

UPA Corporation Berhad

Interim Financial Statements

30 June 2022

Interim Financial Statements
 Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income
 For the period ended 30 June 2022

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount)	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount)
Period ended 30 June	2022	2021		2022	2021	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Continuing Operations						
Revenue	41,865	42,265	-400	75,516	75,016	500
Cost of Sales	-35,466	-34,133	-1,333	-64,563	-61,272	-3,291
Gross Profit	6,399	8,132	-1,733	10,953	13,744	-2,791
Other income	1,326	1,226	100	1,900	1,427	473
Selling and Distribution expenses	-970	-1,326	356	-1,950	-2,156	206
Administration expenses	-2,863	-2,502	-361	-5,254	-5,078	-176
Other expenses	-221	-260	39	-666	-1,010	344
Net impairment losses of financial assets	0	0	0	0	0	0
Operating Profit	3,671	5,270	-1,599	4,983	6,927	-1,944
Finance income	134	139	-5	239	292	-53
Finance costs	-57	-54	-3	-117	-135	18
	3,748	5,355	-1,607	5,105	7,084	-1,979
Share of profit/(loss) of equity-accounted investees, net of tax	0	0	0	0	0	0
Profit/(loss) before tax	3,748	5,355	-1,607	5,105	7,084	-1,979
Tax expense	-1,222	-1,170	-52	-1,772	-1,762	-10
Profit/(loss) for the period	2,526	4,185	-1,659	3,333	5,322	-1,989
Exchange differences on translation of foreign operations	-267	-506		0	-506	
Total comprehensive income for the period	2,259	3,679		3,333	4,816	
Profit/(loss) for the period						
Attributable to :						
Owners of the company	2,539	4,139		3,341	5,276	
Non-controlling interests	-13	46		-8	46	
Profit/(loss) for the period	2,526	4,185		3,333	5,322	
Total comprehensive income for the year						
Attributable to :						
Owners of the company	2,288	3,684		3,333	4,821	
Non-controlling interests	-29	-5		0	-5	
Profit/(loss) for the period	2,259	3,679		3,333	4,816	
Basic earnings/(loss) per ordinary share (sen)	3.29	5.36		4.33	6.83	
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 2021)

Interim Financial Statements

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

For the period ended 30 June 2022

	Current Quarter 30/06/2022	Immediate Preceding Quarter 31/03/2022	<i>Changes (Amount)</i>
	RM '000	RM '000	RM '000
Revenue	41,865	33,651	8,214
Operating Profit/(Loss)	3,671	1,312	2,359
Profit/(loss) Before Tax	3,748	1,357	2,391
Profit/(loss) After Tax	2,526	807	1,719
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,539	802	1,737

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

Interim Financial Statements
 Unaudited Condensed Consolidated Statement of Financial Position
 At 30 June 2022

	30 June 2022 RM '000	31 Dec 2021 RM '000
Non-Current Assets		
Property, plant and equipment	67,000	67,342
Investment properties	59,416	59,384
Investment in a joint venture	6,693	6,693
	<u>133,109</u>	<u>133,419</u>
Current assets		
Inventories	61,641	61,757
Other investments	3,418	6,413
Current tax assets	810	242
Trade and other receivables	47,671	42,205
Fixed deposit with a licensed bank	1,500	1,500
Cash and bank balances	58,127	53,692
	<u>173,167</u>	<u>165,809</u>
Total Assets	306,276	299,228
Equity		
Equity attributable to owners of the company		
Share capital	79,582	79,582
Retained earnings	196,116	192,775
Translation reserve	1,180	1,179
Treasury shares	-3,393	-3,393
	<u>273,485</u>	<u>270,143</u>
Non-controlling interests	594	602
Total equity	<u>274,079</u>	<u>270,745</u>
Non-current liabilities		
Trade and other payables	167	167
Lease liabilities	389	389
Deferred tax liabilities	8,732	8,732
	<u>9,288</u>	<u>9,288</u>
Current liabilities		
Loan and borrowings	7,804	4,259
Lease liabilities	311	311
Current tax liabilities	1,970	1,018
Trade and other payables	12,824	13,607
	<u>22,909</u>	<u>19,195</u>
Total Liabilities	32,197	28,483
Total Equity and Liabilities	306,276	299,228
Net asset per share (RM)	3.44	3.39

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

Interim Financial Statements
 Unaudited Condensed Consolidated Statement of Changes in Equity
 At 30 June 2022

	Attributable to owners of the company					Non-controlling Interest	Total
	Non-distributable			Distributable	Sub-total		
	Share capital	Treasury shares	Translation reserve	Retained profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2022	79,582	-3,393	1,179	192,775	270,143	602	270,745
Profit/(loss) for the period				3,341	3,341	-8	3,333
Other comprehensive income for the year			0	0	0	0	0
Total comprehensive income	0	0	0	3,341	3,341	-8	3,333
Dividends paid				0	0		0
Acquisition of treasury shares							
At 30 June 2022	79,582	-3,393	1,179	196,116	273,484	594	274,078
At 1 January 2021	79,582	-3,393	2,058	187,308	265,555	615	266,170
Profit/(loss) for the period				4,770	4,770	46	4,816
Other comprehensive income for the year			-455		-455	-51	-506
Total comprehensive income	0	0	-455	4,770	4,315	-5	4,310
Dividends paid				0	0		0
Acquisition of treasury shares							
At 30 June 2021	79,582	-3,393	1,603	192,078	269,870	610	270,480

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

	30 June 2022 RM '000	30 June 2021 RM '000
Cash flows from operating activities		
Profit/(loss) before taxation	5,105	7,084
Adjustments for :		
Depreciation of property, plant and equipment	3,005	2,949
Reversal of impairment loss on receivables	-	-
Impairment loss on receivables	-	-
Reversal of write down on inventories	-	(400)
Inventories written down to net realisable value	666	610
Finance costs	117	135
Finance income	(239)	(292)
Share of results of a joint venture	-	-
Gain on disposal of property, plant and equipment	-	-
Gain on disposal of other investments	-	(186)
Loss on disposal of other investments	-	-
Fair value loss/(gain) on investment properties	-	-
Fair value loss/(gain) on other investments	-	373
Gross dividend received from quoted shares	(53)	-
Provision for warranty	-	400
Others	-	-
Operating profit before changes in working capital	8,601	10,673
Change in inventories	117	(1,506)
Change in trade and other receivables	(5,466)	171
Change in trade and other payables	(784)	(3,517)
	-	-
Cash generated from operations	2,468	5,821
Interest received	239	292
Income tax refunded	-	-
Income tax paid	(1,344)	(644)
Net cash from operating activities	1,363	5,469
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,045)	(4,486)
Acquisition of investment properties	-	-
Proceeds from disposal of other investments	8,368	13,352
Acquisition of other investments	(7,445)	(13,217)
Proceeds from disposal of property, plant and equipment	4	-
Net change in other investments	-	-
Net change in deposits with licensed banks ¹	-	-
Dividend received from other investments	53	-
Net cash used in investing activities	(1,065)	(4,351)
Cash flow from financing activities		
Dividend paid to owners	-	-
Acquisition of treasury shares	-	-
Net change in borrowings	4,402	4,401
Repayment of lease liabilities	(148)	-
Repayment of term loan	-	-
Interest paid	(117)	(135)
Net cash used in financing activities	4,137	4,266
Net change in Cash and Cash Equivalents	4,435	5,384
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and Cash Equivalents at 1 January	53,692	52,507
Cash and Cash Equivalents at 30 June	58,127	57,891
Analysis of cash and cash equivalents		
Cash and bank balances	59,627	59,391
Less : Deposits with maturity more than 3 months	(1,500)	(1,500)
	58,127	57,891

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

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 2021.

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 2021 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2022. 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 2021 was not qualified.
- 3 Seasonal or cyclical factors**
All four 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 for the quarter under review.
- 8 Capital commitments outstanding not provided for in the interim financial statements**
Authorised and contracted for :
Property, plant and equipment NIL
- 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 June 2022 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 June

		Segment revenue	Segment profit/(loss)
Paper based products	2022	23,646	1,065
	2021	20,997	1,619
Plastic products	2022	47,042	4,927
	2021	44,781	3,462
Machine trading	2022	3,505	561
	2021	4,939	1,996
Healthcare	2022	1,230	-1,071
	2021	965	74
Total	2022	75,423	5,482
	2021	71,682	7,151

Reconciliation of reportable segment profit or loss	6 months ended 30.06.2022 RM '000	6 months ended 30.06.2021 RM '000
Total profit/(loss) for reporting segments	5,482	7,151
Other non-reportable segments	(377)	(67)
Adjustments and eliminations	-	-
Share of profit/(loss) of joint venture	-	-
Consolidated profit/(loss) before tax	<u>5,105</u>	<u>7,084</u>

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

During the quarter, there was a write down of inventories amounting to RM 220,000 for the Machinery Trading segment.

In the corresponding quarter last year, there was a write down of inventories amounting to RM 260,000 in the Machinery Trading segment.

15 Provision for warranties

There were no provision for warranties for the quarter under review.

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			Changes
Current quarter against the corresponding quarter			(Amount)
Group	Quarter ended	Quarter ended	
In RM'000	30.06.2022	30.06.2021	
Revenue	41,865	42,265	(400)
Profit/(loss) before taxation	3,748	5,355	(1,607)
Paper based products	Quarter ended	Quarter ended	
In RM'000	30.06.2022	30.06.2021	
Revenue	14,022	14,255	(233)
Profit/(loss) before taxation	955	1,837	(882)
Plastic products	Quarter ended	Quarter ended	
In RM'000	30.06.2022	30.06.2021	
Revenue	24,950	20,765	4,185
Profit/(loss) before taxation	2,638	868	1,770
Machine trading	Quarter ended	Quarter ended	
In RM'000	30.06.2022	30.06.2021	
Revenue	2,361	6,600	(4,239)
Profit/(loss) before taxation	1,155	2,525	(1,370)
Healthcare	Quarter ended	Quarter ended	
In RM'000	30.06.2022	30.06.2021	
Revenue	490	708	(218)
Profit/(loss) before taxation	(590)	298	(888)

Paper based products

Revenue had decreased marginally by RM 233,000.
Profit before taxation had decreased by RM 882,000 due to lower profit margin.

Plastic products

Revenue increased by RM 4,185,000 due to higher export and local sales.
Profit before taxation had increased by RM 1,770,000 due to higher sales and better gross margin.

Machine trading

Revenue decreased by RM 4,239,000 due to lower servicing income and lower machine sales.
Profit before taxation decreased by RM 1,370,000 due to lower sales while the results for 2QFY2021 included reversal of writedown of inventories amounting to RM 400,000

Healthcare

Revenue decreased by RM 218,000 due to lower sales for face masks.
This segment incurred a loss before taxation of RM 590,000 as a result of higher overheads and lower sales.

18 Review of performance			Changes (Amount)
Current quarter against the preceding quarter			
Group	Quarter ended	Quarter ended	
In RM'000	30.06.2022	31.03.2022	
Revenue	41,865	33,651	8,214
Profit/(loss) before taxation	3,748	1,357	2,391
Paper based products			
In RM'000	30.06.2022	31.03.2022	
Revenue	14,022	9,624	4,398
Profit before taxation	955	108	847
Plastic products			
In RM'000	30.06.2022	31.03.2022	
Revenue	24,950	22,092	2,858
Profit before taxation	2,638	2,289	349
Machine trading			
In RM'000	30.06.2022	31.03.2022	
Revenue	2,361	1,144	1,217
Profit/(loss) before taxation	1,155	(594)	1,749
Healthcare			
In RM'000	30.06.2022	31.03.2022	
Revenue	490	740	(250)
Profit/(loss) before taxation	(590)	(482)	(108)

Paper based products

Revenue increased by RM 4,398,000 due to higher export sales.

Profit before taxation increased by RM 847,000 due to higher sales.

Plastic products

Revenue increased by RM 2,858,000 due to higher export and local sales..

Profit before taxation had increased marginally by RM 349,000 as a result of better product mix.

Machine trading

Revenue had increased by RM 1,217,000 as a result of higher servicing income and recognition of sales commission income.

As a result, the segment achieved a profit before taxation of RM 1,155,000.

Healthcare

Revenue decreased by RM 250,000 due to lower sales for face masks.

As a result, loss before taxation had increased by RM 108,000.

19 Profit forecast
Not applicable.

20 Taxation	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM '000	RM '000	RM '000	RM '000
Income tax	1,222	1,170	1,772	1,762
Deferred tax	0	0	0	0
	<u>1,222</u>	<u>1,170</u>	<u>1,772</u>	<u>1,762</u>

21 Group Borrowings and Debt Securities

	30.06.2022	30.06.2022	30.06.2022	30.06.2021	30.06.2021	30.06.2021
	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	389	389	0	195	195
	0	389	389	0	195	195
Current						
Lease liabilities	0	311	311	0	1,224	1,224
Trust receipts	7,804	0	7,590	5,623	0	5,623
	7,804	311	7,901	5,623	1,224	6,847
Grand Total	7,804	700	8,290	5,623	1,419	7,042

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

At 30 June 2022 Currency	Exchange Rate	Non-current	Current
		RM '000	RM '000
RM		389	311
BAHT	0.1247	-	-
USD	4.4055		6,009
JPY	0.0322		1,581
TOTAL		389	7,901

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 :

	FY2022 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 June 2022 :

	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

Given the unrelenting headwinds such as geopolitical tension and inflation, the Group is bracing itself to sustain its business and profitability. Efforts are intensified to improve productivity to counter cost escalation and to innovate product offerings to support new market development. The second half year may see positive factors such as arrival of foreign workers and seasonal demand helping the Group to weather the challenges.

28 Profit for the period

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM '000	RM '000	RM '000	RM '000
Profit for the period is arrived at after charging :				
Depreciation of PPE	1,508	1,532	3,005	2,949
Write down on inventories	220	260	666	610
Loss on disposal of quoted investments	267	-	268	-
Fair value loss on investment properties	-	-	-	-
Fair value loss on other investments	16	108	120	373
Impairment loss on receivables	-	-	-	-
Provision for warranty	-	-	-	400
and after crediting :				
Fair value gain on investment properties	-	-	-	-
Fair value gain on other investments	-	-	-	-
Reversal of write down of inventories	-	400	-	400
Reversal of impairment loss on receivables	-	-	-	-
Gain on disposal of property, plant and equipment	4	-	4	-
Gain on disposal of quoted investments	-	-	-	186

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 June 2022.

29 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 June	2022	2021
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

30 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 26 August 2022.