

UPA Corporation Berhad

Interim Financial Statements
30 September 2021

Interim Financial Statements

Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 September 2021

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount)	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount)
	2021	2020		2021	2020	
Period ended 30 September	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Continuing Operations						
Revenue	36,237	34,785	1,452	111,253	86,697	24,556
Cost of Sales	-30,392	-29,697	-695	-91,664	-73,110	-18,554
Gross Profit	5,845	5,088	757	19,589	13,587	6,002
Other income	305	1,959	-1,654	1,732	3,469	-1,737
Selling and Distribution expenses	-877	-842	-35	-3,033	-2,449	-584
Administration expenses	-2,541	-2,277	-264	-7,619	-6,955	-664
Other expenses	-250	-158	-92	-1,260	-1,668	408
Net impairment losses of financial assets	0	0	0	0	0	0
Operating Profit	2,482	3,770	-1,288	9,409	5,984	3,425
Finance income	133	196	-63	425	732	-307
Finance costs	-57	-132	75	-192	-382	190
	2,558	3,834	-1,276	9,642	6,334	3,308
Share of profit/(loss) of equity-accounted investees, net of tax	0	0	0	0	0	0
Profit/(loss) before tax	2,558	3,834	-1,276	9,642	6,334	3,308
Tax expense	-651	-681	30	-2,413	-1,397	-1,016
Profit/(loss) for the period	1,907	3,153	-1,246	7,229	4,937	2,292
Exchange differences on translation of foreign operations	-571	0		-1,077	0	
Total comprehensive income for the period	1,336	3,153		6,152	4,937	
Profit/(loss) for the period						
Attributable to :						
Owners of the company	1,904	3,153		7,180	4,937	
Non-controlling interests	3	0		49	0	
Profit/(loss) for the period	1,907	3,153		7,229	4,937	
Total comprehensive income for the year						
Attributable to :						
Owners of the company	1,390	3,153		6,211	4,937	
Non-controlling interests	-54	0		-59	0	
Profit/(loss) for the period	1,336	3,153		6,152	4,937	
Basic earnings/(loss) per ordinary share (sen)	1.73	4.08		7.97	6.39	
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 2020)

Interim Financial Statements

Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 Sept 2021

	Current Quarter 30/09/2021	Immediate Preceding Quarter 30/06/2021	Changes (Amount)
	RM '000	RM '000	RM '000
Revenue	36,237	42,265	(6,028)
Operating Profit/(Loss)	2,482	5,270	(2,788)
Profit/(loss) Before Tax	2,558	5,355	(2,797)
Profit/(loss) After Tax	1,907	4,185	(2,278)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,904	4,139	(2,235)

(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 30 September 2021

	30 Sept 2021 RM '000	31 Dec 2020 RM '000
Non-Current Assets		
Property, plant and equipment	68,966	68,472
Investment properties	59,385	59,384
Investment in a joint venture	6,501	6,501
	<u>134,852</u>	<u>134,357</u>
Current assets		
Inventories	61,429	59,299
Other investments	5,248	3,889
Current tax assets	681	62
Trade and other receivables	39,651	39,288
Fixed deposit with a licensed bank	1,500	1,500
Cash and bank balances	52,274	57,157
	<u>160,783</u>	<u>161,195</u>
Total Assets	295,635	295,552
Equity		
Equity attributable to owners of the company		
Share capital	79,582	79,582
Retained earnings	189,083	187,308
Translation reserve	1,089	2,058
Treasury shares	-3,393	-3,393
	<u>266,361</u>	<u>265,555</u>
Non-controlling interests	<u>556</u>	<u>615</u>
Total equity	<u>266,917</u>	<u>266,170</u>
Non-current liabilities		
Trade and other payables	0	156
Lease liabilities	382	277
Deferred tax liabilities	8,240	8,240
	<u>8,622</u>	<u>8,673</u>
Current liabilities		
Loan and borrowings	5,156	4,064
Lease liabilities	1,036	223
Current tax liabilities	2,413	420
Trade and other payables	11,491	16,002
	<u>20,096</u>	<u>20,709</u>
Total Liabilities	28,718	29,382
Total Equity and Liabilities	295,635	295,552
Net asset per share (RM)	3.35	3.34

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

	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	
At 1 January 2021	79,582	-3,393	2,058	187,308	265,555	615	266,170
Profit/(loss) for the period				7,180	7,180	49	7,229
Other comprehensive income for the year			-969	0	-969	-108	-1,077
Total comprehensive income	0	0	-969	7,180	6,211	-59	6,152
Dividends paid				-5,405	-5,405		-5,405
Acquisition of treasury shares							
At 30 Sept 2021	79,582	-3,393	1,089	189,083	266,361	556	266,917
At 1 January 2020	79,582	-3,393	2,281	186,638	265,108	475	265,583
Profit/(loss) for the period				4,937	4,937	0	4,937
Other comprehensive income for the year				0	0		0
Total comprehensive income	0	0	0	4,937	4,937	0	4,937
Dividends paid				-6,177	-6,177		-6,177
Acquisition of treasury shares							
At 30 Sept 2020	79,582	-3,393	2,281	185,398	263,868	475	264,343

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

	30 Sept 2021 RM '000	30 Sept 2020 RM '000
Cash flows from operating activities		
Profit/(loss) before taxation	9,642	6,335
Adjustments for :		
Depreciation of property, plant and equipment	4,422	4,081
Reversal of impairment loss on receivables	-	-
Impairment loss on receivables	-	-
Reversal of write down on inventories	(400)	(1,373)
Inventories written down to net realisable value	610	1,668
Finance costs	192	382
Finance income	(425)	(732)
Share of results of a joint venture	-	-
Gain on disposal of property, plant and equipment	-	-
Gain on disposal of other investments	(159)	(269)
Loss on disposal of other investments	-	-
Fair value loss/(gain) on investment properties	-	-
Fair value loss on other investments	599	288
Gross dividend received from quoted shares	-	(23)
Provision for warranty	649	-
Others	-	-
Operating profit before changes in working capital	<u>15,130</u>	<u>10,357</u>
Change in inventories	(1,971)	(4,753)
Change in trade and other receivables	(312)	15,076
Change in trade and other payables	(4,605)	(9,167)
	-	-
Cash generated from operations	<u>8,242</u>	<u>11,513</u>
Interest received	425	732
Income tax refunded	-	1
Income tax paid	(905)	(1,697)
Net cash (used in)/from operating activities	<u>7,762</u>	<u>10,549</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,660)	(4,362)
Acquisition of investment properties	-	-
Proceeds from disposal of other investments	13,352	10,606
Acquisition of other investments	(13,217)	(11,627)
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	-	23
Net cash used in investing activities	<u>(2,525)</u>	<u>(5,360)</u>
Cash flow from financing activities		
Dividend paid to owners	(5,405)	(6,177)
Acquisition of treasury shares	-	-
Net change in borrowings	127	(6,373)
Repayment of lease liabilities	-	-
Repayment of term loan	-	-
Interest paid	(192)	(382)
Net cash used in financing activities	<u>(5,470)</u>	<u>(12,932)</u>
Net change in Cash and Cash Equivalents	(233)	(7,743)
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and Cash Equivalents at 1 January	<u>52,507</u>	<u>68,719</u>
Cash and Cash Equivalents at 30 Sept	<u>52,274</u>	<u>60,976</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 paid a first and final single tier dividend of 7 sen per share for the financial year ended 31 December 2020 amounting to RM 5,405,000 on 16 July 2021.
- 8 Capital commitments outstanding not provided for in the interim financial statements**
- | | |
|--|----------------|
| Authorised and contracted for : | RM '000 |
| Property, plant and equipment | 1,000 |
- 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 30 September 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 30 September

		Segment revenue	Segment profit/(loss)
Paper based products	2021	35,206	4,304
	2020	30,910	2,170
Plastic products	2021	65,725	5,177
	2020	50,557	4,272
Machine trading	2021	8,589	636
	2020	5,230	64
Total	2021	109,520	10,117
	2020	86,697	6,506

Reconciliation of reportable segment profit or loss	9 months ended 30.09.2021 RM '000	9 months ended 30.09.2020 RM '000
Total profit/(loss) for reporting segments	10,117	6,506
Other non-reportable segments	(475)	(172)
Elimination of inter-segment profit	-	-
Share of profit/(loss) of joint venture	-	-
Consolidated profit/(loss) before tax	9,642	6,334

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 were no write down of inventories for the current quarter.

In the corresponding quarter last year, there was a net reversal of write down of inventories amounting to RM 1,215,000 in the Machine Trading segment.

15 Provision for warranties

There was additional provision for warranties amounting to RM 249,000 for the quarter.

16 Corporate proposals

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

17 Review of performance			<i>Changes (Amount)</i>
<u>Current quarter against the corresponding quarter</u>			
Group	Quarter ended	Quarter ended	
In RM'000	30.09.2021	30.09.2020	
Revenue	36,237	34,785	1,452
Profit/(loss) before taxation	2,558	3,834	(1,276)
Paper based products	Quarter ended	Quarter ended	
In RM'000	30.09.2021	30.09.2020	
Revenue	14,209	14,070	139
Profit/(loss) before taxation	2,686	458	2,228
Plastic products	Quarter ended	Quarter ended	
In RM'000	30.09.2021	30.09.2020	
Revenue	20,944	17,975	2,969
Profit/(loss) before taxation	1,715	2,560	(845)
Machine trading	Quarter ended	Quarter ended	
In RM'000	30.09.2021	30.09.2020	
Revenue	650	2,840	(2,190)
Profit/(loss) before taxation	(516)	989	(1,505)

Paper based products

Revenue increased marginally by RM 139,000 due to higher export sales.
Profit before taxation had increased by RM 2,228,000 due to higher gross margin.

Plastic products

Revenue increased by RM 2,969,000 due to higher export and local sales.
Despite the higher turnover, profit before taxation had decreased by RM 845,000 as a result of lower gross margin and higher operating costs.

Machine trading

Revenue decreased by RM 2,190,000 due to lower machine sales.
As a result of the low turnover, the segment recorded a loss before taxation of RM 516,000.

18 Review of performance			Changes
<u>Current quarter against the preceding quarter</u>			(Amount)
Group	Quarter ended	Quarter ended	
In RM'000	30.09.2021	30.06.2021	
Revenue	36,237	42,265	(6,028)
Profit/(loss) before taxation	2,558	5,355	(2,797)
Paper based products	Quarter ended	Quarter ended	
In RM'000	30.09.2021	30.06.2021	
Revenue	14,209	14,255	(46)
Profit before taxation	2,686	1,837	849
Plastic products	Quarter ended	Quarter ended	
In RM'000	30.09.2021	30.06.2021	
Revenue	20,944	20,765	179
Profit before taxation	1,715	868	847
Machine trading	Quarter ended	Quarter ended	
In RM'000	30.09.2021	30.06.2021	
Revenue	650	6,600	(5,950)
Profit/(loss) before taxation	(516)	1,681	(2,197)

Paper based products

Revenue decreased marginally by RM 46,000 compared to the previous quarter.
However, profit before taxation had increased by RM 849,000 due to higher gross margin.

Plastic products

Revenue increased marginally by RM 179,000 compared to the previous quarter.
However, profit before taxation had increased by RM 847,000 due to higher gross margin.

Machine trading

Revenue had decreased by RM 5,950,000 due to lower machine sales.
As a result of the low turnover, the segment recorded a loss before taxation of RM 516,000.

19 Profit forecast

Not applicable.

20 Taxation

	3 months ended		6 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM '000	RM '000	RM '000	RM '000
Income tax	651	681	2,413	1,397
Deferred tax	0	0	0	0
	<u>651</u>	<u>681</u>	<u>2,413</u>	<u>1,397</u>

21 Group Borrowings and Debt Securities

	30.09.2021	30.09.2021	30.09.2021	30.09.2020	30.09.2020	30.09.2020
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
	Foreign denomination	Ringgit denomination	TOTAL	Foreign denomination	Ringgit denomination	TOTAL
Non-current						
Lease liabilities	0	382	382	0	261	261
	<u>0</u>	<u>382</u>	<u>382</u>	<u>0</u>	<u>261</u>	<u>261</u>
Current						
Lease liabilities	0	1,036	1,036	0	1,581	1,581
Trust receipts	5,156	0	5,156	3,907	0	3,907
	<u>5,156</u>	<u>1,036</u>	<u>6,192</u>	<u>3,907</u>	<u>1,581</u>	<u>5,488</u>
Grand Total	5,156	1,418	6,574	3,907	1,842	5,749

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

At 30 Sept 2021	Exchange Rate	Non-current RM '000	Current RM '000
Currency			
RM		382	1,036
BAHT	0.1243	-	622
USD	4.1849		4,393
EURO	4.8449		141
JPY	0.0375		-
TOTAL		382	6,192

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 30 Sept 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

The business environment remains volatile and is subject to various domestic and global uncertainties. These include the resurgence of Covid-19 infection, rising oil prices and its ripple effects on raw materials and freight cost, inflation, supply disruption and politics. Nevertheless, the management has taken the necessary proactive measures in addressing these challenges and is cautiously optimistic on the prospects of the Group for the financial year.

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 30 Sept	2021	2020
Weighted average number of ordinary shares		
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		9 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM '000	RM '000	RM '000	RM '000
Profit for the period is arrived at after charging :				
Depreciation of PPE	1,473	1,145	4,422	4,081
Write down on inventories	-	158	610	1,668
Loss on disposal of quoted investments	27	-	27	
Fair value loss on quoted investments	226	150	599	288
Fair value loss on investment properties	-			
Provision for warranty	249	-	649	
and after crediting :				
Fair value gain on investment properties		-		
Fair value gain on other investments		-		
Reversal of write down of inventories	-	1,373	400	1,373
Reversal of impairment loss on receivables	-	-		
Gain on disposal of property, plant and equipment		287		287
Gain on disposal of quoted investments		269	186	269

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 30 September 2021.

30 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 26 November 2021.