

UPA Corporation Berhad

Interim Financial Statements  
31 December 2020

Interim Financial Statements  
 Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income  
 For the period ended 31 December 2020

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount)	Current Year	Preceding Year Corresponding	Changes (Amount)
Period ended 31 December	2020	2019		2020	2019	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Continuing Operations</b>						
Revenue	37,204	43,500	-6,296	123,901	154,683	-30,782
Cost of Sales	-31,586	-36,431	4,845	-104,696	-130,245	25,549
Gross Profit	5,618	7,069	-1,451	19,205	24,438	-5,233
Other income	606	2,843	-2,237	4,075	6,039	-1,964
Selling and Distribution expenses	-1,089	-1,274	185	-3,538	-4,564	1,026
Administration expenses	-2,754	-2,635	-119	-9,709	-10,378	669
Other expenses	-641	-2,017	1,376	-2,309	-1,888	-421
Net impairment losses of financial assets	522	-2,017	2,539	278	-345	623
Operating Profit	2,262	1,969	293	8,002	13,302	-5,300
Finance income	212	337	-125	944	1,394	-450
Finance costs	88	-17	105	-294	-437	143
	2,562	2,289	273	8,652	14,259	-5,607
Share of profit/(loss) of equity-accounted investees, net of tax	389	-34	423	389	-34	423
Profit/(loss) before tax	2,951	2,255	696	9,041	14,225	-5,184
Tax expense	-618	-1,055	437	-2,015	-3,068	1,053
Profit/(loss) for the period	2,333	1,200	1,133	7,026	11,157	-4,131
Foreign currency translation difference for foreign operations	-232	630		-232	630	
Total comprehensive income for the period	2,101	1,830		6,794	11,787	
<b>Profit/(loss) for the period</b>						
Attributable to :						
Owners of the company	2,186	899		6,879	10,856	
Non-controlling interests	147	301		147	301	
Profit/(loss) for the period	2,333	1,200		7,026	11,157	
<b>Total comprehensive income for the year</b>						
Attributable to :						
Owners of the company	1,962	1,563		6,655	11,520	
Non-controlling interests	139	267		139	267	
Profit/(loss) for the period	2,101	1,830		6,794	11,787	
Basic earnings/(loss) per ordinary share (sen)	2.72	2.37		8.80	15.27	
Diluted earnings per ordinary share (sen)	N/A	N/A		N/A	N/A	

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

## Interim Financial Statements

Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income  
For the period ended 31 December 2020

	Current Quarter 31/12/2020	Immediate Preceding Quarter 30/09/2020	Changes (Amount)
	RM '000	RM '000	RM '000
Revenue	37,204	34,785	2,419
Operating Profit/(Loss)	2,262	3,770	(1,508)
Profit/(loss) Before Tax	2,951	3,834	(883)
Profit/(loss) After Tax	2,333	3,153	(820)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,101	3,153	(1,052)

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

Interim Financial Statements  
 Unaudited Condensed Consolidated Statement of Financial Position  
 At 31 December 2020

	31 Dec 2020 RM '000	31 Dec 2019 RM '000
<b>Non-Current Assets</b>		
Property, plant and equipment	68,471	65,766
Investment properties	59,385	59,761
Investment in a joint venture	6,501	6,111
	<u>134,357</u>	<u>131,638</u>
<b>Current assets</b>		
Inventories	59,299	54,952
Other investments	3,889	1,159
Current tax assets	62	462
Trade and other receivables	40,103	50,681
Fixed deposit with a licensed bank	1,500	1,500
Cash and cash equivalents	57,157	67,219
	<u>162,010</u>	<u>175,973</u>
<b>Total Assets</b>	<b>296,367</b>	<b>307,611</b>
<b>Equity</b>		
<b>Equity attributable to owners of the company</b>		
Share capital	79,582	79,582
Retained earnings	187,340	186,638
Translation reserve	2,057	2,281
Treasury shares	-3,393	-3,393
	<u>265,586</u>	<u>265,108</u>
<b>Non-controlling interests</b>	614	475
<b>Total equity</b>	<u>266,200</u>	<u>265,583</u>
<b>Non-current liabilities</b>		
Trade and other payables	157	96
Loan and borrowings	277	305
Deferred tax liabilities	8,239	8,523
	<u>8,673</u>	<u>8,924</u>
<b>Current liabilities</b>		
Loan and borrowings	4,070	18,304
Lease liabilities	223	325
Current tax liabilities	420	575
Trade and other payables	16,781	13,900
	<u>21,494</u>	<u>33,104</u>
<b>Total Liabilities</b>	<b>30,167</b>	<b>42,028</b>
<b>Total Equity and Liabilities</b>	<b>296,367</b>	<b>307,611</b>
<b>Net asset per share (RM)</b>	<b>3.34</b>	<b>3.33</b>

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

Interim Financial Statements  
 Unaudited Condensed Consolidated Statement of Changes in Equity  
 At 31 December 2020

	Attributable to equity holders of the company					Non-controlling Interest	Total Equity
	Non-distributable			Distributable			
	Share capital	Treasury shares	Translation reserve	Retained profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2020</b>	79,582	-3,393	2,281	186,638	265,108	475	265,583
Total other comprehensive income for the year			-224	0	-224	-8	-232
Profit/(loss) for the period				6,879	6,879	147	7,026
	0	0	-224	6,879	6,655	139	6,794
Dividends paid				-6,177	-6,177		-6,177
Acquisition of treasury shares		0			0		0
<b>At 31 Dec 2020</b>	<b>79,582</b>	<b>-3,393</b>	<b>2,057</b>	<b>187,340</b>	<b>265,586</b>	<b>614</b>	<b>266,200</b>
<b>At 1 January 2019</b>	79,582	-3,393	1,617	181,959	259,765	208	259,973
Total other comprehensive income for the year			664	0	664	-34	630
Profit/(loss) for the period				10,856	10,856	301	11,157
	0	0	664	10,856	11,520	267	11,787
Dividends paid				-6,177	-6,177		-6,177
Acquisition of treasury shares		0			0		0
<b>At 31 Dec 2019</b>	<b>79,582</b>	<b>-3,393</b>	<b>2,281</b>	<b>186,638</b>	<b>265,108</b>	<b>475</b>	<b>265,583</b>

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

	31 Dec 2020 RM '000	31 Dec 2019 RM '000
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	9,041	14,225
<i>Adjustments for :</i>		
Depreciation of property, plant and equipment	6,318	6,285
Reversal of impairment loss on receivables	(792)	(388)
Impairment loss on receivables	376	733
Reversal of write down on inventories	(1,628)	(1,925)
Inventories written down to net realisable value	2,192	1,674
Finance costs	294	437
Finance income	(944)	(1,394)
Share of results of a joint venture	(350)	34
Gain on disposal of property, plant and equipment	(287)	-
Gain on disposal of other investments	(427)	-
Loss on disposal of other investments	-	-
Fair value loss/(gain) on investment properties	377	(2,413)
Fair value gain on other investments	(30)	-
Gross dividend received from quoted shares	(37)	-
Unrealised forex (gain)/loss	-	-
Unrealised gain on other investments	-	-
Others	-	170
<b>Operating profit before changes in working capital</b>	<b>14,103</b>	<b>17,438</b>
Change in inventories	(3,793)	4,496
Change in trade and other receivables	10,352	(1,798)
Change in trade and other payables	2,803	(3,000)
	-	-
<b>Cash generated from operations</b>	<b>23,465</b>	<b>17,136</b>
Interest received	944	1,394
Income tax refunded	1	1,675
Income tax paid	(1,980)	(2,211)
<b>Net cash (used in)/from operating activities</b>	<b>22,430</b>	<b>17,994</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(4,846)	(2,474)
Acquisition of investment properties	-	(73)
Proceeds from disposal of other investments	15,784	2,260
Acquisition of other investments	(17,482)	(2,114)
Proceeds from disposal of property, plant and equipment	-	51
Net change in other investments	-	-
Net change in deposits with licensed banks <sup>1</sup>	-	-
Dividend received from other investments	37	49
<b>Net cash used in investing activities</b>	<b>(6,507)</b>	<b>(2,301)</b>
<b>Cash flow from financing activities</b>		
Dividend paid to owners	(6,177)	(6,177)
Acquisition of treasury shares	-	-
Net change in borrowings	(21,014)	1,248
Repayment of lease liabilities	-	(310)
Repayment of term loan	-	(804)
Interest paid	(294)	(437)
<b>Net cash used in financing activities</b>	<b>(27,485)</b>	<b>(6,480)</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>(11,562)</b>	<b>9,213</b>
Effect of exchange rate changes on cash and cash equivalents	-	39
<b>Cash and Cash Equivalents at 1 January</b>	<b>68,719</b>	<b>57,967</b>
<b>Cash and Cash Equivalents at 31 Dec</b>	<b>57,157</b>	<b>67,219</b>

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)

**1 Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting in Malaysia and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2019 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2020. The adoption of these standards, amendments and interpretations have no material impact to these interim financial statements.

**2 Auditor's report on preceding annual financial statements**

The auditor's report on the audited annual financial statements for the year ended 31 Dec 2019 was not qualified.

**3 Seasonal or cyclical factors**

All three business segments are subject to seasonal and cyclical factors.

**4 Unusual items**

There were no unusual items that have a material effect on the assets, liabilities, equity, net income or cashflow for the current quarter and financial year to date.

**5 Material changes in estimates**

There were no material changes in estimates in respect of amounts reported in prior interim periods or prior financial year.

**6 Debt and equity securities**

There was no issuance of shares during the quarter.

**7 Dividends paid**

The Company did not pay any dividends during the quarter under review.

**8 Capital commitments outstanding not provided for in the interim financial statements**

Authorised and contracted for :

RM '000

Property, plant and equipment

-

**9 Property, plant and equipment**

There is no valuation of property, plant and equipment as the Group does not adopt a revaluation policy on property, plant and equipment.

**10 Material events subsequent to the end of the period reported**

There were no material events subsequent to the current financial quarter ended 31 December 2020 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

**11 Changes in composition of the Group**

There were no changes in composition of the Group for the quarter under review.



**12 Segmental Reporting**  
For the period ended 31 December

		Segment revenue	Segment profit/(loss)
Paper based products	2020	45,937	3,900
	2019	62,240	7,583
Plastic products	2020	71,596	5,307
	2019	78,069	3,340
Machine trading	2020	6,368	-340
	2019	14,374	336
<b>Total</b>	<b>2020</b>	<b>123,901</b>	<b>8,867</b>
	<b>2019</b>	<b>154,683</b>	<b>11,259</b>

**Reconciliation of reportable segment profit or loss**

	12 months ended 31.12.2020 RM '000	12 months ended 31.12.2019 RM '000
Total profit/(loss) for reporting segments	8,867	11,259
Other non-reportable segments	(216)	3,000
Elimination of inter-segment profit	-	-
Share of profit/(loss) of joint venture	390	(34)
<b>Consolidated profit/(loss) before tax</b>	<b>9,041</b>	<b>14,225</b>

**13 Contingencies**

Corporate guarantees issued to licensed financial institutions in respect of banking facilities granted to subsidiaries amounted to RM 100,600,000 as at the date of this report.

**14 Write down of inventories**

There is a write down of inventories amounting to RM 524,000 for the current quarter in the Plastic products segment.

In the corresponding quarter last year, there was a write down of inventories amounting to RM 1,049,000 in the Machine Trading segment.

**15 Provision for warranties**

There was no provision for warranties for the quarter.

**16 Corporate proposals**

There are no outstanding corporate proposals that have not been completed as at the date of this report.

17 Review of performance			<i>Changes (Amount)</i>
<u>Current quarter against the corresponding quarter</u>			
<b>Group</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	
Revenue	37,204	43,500	(6,296)
Profit/(loss) before taxation	2,951	2,255	696
<b>Paper based products</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	
Revenue	15,027	22,213	(7,186)
Profit/(loss) before taxation	1,730	2,324	(594)
<b>Plastic products</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	
Revenue	21,039	18,429	2,610
Profit/(loss) before taxation	1,035	1,027	8
<b>Machine trading</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	
Revenue	1,474	3,487	(2,013)
Profit/(loss) before taxation	19	(1,615)	1,634

**Paper based products**

Revenue decreased by RM 7,186,000 mainly due to lower local sales arising from the pandemic situation.

As a result, profit before taxation had decreased by RM 594,000.

**Plastic products**

Revenue increased by RM 2,610,000 mainly due to higher export sales.

Profit before taxation had increased marginally by RM 8,000 due to higher resin prices.

**Machine trading**

Revenue decreased by RM 2,013,000 due to lower machine sales.

The segment recorded a profit before taxation of RM 19,000 for the quarter under review.

Lower contribution was offset by reversal of impairment in receivables and inventory amounting to RM 792,000 and RM 255,000 respectively.

18 Review of performance			<i>Changes (Amount)</i>
<u>Current quarter against the preceding quarter</u>			
<b>Group</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2020</b>	<b>30.09.2020</b>	
Revenue	37,204	34,785	2,419
Profit/(loss) before taxation	2,951	3,834	(883)
<b>Paper based products</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2020</b>	<b>30.09.2020</b>	
Revenue	15,027	14,070	957
Profit before taxation	1,730	458	1,272
<b>Plastic products</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2020</b>	<b>30.09.2020</b>	
Revenue	21,039	17,975	3,064
Profit before taxation	1,035	2,560	(1,525)
<b>Machine trading</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2020</b>	<b>30.09.2020</b>	
Revenue	1,474	2,840	(1,366)
Profit/(loss) before taxation	19	989	(970)

**Paper based products**

Revenue increased marginally by RM 957,000 for the quarter under review due to seasonal demand.

Profit before taxation had increased by RM 1,272,000 due to better sales mix and higher sales.

**Plastic products**

Revenue had increased by RM 3,064,000 due to better export sales.

Profit before taxation had decreased by RM 1,525,000 due to higher material costs and sales mix.

**Machine trading**

Revenue had decreased by RM 1,366,000 due to lower machine sales.

The segment recorded a profit before taxation of RM 19,000 for the quarter under review.

Lower contribution was offset by reversal of impairment in receivables and inventory amounting to RM 792,000 and RM 255,000 respectively.

19 Profit forecast  
Not applicable.

20 Taxation	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM '000	RM '000	RM '000	RM '000
Income tax	883	448	2,280	2,461
Deferred tax	-265	607	-265	607
	<u>618</u>	<u>1,055</u>	<u>2,015</u>	<u>3,068</u>

21 Group Borrowings and Debt Securities

	31.12.2020	31.12.2020	31.12.2020	31.12.2019	31.12.2019	31.12.2019
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
	Foreign denomination	Ringgit denomination	TOTAL	Foreign denomination	Ringgit denomination	TOTAL
<b>Non-current</b>						
Lease liabilities	0	277	277	0	305	305
	<u>0</u>	<u>277</u>	<u>277</u>	<u>0</u>	<u>305</u>	<u>305</u>
<b>Current</b>						
Lease liabilities	0	223	223	0	325	325
Trust receipts	4,070	0	4,070	18,304	0	18,304
	<u>4,070</u>	<u>223</u>	<u>4,293</u>	<u>18,304</u>	<u>325</u>	<u>18,629</u>
<b>Grand Total</b>	<b>4,070</b>	<b>500</b>	<b>4,570</b>	<b>18,304</b>	<b>630</b>	<b>18,934</b>

Group borrowings in Ringgit Malaysia equivalent analysed by currencies in which the borrowings are denominated are as follows :

At 31 Dec 2020	Exchange Rate	Non-current RM '000	Current RM '000
<b>Currency</b>			
RM		277	223
BAHT	0.1340	-	2,010
USD	4.0225		2,001
EURO	4.9187		59
JPY	0.0390		-
<b>TOTAL</b>		<b>277</b>	<b>4,293</b>

**22 Treasury shares**

The company did not purchase any of its own shares during the quarter under review. As at the end of the reporting quarter, the status of the share buy-back is as follows :

	FY2020
	Year todate
Description of shares purchased	Ordinary share of RM 1.00 each
Total number of shares purchased	NIL
Total number of shares cancelled	NIL
Total number of shares held as treasury shares	2,374,040
Total number of treasury shares resold	NIL

**23 Derivative Financial instruments**

Summary of outstanding derivatives at 31 Dec 2020 :

	Fair value Gain/(loss) RM '000
Foreign exchange contracts	55

**24 Material litigation**

There was no material litigation which would materially and adversely affect the financial position of the Group.

**25 Dividends declared**

The Board of Directors is recommending for shareholders' approval at the forthcoming Annual General Meeting, a final dividend of 7.0 sen per share under single tier system, for the financial year ended 31 December 2020.

The date of the Annual General Meeting and book closure for dividend entitlement will be announced in due course.

**26 Valuation of investment properties**

Fair value loss on valuation of investment properties amounted to RM 377,000 for the quarter under review.

**27 Commentary on Prospects**

The business environment continues to be challenging in the face of the ongoing global pandemic. Locally, the business climate is exacerbated by extensions of the MCO (Movement Control Order) and political developments.

Going forward, the Group is cautiously optimistic that its business will improve given the vaccine rollout and the huge financial stimulus introduced by the governments world-wide.

Barring any unforeseen circumstances, the Group expects next quarter's performance to be satisfactory.

28 Earnings per share

(A) Basic earnings per ordinary share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue :

Period ended 31 December	2020	2019
<b>Weighted average number of ordinary shares</b>		
Issued ordinary shares at beginning of the year	79,581,840	79,581,840
Effect of treasury shares held	-2,374,040	-2,374,040
Weighted average number of ordinary shares	<u>77,207,800</u>	<u>77,207,800</u>

(B) Diluted earnings per ordinary share-Not Applicable

29 Profit for the period

	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM '000	RM '000	RM '000	RM '000
<b>Profit for the period is arrived at after charging :</b>				
Depreciation of PPE	2,237	1,643	6,318	6,285
Write down on inventories	524	1,049	2,192	1,674
Loss on disposal of quoted investments	-	16	-	16
Fair value loss on quoted investments	-	27	288	27
Fair value loss on investment properties	377		377	
Impairment loss on receivables	376	733	376	733
<b>and after crediting :</b>				
Fair value gain on investment properties		2,413		2,413
Fair value gain on other investments	30	53	30	53
Reversal of write down of inventories	255	-	1,628	1,925
Reversal of impairment loss on receivables	792	-	792	-
Gain on disposal of property, plant and equipment	0	45	287	45
Gain on disposal of quoted investments	158	-	427	-

**29 Profit for the period-Continued**

Other than the above, there was no impairment loss on trade receivables and exceptional items included in the results for the current quarter ended 31 December 2020.

**30 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors on 17 March 2021.