

UPA Corporation Berhad

Interim Financial Statements

30 September 2022

Interim Financial Statements

Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 September 2022

Period ended 30 September	Individual Period			Cumulative Period		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter	Corresponding Quarter	(Amount)	Quarter	Corresponding Quarter	(Amount)
	2022	2021		2022	2021	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Continuing Operations						
Revenue	38,818	36,237	2,581	114,334	111,253	3,081
Cost of Sales	-26,774	-30,392	3,618	-97,689	-91,664	-6,025
Gross Profit	12,044	5,845	6,199	16,645	19,589	-2,944
Other income	-4,587	305	-4,892	3,665	1,732	1,933
Selling and Distribution expenses	-923	-877	-46	-2,873	-3,033	160
Administration expenses	-2,285	-2,541	256	-7,539	-7,619	80
Other expenses	-220	-250	30	-886	-1,260	374
Net impairment losses of financial assets	0	0	0	0	0	0
Operating Profit	4,029	2,482	1,547	9,012	9,409	-397
Finance income	129	133	-4	368	425	-57
Finance costs	0	-57	57	-117	-192	75
	4,158	2,558	1,600	9,263	9,642	-379
Share of profit/(loss) of equity-accounted investees, net of tax	0	0	0	0	0	0
Profit/(loss) before tax	4,158	2,558	1,600	9,263	9,642	-379
Tax expense	-262	-651	389	-2,034	-2,413	379
Profit/(loss) for the period	3,896	1,907	1,989	7,229	7,229	0
Exchange differences on translation of foreign operations	-200	-571		-200	-1,077	
Total comprehensive income for the period	3,696	1,336		7,029	6,152	
Profit/(loss) for the period						
Attributable to :						
Owners of the company	3,924	1,904		7,265	7,180	
Non-controlling interests	-28	3		-36	49	
Profit/(loss) for the period	3,896	1,907		7,229	7,229	
Total comprehensive income for the year						
Attributable to :						
Owners of the company	3,752	1,390		7,085	6,211	
Non-controlling interests	-56	-54		-56	-59	
Profit/(loss) for the period	3,696	1,336		7,029	6,152	
Basic earnings/(loss) per ordinary share (sen)	5.08	2.47		9.41	9.30	
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 September 2022

	Current Quarter 30/09/2022	Immediate Preceding Quarter 30/06/2022	Changes (Amount)
	RM '000	RM '000	RM '000
Revenue	38,818	41,865	(3,047)
Operating Profit/(Loss)	4,029	3,671	358
Profit/(loss) Before Tax	4,158	3,748	410
Profit/(loss) After Tax	3,896	2,526	1,370
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,924	2,539	1,385

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

UPA CORPORATION BERHAD (199601012141)

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

Page 2

	30 Sept 2022	31 Dec 2021
	RM '000	RM '000
Non-Current Assets		
Property, plant and equipment	67,606	67,342
Investment properties	59,416	59,384
Investment in a joint venture	6,693	6,693
	<u>133,715</u>	<u>133,419</u>
Current assets		
Inventories	62,663	61,757
Other investments	1,960	6,413
Current tax assets	2,387	242
Trade and other receivables	51,336	42,205
Fixed deposit with a licensed bank	1,500	1,500
Cash and bank balances	55,300	53,692
	<u>175,146</u>	<u>165,809</u>
Total Assets	308,861	299,228
Equity		
Equity attributable to owners of the company		
Share capital	79,582	79,582
Retained earnings	193,864	192,775
Translation reserve	999	1,179
Treasury shares	-3,393	-3,393
	<u>271,052</u>	<u>270,143</u>
Non-controlling interests	546	602
Total equity	<u>271,598</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	9,533	4,259
Lease liabilities	311	311
Current tax liabilities	2,034	1,018
Trade and other payables	16,097	13,607
	<u>27,975</u>	<u>19,195</u>
Total Liabilities	37,263	28,483
Total Equity and Liabilities	308,861	299,228
Net asset per share (RM)	3.41	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 Sept 2022

	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 2022	79,582	-3,393	1,179	192,775	270,143	602	270,745
Profit/(loss) for the period				7,266	7,266	-36	7,230
Other comprehensive income for the year			-180		-180	-20	-200
Total comprehensive income	0	0	-180	7,266	7,086	-56	7,030
Dividends paid				-6,177	-6,177		-6,177
Acquisition of treasury shares							
At 30 Sept 2022	79,582	-3,393	999	193,864	271,052	546	271,598
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

(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 Cash Flows
 For the period ended 30 Sept 2022

	30 Sept 2022 RM '000	30 Sept 2021 RM '000
Cash flows from operating activities		
Profit/(loss) before taxation	9,263	9,642
Adjustments for :		
Depreciation of property, plant and equipment	4,489	4,422
Reversal of impairment loss on receivables	-	-
Impairment loss on receivables	-	-
Reversal of write down on inventories	(375)	(400)
Inventories written down to net realisable value	886	610
Finance costs	117	192
Finance income	(368)	(425)
Share of results of a joint venture	-	-
Gain on disposal of property, plant and equipment	(25)	-
Gain on disposal of other investments	-	(159)
Loss on disposal of other investments	381	-
Fair value loss/(gain) on investment properties	-	-
Fair value loss/(gain) on other investments	221	599
Gross dividend received from quoted shares	(72)	-
Provision for warranty	-	649
Others	-	-
Operating profit before changes in working capital	14,517	15,130
Change in inventories	(906)	(1,971)
Change in trade and other receivables	(9,622)	(312)
Change in trade and other payables	3,038	(4,605)
	-	-
Cash generated from operations	7,027	8,242
Interest received	368	425
Income tax refunded	-	-
Income tax paid	(3,034)	(905)
Net cash from operating activities	4,361	7,762
Cash flows from Investing activities		
Acquisition of property, plant and equipment	(2,502)	(2,660)
Acquisition of investment properties	-	-
Proceeds from disposal of other investments	10,416	13,352
Acquisition of other investments	(8,049)	(13,217)
Proceeds from disposal of property, plant and equipment	25	-
Net change in other investments	-	-
Net change in deposits with licensed banks'	-	-
Dividend received from other investments	72	-
Net cash used in investing activities	(38)	(2,525)
Cash flow from financing activities		
Dividend paid to owners	(6,177)	(5,405)
Acquisition of treasury shares	-	-
Net change in borrowings	3,801	127
Repayment of lease liabilities	(222)	-
Repayment of term loan	-	-
Interest paid	(117)	(192)
Net cash used in financing activities	(2,715)	(5,470)
Net change in Cash and Cash Equivalents	1,608	(233)
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 September	55,300	52,274
Analysis of cash and cash equivalents		
Cash and bank balances	56,800	53,774
Less : Deposits with maturity more than 3 months	(1,500)	(1,500)
	55,300	52,274

(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 paid a first and final single tier dividend of 8 sen per share for the financial year ended 31 December 2021 amounting to RM 6,177,000 on 15 July 2022.
- 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 September 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 September

		Segment revenue	Segment profit/(loss)
Paper based products	2022	39,224	3,846
	2021	35,206	4,304
Plastic products	2022	68,269	6,701
	2021	65,725	5,177
Machine trading	2022	5,400	650
	2021	8,589	636
Healthcare	2022	1,648	-1,397
	2021	2,067	-160
Total	2022	114,541	9,800
	2021	111,587	9,957

Reconciliation of reportable segment profit or loss	9 months ended 30.09.2022 RM '000	9 months ended 30.09.2021 RM '000
Total profit/(loss) for reporting segments	9,800	9,957
Other non-reportable segments	(537)	(315)
Adjustments and eliminations	-	-
Share of profit/(loss) of joint venture	-	-
Consolidated profit/(loss) before tax	9,263	9,642

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 no write down of inventories.

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 (Amount)
<u>Current quarter against the corresponding quarter</u>			
Group	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.09.2021	
Revenue	38,818	36,237	2,581
Profit/(loss) before taxation	4,158	2,558	1,600
Paper based products			
Paper based products	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.09.2021	
Revenue	15,578	14,209	1,369
Profit/(loss) before taxation	2,780	2,686	94
Plastic products			
Plastic products	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.09.2021	
Revenue	21,227	20,944	283
Profit/(loss) before taxation	1,773	1,715	58
Machine trading			
Machine trading	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.09.2021	
Revenue	1,895	650	1,245
Profit/(loss) before taxation	88	(516)	604
Healthcare			
Healthcare	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.09.2021	
Revenue	418	1,104	(686)
Profit/(loss) before taxation	(328)	29	(357)

Paper based products

Revenue had increased by RM 1,369,000 due to higher export sales.
Profit before taxation had increased marginally by RM 94,000.

Plastic products

Revenue had increased marginally by RM 283,000.
Similarly, profit before taxation had increased marginally by RM 58,000.

Machine trading

Revenue increased by RM 1,245,000 due to higher machine sales.
As a result of the higher sales, this segment recorded a profit before taxation of RM 88,000.

Healthcare

Revenue decreased by RM 686,000 due to lower sales for face masks.
This segment incurred a loss before taxation of RM 328,000 as a result of higher overheads and lower sales.

18 Review of performance			Changes
<u>Current quarter against the preceding quarter</u>			(Amount)
Group	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.06.2022	
Revenue	38,818	41,865	(3,047)
Profit/(loss) before taxation	4,158	3,748	410
Paper based products	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.06.2022	
Revenue	15,578	14,022	1,556
Profit before taxation	2,780	955	1,825
Plastic products	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.06.2022	
Revenue	21,227	24,950	(3,723)
Profit before taxation	1,773	2,638	(865)
Machine trading	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.06.2022	
Revenue	1,895	2,361	(466)
Profit/(loss) before taxation	88	1,155	(1,067)
Healthcare	Quarter ended	Quarter ended	
In RM'000	30.09.2022	30.06.2022	
Revenue	418	490	(72)
Profit/(loss) before taxation	(328)	(590)	262

Paper based products

Revenue increased by RM 1,556,000 due to higher export sales.

Profit before taxation increased by RM 1,825,000 due to higher sales and foreign currency exchange gain.

Plastic products

Revenue decreased by RM 3,723,000 due to lower export and local sales..

Profit before taxation had decreased by RM 865,000 as a result of lower sales.

Machine trading

Revenue had decreased by RM 466,000 as the results for 2QFY2022 included recognition of sales commission income.

This segment recorded a small profit before taxation of RM 88,000 compared to profit before taxation of RM 1,155,000 in 2QFY2022.

Healthcare

Revenue decreased by RM 72,000 due to lower sales for face masks.

Loss before taxation had decreased to RM 328,000 due to lower operating expenses.

19 Profit forecast

Not applicable.

20 Taxation

	3 months ended		9 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM '000	RM '000	RM '000	RM '000
Income tax	262	651	2,034	2,413
Deferred tax	0	0	0	0
	<u>262</u>	<u>651</u>	<u>2,034</u>	<u>2,413</u>

21 Group Borrowings and Debt Securities

	30.09.2022	30.09.2022	30.09.2022	30.09.2021	30.09.2021	30.09.2021
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
	Foreign denomination	Ringgit denomination	TOTAL	Foreign denomination	Ringgit denomination	TOTAL
<u>Non-current</u>						
Lease liabilities	0	389	389	0	382	382
	<u>0</u>	<u>389</u>	<u>389</u>	<u>0</u>	<u>382</u>	<u>382</u>
<u>Current</u>						
Lease liabilities	0	311	311	0	1,036	1,036
Trust receipts	9,533	0	9,534	5,156	0	5,156
	<u>9,533</u>	<u>311</u>	<u>9,845</u>	<u>5,156</u>	<u>1,036</u>	<u>6,192</u>
Grand Total	9,533	700	10,234	5,156	1,418	6,574

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

At 30 Sept 2022	Exchange Rate	Non-current RM '000	Current RM '000
RM		389	311
EURO	4.5381	-	112
USD	4.6365		6,167
JPY	0.0320		3,255
TOTAL		389	9,845

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 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 30 Sept 2022 :

	Fair value Gain/(loss) RM '000
Foreign exchange contracts	-150

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

Business outlook remains concerning amid challenges such as global energy crisis, high inflation, high interest rates and weakening global demand. The Board expects the Group's performance for the financial year ending 31 December 2022 to be satisfactory.

28 Profit for the period

	3Q FY2022 RM '000	YTD FY2022 RM '000
Profit for the period is arrived at after charging :		
Depreciation of PPE	1,484	4,489
Write down on inventories	220	886
Loss on disposal of quoted investments	113	381
Fair value loss on investment properties	-	-
Fair value loss on other investments	122	299
Impairment loss on receivables	-	-
Provision for warranty	-	-
and after crediting :		
Fair value gain on investment properties		
Fair value gain on other investments	-	-
Reversal of write down of inventories	375	375
Reversal of impairment loss on receivables	-	-
Gain on disposal of property, plant and equipment	21	25
Gain on disposal of other investments		45

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 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 September	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 22 November 2022.