

UPA Corporation Berhad

Interim Financial Statements  
31 March 2021

Interim Financial Statements  
 Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income  
 For the period ended 31 March 2021

	Individual Period		Changes (Amount)
	Current Year Quarter	Preceding Year Corresponding Quarter	
	2021	2020	
Period ended 31 March	RM '000	RM '000	RM '000
<b>Continuing Operations</b>			
Revenue	32,751	26,747	6,004
Cost of Sales	-27,139	-21,265	-5,874
Gross Profit	5,612	5,482	130
Other income	201	724	-523
Selling and Distribution expenses	-830	-779	-51
Administration expenses	-2,576	-2,538	-38
Other expenses	-750	-1,133	383
Net impairment losses of financial assets	0	0	0
Operating Profit	1,657	1,756	-99
Finance income	153	294	-141
Finance costs	-81	-166	85
	1,729	1,884	-155
Share of profit/(loss) of equity-accounted investees, net of tax	0	0	0
Profit/(loss) before tax	1,729	1,884	-155
Tax expense	-592	-490	-102
Profit/(loss) for the period	1,137	1,394	-257
Foreign currency translation difference for foreign operations	0	0	
Total comprehensive income for the period	1,137	1,394	
<b>Profit/(loss) for the period</b>			
Attributable to :			
Owners of the company	1,137	1,394	
Non-controlling interests	0	0	
Profit/(loss) for the period	1,137	1,394	
<b>Total comprehensive income for the year</b>			
Attributable to :			
Owners of the company	1,137	1,394	
Non-controlling interests	0	0	
Profit/(loss) for the period	1,137	1,394	
Basic earnings/(loss) per ordinary share (sen)	1.47	1.81	
Diluted earnings per ordinary share (sen)	N/A	N/A	

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

## Interim Financial Statements

Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income  
For the period ended 31 March 2021

	Current Quarter 31/03/2021	Immediate Preceding Quarter 31/12/2020	Changes (Amount)
	RM '000	RM '000	RM '000
Revenue	32,751	37,204	(4,453)
Operating Profit/(Loss)	1,657	2,262	(605)
Profit/(loss) Before Tax	1,729	2,951	(1,222)
Profit/(loss) After Tax	1,137	2,333	(1,196)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,137	2,101	(964)

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

Interim Financial Statements  
 Unaudited Condensed Consolidated Statement of Financial Position  
 At 31 March 2021

	31 March 2021 RM '000	31 Dec 2020 RM '000
<b>Non-Current Assets</b>		
Property, plant and equipment	70,440	68,472
Investment properties	59,385	59,384
Investment in a joint venture	6,501	6,501
	<u>136,326</u>	<u>134,357</u>
<b>Current assets</b>		
Inventories	60,415	59,299
Other investments	6,878	3,889
Current tax assets	103	62
Trade and other receivables	35,371	39,288
Fixed deposit with a licensed bank	1,500	1,500
Cash and bank balances	50,234	57,157
	<u>154,501</u>	<u>161,195</u>
<b>Total Assets</b>	<b>290,827</b>	<b>295,552</b>
<b>Equity</b>		
<b>Equity attributable to owners of the company</b>		
Share capital	79,582	79,582
Retained earnings	188,444	187,308
Translation reserve	2,058	2,058
Treasury shares	-3,393	-3,393
	<u>266,691</u>	<u>265,555</u>
<b>Non-controlling interests</b>	615	615
<b>Total equity</b>	<u>267,306</u>	<u>266,170</u>
<b>Non-current liabilities</b>		
Trade and other payables	0	156
Loan and borrowings	195	277
Deferred tax liabilities	8,240	8,240
	<u>8,435</u>	<u>8,673</u>
<b>Current liabilities</b>		
Loan and borrowings	3,311	4,064
Lease liabilities	1,224	223
Current tax liabilities	595	420
Trade and other payables	9,956	16,002
	<u>15,086</u>	<u>20,709</u>
<b>Total Liabilities</b>	<b>23,521</b>	<b>29,382</b>
<b>Total Equity and Liabilities</b>	<b>290,827</b>	<b>295,552</b>
<b>Net asset per share (RM)</b>	<b>3.35</b>	<b>3.34</b>

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

Interim Financial Statements  
 Unaudited Condensed Consolidated Statement of Changes in Equity  
 At 31 March 2021

	Attributable to owners of the company					Non-controlling Interest	Total
	Non-distributable			Distributable			
	Share capital	Treasury shares	Translation reserve	Retained profits	Sub-total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2021</b>	79,582	-3,393	2,058	187,308	265,555	615	266,170
Total other comprehensive income for the year			0	0	0	0	0
Profit/(loss) for the period				1,137	1,137	0	1,137
	0	0	0	1,137	1,137	0	1,137
Dividends paid				0	0		0
Acquisition of treasury shares		0			0		0
<b>At 31 March 2021</b>	<b>79,582</b>	<b>-3,393</b>	<b>2,058</b>	<b>188,445</b>	<b>266,692</b>	<b>615</b>	<b>267,307</b>
<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			0	0	0	0	0
Profit/(loss) for the period				1,394	1,394	0	1,394
	0	0	0	1,394	1,394	0	1,394
Dividends paid				0	0		0
Acquisition of treasury shares		0			0		0
<b>At 31 March 2020</b>	<b>79,582</b>	<b>-3,393</b>	<b>2,281</b>	<b>188,032</b>	<b>266,502</b>	<b>475</b>	<b>266,977</b>

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

Interim Financial Statements  
 Unaudited Condensed Consolidated Statement of Cash Flows  
 For the period ended 31 March 2021

	31 March 2021 RM '000	31 March 2020 RM '000
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	1,728	1,884
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	1,417	1,464
Reversal of impairment loss on receivables	-	-
Impairment loss on receivables	-	-
Reversal of write down on inventories	-	-
Inventories written down to net realisable value	350	842
Finance costs	81	165
Finance income	(153)	(293)
Share of results of a joint venture	-	-
Gain on disposal of property, plant and equipment	-	-
Gain on disposal of other investments	(292)	-
Loss on disposal of other investments	-	-
Fair value loss/(gain) on investment properties	-	-
Fair value loss on other investments	265	230
Gross dividend received from quoted shares	-	-
Provision for warranty	400	-
Others	-	376
	-	-
<b>Operating profit before changes in working capital</b>	<u>3,796</u>	<u>4,668</u>
Change in inventories	(1,116)	(11,578)
Change in trade and other receivables	4,007	15,770
Change in trade and other payables	(5,607)	(4,024)
	-	-
<b>Cash generated from operations</b>	<u>1,080</u>	<u>4,836</u>
Interest received	153	293
Income tax refunded	-	-
Income tax paid	(311)	(613)
<b>Net cash (used in)/from operating activities</b>	<u>922</u>	<u>4,516</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(236)	(287)
Acquisition of investment properties	-	-
Proceeds from disposal of other investments	7,989	562
Acquisition of other investments	(10,262)	(621)
Proceeds from disposal of property, plant and equipment	-	-
Net change in other investments	-	-
Net change in deposits with licensed banks'	-	-
Dividend received from other investments	-	4
	-	-
<b>Net cash used in investing activities</b>	<u>(2,509)</u>	<u>(342)</u>
<b>Cash flow from financing activities</b>		
Dividend paid to owners	-	-
Acquisition of treasury shares	-	-
Net change in borrowings	886	(2,990)
Repayment of lease liabilities	-	-
Repayment of term loan	-	-
Interest paid	(72)	(166)
<b>Net cash used in financing activities</b>	<u>814</u>	<u>(3,156)</u>
<b>Net change in Cash and Cash Equivalents</b>	(773)	1,018
Effect of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and Cash Equivalents at 1 January</b>	<u>52,507</u>	<u>68,719</u>
<b>Cash and Cash Equivalents at 31 March</b>	<u>51,734</u>	<u>69,737</u>

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

**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 2020.

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 2020 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2021. 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 2020 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 March 2021 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 March

		Segment revenue	Segment profit/(loss)
Paper based products	2021	6,742	-219
	2020	9,358	1,412
Plastic products	2021	24,016	2,594
	2020	16,211	1,287
Machine trading	2021	1,339	-528
	2020	1,171	-602
Total	2021	32,097	1,847
	2020	26,740	2,097

Reconciliation of reportable segment profit or loss	3 months ended 31.03.2021 RM '000	3 months ended 31.03.2020 RM '000
Total profit/(loss) for reporting segments	1,847	2,097
Other non-reportable segments	(118)	(213)
Elimination of inter-segment profit	-	-
Share of profit/(loss) of joint venture	-	-
Consolidated profit/(loss) before tax	<b>1,729</b>	<b>1,884</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 350,000 for the current quarter in the Machinery Trading segment.

In the corresponding quarter last year, there was a write down of inventories amounting to RM 842,000 in the Machine Trading segment.

**15 Provision for warranties**

There was additional provision for warranties amounting to RM 400,000 for the quarter.

**16 Corporate proposals**

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

<b>17 Review of performance</b>			<b>Changes</b>
<b><u>Current quarter against the corresponding quarter</u></b>			<b>(Amount)</b>
<b>Group</b>	<b>Quarter ended</b>	<b>Quarter ended</b>	
<b>In RM'000</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	
Revenue	32,751	26,747	6,004
Profit/(loss) before taxation	1,729	1,884	(155)
<b>Paper based products</b>	<b>Quarter ended</b>	<b>Quarter ended</b>	
<b>In RM'000</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	
Revenue	6,742	9,358	(2,616)
Profit/(loss) before taxation	(219)	1,412	(1,631)
<b>Plastic products</b>	<b>Quarter ended</b>	<b>Quarter ended</b>	
<b>In RM'000</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	
Revenue	24,016	16,211	7,805
Profit/(loss) before taxation	2,594	1,287	1,307
<b>Machine trading</b>	<b>Quarter ended</b>	<b>Quarter ended</b>	
<b>In RM'000</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	
Revenue	1,339	1,171	168
Profit/(loss) before taxation	(528)	(602)	74

**Paper based products**

Revenue decreased by RM 2,616,000 due to lower export sales.

As a result of the lower turnover, the segment recorded a loss before taxation of RM 219,000.

**Plastic products**

Revenue increased by RM 7,805,000 mainly due to higher export sales.

Profit before taxation had increased by RM 1,307,000 due to the increase in turnover.

**Machine trading**

Revenue decreased marginally by RM 168,000.

The segment recorded a loss before taxation of RM 528,000 for the quarter under review.

18 Review of performance

**Current quarter against the preceding quarter**

	Quarter ended	Quarter ended	Changes (Amount)
Group In RM'000	31.03.2021	31.12.2020	
Revenue	32,751	37,204	(4,453)
Profit/(loss) before taxation	1,729	2,951	(1,222)
<b>Paper based products In RM'000</b>	<b>Quarter ended 31.03.2021</b>	<b>Quarter ended 31.12.2020</b>	
Revenue	6,742	15,027	(8,285)
Profit before taxation	(219)	1,730	(1,949)
			-
<b>Plastic products In RM'000</b>	<b>Quarter ended 31.03.2021</b>	<b>Quarter ended 31.12.2020</b>	
Revenue	24,016	21,039	2,977
Profit before taxation	2,594	1,035	1,559
			-
<b>Machine trading In RM'000</b>	<b>Quarter ended 31.03.2021</b>	<b>Quarter ended 31.12.2020</b>	
Revenue	1,339	1,474	(135)
Profit/(loss) before taxation	(528)	19	(547)

**Paper based products**

Revenue had decreased by RM 8,285,000 due to seasonal demand and lower export sales. Due to the lower turnover, the segment incurred a loss before taxation of RM 219,000 for the quarter.

**Plastic products**

Revenue had increased by RM 2,977,000 due to better export sales. Profit before taxation had increased by RM 1,559,000 due to better sales mix.

**Machine trading**

Revenue had decreased marginally by RM 135,000. The segment recorded a loss before taxation of RM 528,000 for the quarter under review, mainly due to impairment of inventories amounting to RM 350,000.

19 Profit forecast

Not applicable.

20 Taxation

	3 months ended	
	31.03.2021	31.03.2020
	RM '000	RM '000
Income tax	592	490
Deferred tax	0	0
	<u>592</u>	<u>490</u>

21 Group Borrowings and Debt Securities

	31.03.2021	31.03.2021	31.03.2021	31.03.2020	31.03.2020	31.03.2020
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
	Foreign denomination	Ringgit denomination	TOTAL	Foreign denomination	Ringgit denomination	TOTAL
<b><u>Non-current</u></b>						
Lease liabilities	0	195	195	0	920	920
	<u>0</u>	<u>195</u>	<u>195</u>	<u>0</u>	<u>920</u>	<u>920</u>
<b><u>Current</u></b>						
Lease liabilities	0	1,224	1,224	0	922	922
Trust receipts	3,311	0	3,311	14,528	0	14,528
	<u>3,311</u>	<u>1,224</u>	<u>4,535</u>	<u>14,528</u>	<u>922</u>	<u>15,450</u>
<b>Grand Total</b>	<b>3,311</b>	<b>1,419</b>	<b>4,730</b>	<b>14,528</b>	<b>1,842</b>	<b>16,370</b>

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

At 31 Mar 2021	Exchange Rate	Non-current RM '000	Current RM '000
Currency			
RM		195	1,224
BAHT	0.1325	-	1,325
USD	4.1427		1,927
EURO	4.8649		59
JPY	0.0375		-
<b>TOTAL</b>		<b>195</b>	<b>4,535</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 :

	FY2021 Year to date
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 March 2021 :

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

**24 Material litigation**

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

**25 Dividends declared**

The directors did not declare any dividend for the quarter under review.

**26 Valuation of investment properties**

The valuation of investment properties are unchanged from the previous quarter.

**27 Commentary on Prospects**

While the progressive implementation of vaccination worldwide augurs well for the global economy's recovery, business is generally subdued. The company has to contend with much uncertainties such as the seemingly unabated covid infection, MCO, foreign workers recruitment, and various other issues. Nevertheless, the management will do its utmost to navigate through the obstacles during this period.

**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 :

<b>Period ended 31 March</b>	<b>2021</b>	<b>2020</b>
<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**

	<b>3 months ended</b>	
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Profit for the period is arrived at after charging :</b>		
Depreciation of PPE	1,417	1,464
Write down on inventories	350	842
Loss on disposal of quoted investments	-	-
Fair value loss on quoted investments	265	230
Fair value loss on investment properties	-	-
Provision for warranty	400	-
<b>and after crediting :</b>		
Fair value gain on investment properties		-
Fair value gain on other investments		-
Reversal of write down of inventories		-
Reversal of impairment loss on receivables	-	-
Gain on disposal of property, plant and equipment		-
Gain on disposal of quoted investments	292	-

**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 March 2021.

**30 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors on 20 May 2021.