

UPA Corporation Bhd

Interim Financial Statements

31 March 2024

Interim Financial Statements
Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income
For the period ended 31 March 2024

	Individual Period		Changes (Amount)
	Current Year Quarter	Preceding Year Corresponding Quarter	
	2024	2023	
Period ended 31 March	RM '000	RM '000	RM '000
Continuing Operations			
Revenue	26,527	32,542	-6,015
Cost of Sales	-23,438	-29,493	6,055
Gross Profit	3,089	3,049	40
Other income	1,274	6,802	-5,528
Selling and Distribution expenses	-816	-829	13
Administration expenses	-2,520	-2,548	28
Other expenses	0	-34	34
Net impairment gain/(losses) of financial assets	0	0	0
Operating Profit	1,027	6,440	-5,413
Finance income	417	208	209
Finance costs	-108	-52	-56
	1,336	6,596	-5,260
Share of profit/(loss) of equity-accounted investees, net of tax	0	0	0
Profit/(loss) before tax	1,336	6,596	-5,260
Tax expense	-538	-1,705	1,167
Profit/(loss) for the period	798	4,891	-4,093
Exchange differences on translation of foreign operations	-412	228	
Total comprehensive income for the period	386	5,119	
Profit/(loss) for the period			
Attributable to :			
Owners of the company	828	4,938	
Non-controlling interests	-30	-47	
Profit/(loss) for the period	798	4,891	
Total comprehensive income for the year			
Attributable to :			
Owners of the company	457	5,142	
Non-controlling interests	-71	-23	
Profit/(loss) for the period	386	5,119	
Basic earnings/(loss) per ordinary share (sen)	0.36	2.13	
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 2023)

Interim Financial Statements

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

For the period ended 31 March 2024

	Current Quarter 31/03/2024	Immediate Preceding Quarter 31/12/2023	Changes (Amount)
	RM '000	RM '000	RM '000
Revenue	26,527	46,460	(19,933)
Operating Profit/(Loss)	1,027	2,973	(1,946)
Profit/(loss) Before Tax	1,336	3,429	(2,093)
Profit/(loss) After Tax	798	(231)	1,029
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	828	(173)	1,001

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023)

Interim Financial Statements
 Unaudited Condensed Consolidated Statement of Financial Position
 At 31 March 2024

	31 March 2024 RM '000	31 Dec 2023 RM '000
Non-Current Assets		
Property, plant and equipment	60,531	60,858
Investment properties	70,471	70,415
Investment in a joint venture	7,026	7,026
	<u>138,028</u>	<u>138,299</u>
Current assets		
Inventories	51,235	54,821
Other investments	4,366	3,412
Current tax assets	1,284	1,089
Trade and other receivables	30,813	41,768
Fixed deposit with a licensed bank	1,850	1,850
Cash and bank balances	76,044	74,324
	<u>165,592</u>	<u>177,264</u>
Total Assets	303,620	315,563
Equity		
Equity attributable to owners of the company		
Share capital	79,582	79,582
Retained earnings	200,552	199,724
Translation reserve	1,626	1,997
Treasury shares	-3,393	-3,393
	<u>278,367</u>	<u>277,910</u>
Non-controlling interests	411	482
Total equity	<u>278,778</u>	<u>278,392</u>
Non-current liabilities		
Trade and other payables	285	295
Lease liabilities	221	221
Deferred tax liabilities	11,013	11,013
	<u>11,519</u>	<u>11,529</u>
Current liabilities		
Borrowings	3,506	12,682
Lease liabilities	277	277
Derivative financial liabilities	0	287
Current tax liabilities	997	1,518
Trade and other payables	8,543	10,878
	<u>13,323</u>	<u>25,642</u>
Total Liabilities	24,842	37,171
Total Equity and Liabilities	303,620	315,563
Net asset per share (RM)	1.17	1.16

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023)

Interim Financial Statements
 Unaudited Condensed Consolidated Statement of Changes in Equity
 At 31 March 2024

	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 2024	79,582	-3,393	1,997	199,724	277,910	482	278,392
Profit/(loss) for the period				828	828	-30	798
Other comprehensive income for the year			-371		-371	-41	-412
Total comprehensive income	0	0	-371	828	457	-71	386
Dividends paid				0	0		0
Acquisition of treasury shares							
At 31 March 2024	79,582	-3,393	1,626	200,552	278,367	411	278,778
At 1 January 2023	79,582	-3,393	1,405	197,337	274,931	526	275,457
Profit/(loss) for the period				4,938	4,938	-47	4,891
Other comprehensive income for the year			204		204	24	228
Total comprehensive income	0	0	204	4,938	5,142	-23	5,119
Dividends paid							
Acquisition of treasury shares							
At 31 March 2023	79,582	-3,393	1,609	202,275	280,073	503	280,576

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023)

Interim Financial Statements

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 31 March 2024

	31 March 2024 RM '000	31 March 2023 RM '000
Cash flows from operating activities		
Profit/(loss) before taxation	1,336	6,595
Adjustments for :		
Depreciation of property, plant and equipment	1,060	1,406
Insurance claim received	-	(6,041)
Impairment of property, plant and equipment	-	-
Reversal of impairment loss on receivables	(232)	-
Impairment loss on trade and other receivables	-	-
Reversal of allowance for derivative loss	(287)	-
Reversal of write down on inventories	-	-
Inventories written down to net realisable value	-	-
Inventories written off	-	-
Finance costs	108	52
Finance income	(316)	(208)
Share of results of a joint venture, net of tax	-	-
Loss/(Gain) on disposal of property, plant and equipment	-	-
(Gain)/Loss on disposal of other investments	(10)	-
Fair value loss/(gain) on investment properties	-	-
Fair value loss/(gain) on other investments	(28)	-
Gross dividend received from other investments	(6)	-
Provision for warranty	-	-
Others	-	(325)
	-	-
Operating profit before changes in working capital	1,625	1,479
Change in inventories	3,585	(1,925)
Change in trade and other receivables	10,955	8,740
Change in trade and other payables	(3,942)	(2,163)
	-	-
Cash generated from operations	12,223	6,131
Interest received	316	208
income tax refunded	-	-
Income tax paid	(1,218)	(762)
Net cash from operating activities	11,321	5,577
Cash flows from investing activities		
Acquisition of property, plant and equipment	(516)	(179)
Additions to investment properties	(56)	(21)
Proceeds from disposal of other investments	5,342	3,605
Acquisition of other investments	(6,274)	(4,606)
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	6	4
	-	-
Net cash used in investing activities	(1,498)	(1,197)
Cash flow from financing activities		
Dividend paid to owners	-	-
Acquisition of treasury shares	-	-
Net change in borrowings	(7,915)	(1,844)
Repayment of lease liabilities	(80)	(75)
Repayment of term loan	-	-
Interest paid	(108)	(52)
Net cash used in financing activities	(8,103)	(1,971)
Net change in Cash and Cash Equivalents	1,720	2,409
Effect of exchange rate changes on cash and cash equivalents	-	-
	-	-
Cash and Cash Equivalents at 1 January	74,324	52,667
Cash and Cash Equivalents at 31 March	76,044	55,076
Analysis of cash and cash equivalents		
Cash and bank balances	77,894	56,576
Less : Deposits with maturity more than 3 months	(1,850)	(1,500)
Cash and Cash Equivalents at 31 March	76,044	55,076

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023)

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 2023.

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 2023 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2024. 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 2023 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 dividend during the quarter.

**8 Capital commitments outstanding not provided for in the interim financial statements
Authorised and contracted for :**

Property, plant and equipment	RM210,000
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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 2024 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 material changes in the composition of the Group for the quarter under review.

12 Segmental Reporting
For the period ended 31 March 2024

		Segment revenue	Segment profit/(loss)
Paper based products	2024	8,691	1,301
	2023	10,735	6,277
Plastic products	2024	16,875	545
	2023	16,767	-60
Machine trading	2024	851	-248
	2023	4,773	136
Healthcare products	2024	101	-171
	2023	250	-94
Others	2024		
	2023		
Adjustment and eliminations	2024		
	2023		
Total	2024	26,518	1,427
	2023	32,525	6,259

Reconciliation of reportable segment profit or loss

	3 months ended 31.03.2024 RM '000	3 months ended 31.03.2023 RM '000
Total profit/(loss) for reporting segments	1,427	6,259
Other non-reportable segments	(91)	337
Elimination of inter-segment profit	-	-
Share of profit/(loss) of joint venture	-	-
Consolidated profit/(loss) before tax	<u>1,336</u>	<u>6,596</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

There were no writedown of inventories for the quarter under review.

In the corresponding quarter last year, there was a reversal of write down of inventories amounting to RM 15,000 for the Machinery 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	<i>Changes</i>		
<u>Current quarter against the corresponding quarter</u>	<i>(Amount)</i>		
Group	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.03.2023	
Revenue	26,527	32,542	(6,015)
Profit/(loss) before taxation	1,336	6,596	(5,260)
Paper based products	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.03.2023	
Revenue	8,691	10,735	(2,044)
Profit/(loss) before taxation	1,301	6,277	(4,976)
Plastic products	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.03.2023	
Revenue	16,875	16,767	108
Profit/(loss) before taxation	545	(60)	605
Machine trading	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.03.2023	
Revenue	851	4,773	(3,922)
Profit/(loss) before taxation	(248)	136	(384)
Healthcare	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.03.2023	
Revenue	101	250	(149)
Profit/(loss) before taxation	(171)	(94)	(77)

Paper based products

Revenue had decreased by RM 2,044,000 due to lower export sales.
In 1QFY2023, this segment recorded a profit before taxation of RM 6,277,000 mainly because of the receipt of insurance claim amounting to RM 6.0 million.

Plastic products

Revenue had increased marginally by RM 108,000 due to higher export sales.

This segment recorded a profit before taxation of RM 545,000 for 1QFY2024 due to better sales mix and foreign currency gains.

Meanwhile, its Thailand subsidiary had incurred a lower loss before taxation of RM 305,000 in 1QFY2024 compared to a loss before taxation of RM 471,000 in 1QFY2023.

Machine trading

Revenue decreased by RM 3,922,000 due to lower machine sales.

As a result of lower sales, this segment recorded a loss before taxation of RM 248,000 for 1QFY2024.

Healthcare

Revenue decreased by RM 149,000 due to lower sales for face masks.

As a result of lower sales, loss before taxation had increased to RM 171,000.

18 Review of performance			Changes
<u>Current quarter against the preceding quarter</u>			(Amount)
Group	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.12.2023	
Revenue	26,527	46,460	(19,933)
Profit/(loss) before taxation	1,336	3,441	(2,105)
Paper based products	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.12.2023	
Revenue	8,691	19,714	(11,023)
Profit before taxation	1,301	3,926	(2,625)
Plastic products	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.12.2023	
Revenue	16,875	15,206	1,669
Profit before taxation	545	(363)	908
Machine trading	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.12.2023	
Revenue	851	12,505	(11,654)
Profit/(loss) before taxation	(248)	1,218	(1,466)
Healthcare	Quarter ended	Quarter ended	
In RM'000	31.03.2024	31.12.2023	
Revenue	101	111	(10)
Profit/(loss) before taxation	(171)	(5,135)	4,964

Paper based products

Revenue had decreased by RM 11.0 million due to lower sales in local market.
Profit before taxation has decreased by RM 2,625,000 as a result of lower sales.

Plastic products

Revenue had increased by RM 1,669,000 due to higher sales in domestic and export markets.

This segment recorded a profit before taxation of RM 545,000 for 1QFY2024 due to better sales mix and foreign exchange gains.

Meanwhile, its Thailand subsidiary had incurred loss before taxation of RM 305,000 in 1QFY2024 compared to loss before taxation of RM 366,000 in 4QFY2023.

Machine trading

Revenue had decreased by RM 11,654,000 as a result of lower machine sales.

As a result of lower sales, this segment recorded a loss before taxation of RM 248,000 for 1QFY2024.

Healthcare

Revenue had decreased marginally by RM 10,000.

In 4QFY2023, this segment recognised impairment of property, plant and equipment amounting to RM 3.4 million. In addition, it recognised impairment of inventories amounting to RM 1.4 million for the quarter. As a result, it recorded a loss before taxation of RM 5.1 million for the quarter.

19 Profit forecast
Not applicable.

	3 months ended	
	31.03.2024	31.03.2023
	RM '000	RM '000
Income tax	538	1,705
Deferred tax	0	0
	<u>538</u>	<u>1,705</u>

21 Group Borrowings and Debt Securities

	31.03.2024	31.03.2024	31.03.2024	31.12.2023	31.12.2023	31.12.2023
	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	221	221	0	221	221
	0	221	221	0	221	221
<u>Current</u>						
Lease liabilities	0	277	277	0	277	277
Trust receipts	3,506	0	3,506	12,682	0	12,682
	<u>3,506</u>	<u>277</u>	<u>3,783</u>	<u>12,682</u>	<u>277</u>	<u>12,959</u>
Grand Total	3,506	498	4,004	12,682	498	13,180

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

At 31.03.2024	Exchange Rate	Non-current RM '000	Current RM '000
Currency			
RM		221	277
USD	4.7238		3,420
JPY	0.0312		-
EURO	5.1068	-	86
TOTAL		221	3,783

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 :

	FY2024
	Year todate
Description of shares purchased	Ordinary shares
Total number of shares purchased	NIL
Total number of shares cancelled	NIL
Total number of shares held as treasury shares	7,122,120
Total number of treasury shares resold	NIL

23 Derivative Financial instruments

Summary of outstanding derivatives at 31 March 2024 :

	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 dividends for the quarter under review.

26 Valuation of investment properties

Additions to investment properties amounted to RM 56,000 for the quarter under review.

27 Commentary on Prospects

In light of ongoing geopolitical conflicts and the US-China trade spat, the business environment is inevitably challenging. Through risk management, the company is alert to the uncertainties that may impinge on its supply chain and operating costs. Barring unforeseen circumstances, the Group will endeavour its best to maintain profitability.

28 Profit for the period

	Quarter 1Q FY2024 RM '000
Profit for the period is arrived at after charging :	
Depreciation of PPE	1,060
Write down on inventories	-
Realised forex loss	75
Unrealised loss on financial derivatives	-
	-
	-
and after crediting :	-
Reversal of write down of inventories	-
Fair value gain on investment properties	-
Realised forex gain	565

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 2024.

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 31 March	2024	Restated 2023
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	238,745,520	238,745,520
Effect of treasury shares held	-7,122,120	-7,122,120
Weighted average number of ordinary shares	<u>231,623,400</u>	<u>231,623,400</u>

Comparative number of shares was restated for FY2023 to reflect the adjustments arising from the Bonus Issue

(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 23 May 2024.