	Acquisition of assets RM'000	Disposal/ written of assets RM'000
Plant, machinery and factory equipment	450	(1)
Office furniture and equipment	11	-
	461	(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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

23 Borrowings and debt Securities

Other than the current bank guarantee facilities, there were no outstanding bank loan(s) or borrowing(s).

24 Trade and other receivables

	31.12.23	31.12.22
	RM'000	RM'000
Trade		
Trade receivables (net of impairment)	23,839	26,981
Amount due from a company controlled by a Director	441	626
Non-trade		
Other receivables	679	3,115
Deposits	171	204
Prepayments	1,700	472
	26,830	31,398

Included in prepayments of the Group is RM1.3 million (31.12.2022: RM Nil) representing advance payments to suppliers for purchases of plant and machinery.

The ageing analysis of the Group's trade receivables as at 31 December 2023 is as follows:

	Gross Carrying	Loss Allowances	Net Balance
	Amount	(ECL)	RM'000
	RM'000	RM'000	RM'000
Not past due	18,144	(16)	18,128
Past due 0 – 30 days	4,335	(3)	4,332
Past due 31 – 120 days	1,681	(75)	1,606
Past due more than 120 days	308	(94)	214
	24,468	188	24,280

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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:

31.12.23

Fourth Interim Dividend

Dividend for the financial year ended	31 December 2023
Declared on	26 February 2024
Dividend per share	1.25 sen
Entitlements to dividends based on record of	
Depositors as at	18 March 2024
Date payable	5 April 2024

28 Earnings Per Share

	Individual Quarter 3 MONTHS		Cumulative Quarter 12 MONTHS	
	Current Year Quarter 31.12.23	Preceding Year Corresponding Quarter 31.12.22	Current Period To Date 31.12.23	Preceding Year Corresponding Period 31.12.22
BASIC EARNINGS PER SHARE				
Profit attributable to owners of the Company (RM'000)	1,426	2,271	10,607	20,580
Weighted average number of ordinary shares in issue ('000)	316,960	316,960	316,960	316,960
Basic Earnings per Share (sen)	0.46	0.71	3.35	6.49

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

NOTES TO THE INTERIM FINANCIAL STATEMENTS

29 Notes to the Statement of Comprehensive Income

	Individual Quarter 3 MONTHS		Cumulative Quarter 12 MONTHS	
	Current Year Quarter 31.12.23 RM'000	Preceding Year Corresponding Quarter 31.12.22 RM'000	Current Period To Date 31.12.23 RM'000	Preceding Year Corresponding Period 31.12.22 RM'000
Profit from operations for the period is arrived at after charging the following items:				
Depreciation and amortisation	1,535	1,601	6,182	6,247
Depreciation of right-of-use assets	39	38	152	146
Impairment loss on trade receivables	91	-	102	-
Loss on derivative – unrealised	-	-	-	221
Net foreign exchange loss	168	1,010	-	916
Inventories written down	462	-	462	-
and after crediting the following items:				
Interest income	493	428	1,976	1,239
Gain on disposal of property, plant and equipment	-	-	-	10
Gain on disposal of right-of-use assets	-	-	-	5,055
Gain on derivative – unrealised	2	-	225	-
Net foreign exchange gain	-	832	66	-
Reversal of impairment loss on trade receivables	-	-	-	115

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.