

UPA Corporation Bhd

Interim Financial Statements

30 September 2024

Interim Financial Statements
Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 September 2024

	Individual Period			Cumulative Period		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter	Corresponding Quarter	(Amount)	Quarter	Corresponding Quarter	(Amount)
Period ended 30 September	2024	2023		2024	2023	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Continuing Operations						
Revenue	28,097	37,025	-8,928	87,292	103,446	-16,154
Cost of Sales	-28,146	-29,001	855	-78,516	-87,509	8,993
Gross Profit	-49	8,024	-8,073	8,776	15,937	-7,161
Other income	1,881	1,593	288	3,840	9,309	-5,469
Selling and Distribution expenses	-1,047	-957	-90	-2,800	-2,646	-154
Administration expenses	-2,731	-2,608	-123	-7,776	-7,804	28
Other expenses	0	-2,548	2,548	-4,925	-3,283	-1,642
Net impairment gain/(losses) of financial assets	0	0	0	0	0	0
Operating Profit	-1,946	3,504	-5,450	-2,885	11,513	-14,398
Finance income	376	360	16	1,196	915	281
Finance costs	-71	-104	33	-258	-290	32
	-1,641	3,760	-5,401	-1,947	12,138	-14,085
Share of profit/(loss) of equity-accounted investees, net of tax	0	0	0	0	0	0
Profit/(loss) before tax	-1,641	3,760	-5,401	-1,947	12,138	-14,085
Tax expense	-619	-1,095	476	-718	-3,414	2,696
Profit/(loss) for the period	-2,260	2,665	-4,925	-2,665	8,724	-11,389
Exchange differences on translation of foreign operations	0	-764		-581	-358	
Total comprehensive income for the period	-2,260	1,901		-3,246	8,366	
Profit/(loss) for the period						
Attributable to :						
Owners of the company	-2,252	2,694		-2,617	8,834	
Non-controlling interests	-8	-29		-48	-110	
Profit/(loss) for the period	-2,260	2,665		-2,665	8,724	
Total comprehensive income for the year						
Attributable to :						
Owners of the company	-2,260	1,886		-3,188	8,512	
Non-controlling interests	0	15		-58	-146	
Profit/(loss) for the period	-2,260	1,901		-3,246	8,366	
Basic earnings/(loss) per ordinary share (sen)	(0.97)	1.16		(1.13)	3.81	
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 2023)

Interim Financial Statements
Unaudited condensed consolidated Statements of Comprehensive Income
For the period ended 30 September 2024

	Current Quarter 30/09/2024	Immediate Preceding Quarter 30/06/2024	Changes (Amount)
	RM '000	RM '000	RM '000
Revenue	28,097	32,668	(4,571)
Operating Profit/(Loss)	(1,946)	(1,966)	20
Profit/(loss) Before Tax	(1,641)	(1,642)	1
Profit/(loss) After Tax	(2,260)	(1,203)	(1,057)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(2,252)	(1,193)	(1,059)

(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 Statements of Financial Position
 At 30 Sept 2024

	30 Sept 2024 RM '000	31 Dec 2023 RM '000
Non-Current Assets		
Property, plant and equipment	61,885	60,858
Investment properties	70,488	70,415
Investment in a joint venture	7,026	7,026
	<u>139,399</u>	<u>138,299</u>
Current assets		
Inventories	56,105	54,821
Other investments	2,848	3,412
Current tax assets	3,560	1,089
Trade and other receivables	33,270	41,768
Fixed deposit with a licensed bank	1,850	1,850
Cash and bank balances	59,637	74,324
	<u>157,270</u>	<u>177,264</u>
Total Assets	296,669	315,563
Equity		
Equity attributable to owners of the company		
Share capital	79,582	79,582
Retained earnings	190,158	199,724
Translation reserve	1,474	1,997
Treasury shares	-3,393	-3,393
	<u>267,821</u>	<u>277,910</u>
Non-controlling interests	<u>376</u>	<u>482</u>
Total equity	<u>268,197</u>	<u>278,392</u>
Non-current liabilities		
Trade and other payables	281	295
Lease liabilities	221	221
Deferred tax liabilities	11,013	11,013
	<u>11,515</u>	<u>11,529</u>
Current liabilities		
Borrowings	7,258	12,682
Lease liabilities	277	277
Derivative financial liabilities	131	287
Current tax liabilities	718	1,518
Trade and other payables	8,573	10,878
	<u>16,957</u>	<u>25,642</u>
Total Liabilities	28,472	37,171
Total Equity and Liabilities	296,669	315,563
Net asset per share (RM)	1.12	1.16

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

	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				-2,617	-2,617	-48	-2,665
Other comprehensive income for the year			-523		-523	-58	-581
Total comprehensive income	0	0	-523	-2,617	-3,140	-106	-3,246
Dividends paid				-6,949	-6,949		-6,949
Acquisition of treasury shares							
At 30 Sept 2024	79,582	-3,393	1,474	190,158	267,821	376	268,197
At 1 January 2023	79,582	-3,393	1,405	197,337	274,931	526	275,457
Profit/(loss) for the period				8,833	8,833	-110	8,723
Other comprehensive income for the year			-322		-322	-36	-358
Total comprehensive income	0	0	-322	8,833	8,511	-146	8,365
Dividends paid				-6,177	-6,177		-6,177
Acquisition of treasury shares							
At 30 Sept 2023	79,582	-3,393	1,083	199,993	277,265	380	277,645

(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 30 September 2024

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	30 Sept 2024 RM '000	30 Sept 2023 RM '000
Cash flows from operating activities		
Profit/(loss) before taxation	(1,947)	12,138
Adjustments for :		
Depreciation of property, plant and equipment	3,460	3,954
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	-	-
Unrealised derivative loss	-	462
Reversal of allowance for derivative loss	(287)	(232)
Reversal of write down on inventories	(575)	(1,385)
Inventories written down to net realisable value	425	2,821
Inventories written off	-	-
Finance costs	258	290
Finance income	(1,196)	(915)
Share of results of a joint venture, net of tax	-	-
Loss/(Gain) on disposal of property, plant and equipment	(3,046)	-
(Gain)/Loss on disposal of other investments	(280)	(334)
Fair value loss/(gain) on investment properties	-	-
Fair value loss/(gain) on other investments	(141)	70
Gross dividend received from other investments	(29)	(271)
Provision for warranty	-	-
Foreign exchange gain	(673)	(1,399)
Foreign exchange loss	1,467	-
Others	-	230
Operating profit before changes in working capital	(2,796)	9,388
Change in inventories	(1,284)	(3,389)
Change in trade and other receivables	8,498	7,899
Change in trade and other payables	(2,304)	(4,427)
Cash generated from operations	2,114	9,471
Interest received	1,196	915
Income tax refunded	-	-
Income tax paid	(3,643)	(2,217)
Net cash from operating activities	(333)	8,169
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,491)	(2,643)
Additions to investment properties	(73)	(21)
Proceeds from disposal of other investments	12,540	9,713
Acquisition of other investments	(11,331)	(10,215)
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	29	271
Net cash used in investing activities	(3,326)	(2,895)
Cash flow from financing activities		
Dividend paid to owners	(6,949)	(6,177)
Acquisition of treasury shares	-	-
Net change in borrowings	(3,580)	10,990
Repayment of lease liabilities	(240)	(225)
Repayment of term loan	-	-
Interest paid	(258)	(290)
Net cash used in financing activities	(11,027)	4,298
Net change in Cash and Cash Equivalents	(14,686)	9,572
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and Cash Equivalents at 1 January	74,324	51,167
Cash and Cash Equivalents at 30 September	59,638	60,739
Analysis of cash and cash equivalents		
Cash and bank balances	61,488	62,589
Less : Deposits with maturity more than 3 months	(1,850)	(1,850)
Cash and Cash Equivalents at 30 September	59,638	60,739

(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 paid a first and final single tier dividend of 3 sen per share for the financial year ended 31 December 2023 amounting to RM 6,949,000 on 19 July 2024.

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 30 September 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 30 September 2024

		Segment revenue	Segment profit/(loss)
Paper based products	2024	30,786	268
	2023	32,168	10,406
Plastic products	2024	50,711	-1,968
	2023	52,605	498
Machine trading	2024	5,218	-2,714
	2023	17,471	1,432
Healthcare products	2024	215	-511
	2023	415	-869
Others	2024		
	2023		
Adjustment and eliminations	2024		
	2023		
Total	2024	86,930	(4,925)
	2023	102,659	11,467

Reconciliation of reportable segment profit or loss

	9 months ended 30.09.2024 RM '000	9 months ended 30.09.2023 RM '000
Total profit/(loss) for reporting segments	(4,925)	11,467
Other non-reportable segments	2,978	671
Elimination of inter-segment profit	-	-
Share of profit/(loss) of joint venture	-	-
Consolidated profit/(loss) before tax	<u>(1,947)</u>	<u>12,138</u>

13 Contingencies

Corporate guarantees issued to licensed financial institutions in respect of banking facilities granted to subsidiaries and joint venture company amounted to RM 107.3 million as at the date of this report.

14 Write down of inventories

There were reversal of writedown of inventories amounting to RM 300,000 for the quarter under review for the Machinery segment.

In the corresponding quarter last year, there was a write down of inventories amounting to RM 1,111,000 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			Changes
<u>Current quarter against the corresponding quarter</u>			(Amount)
Group	Quarter ended	Quarter ended	
In RM'000	30.09.2024	30.09.2023	
Revenue	28,097	37,025	(8,928)
Profit/(loss) before taxation	(1,641)	3,760	(5,401)
Paper based products	Quarter ended	Quarter ended	
In RM'000	30.09.2024	30.09.2023	
Revenue	9,912	11,735	(1,823)
Profit/(loss) before taxation	(1,187)	3,184	(4,371)
Plastic products	Quarter ended	Quarter ended	
In RM'000	30.09.2024	30.09.2023	
Revenue	16,936	16,949	(13)
Profit/(loss) before taxation	(1,585)	(88)	(1,497)
Machine trading	Quarter ended	Quarter ended	
In RM'000	30.09.2024	30.09.2023	
Revenue	1,479	7,991	(6,512)
Profit/(loss) before taxation	(1,301)	896	(2,197)
Healthcare	Quarter ended	Quarter ended	
In RM'000	30.09.2024	30.09.2023	
Revenue	62	59	3
Profit/(loss) before taxation	(193)	(651)	458

Paper based products

Revenue had decreased by RM 1,823,000 due to lower export sales.

Profit before taxation has decreased by RM 4,371,000 as a result of lower gross margin and unrealised foreign exchange losses.

Plastic products

Revenue had decreased marginally by RM 13,000 due to lower export sales.

Profit before taxation had decreased by RM 1,497,000 as a result of lower gross margin, unrealised foreign exchange losses and higher operating costs.

Meanwhile, its Thailand subsidiary had incurred a lower loss before taxation of RM 85,000 in 3QFY2024 compared to a loss before taxation of RM 262,000 in 3QFY2023.

Machine trading

Revenue decreased by RM 6,512,000 due to lower machine sales.

This segment recorded a loss before taxation of RM 1,301,000 as a result of lower sales.

Healthcare

Revenue increased by RM 3,000.

As a result of lower depreciation charge, loss before taxation had decreased to RM 193,000. The carrying value of machineries have been reduced to NIL following impairment charges in FY2022 and FY2023.

18 Review of performance			Changes
<u>Current quarter against the preceding quarter</u>			(Amount)
Group	Quarter ended	Quarter ended	
In RM'000	30.09.2024	30.06.2024	
Revenue	28,097	32,668	(4,571)
Profit/(loss) before taxation	(1,641)	(1,642)	1
Paper based products			
In RM'000	Quarter ended	Quarter ended	
	30.09.2024	30.06.2024	
Revenue	9,912	12,183	(2,271)
Profit before taxation	(1,187)	154	(1,341)
Plastic products			
In RM'000	Quarter ended	Quarter ended	
	30.09.2024	30.06.2024	
Revenue	16,936	16,900	36
Profit before taxation	(1,585)	(928)	(657)
Machine trading			
In RM'000	Quarter ended	Quarter ended	
	30.09.2024	30.06.2024	
Revenue	1,479	2,888	(1,409)
Profit/(loss) before taxation	(1,301)	(1,165)	(136)
Healthcare			
In RM'000	Quarter ended	Quarter ended	
	30.09.2024	30.06.2024	
Revenue	62	52	10
Profit/(loss) before taxation	(193)	(147)	(46)

Paper based products

Revenue had decreased by RM 2,271,000 due to lower export sales.
Profit before taxation has decreased by RM 1,341,000 as a result of lower gross margin and unrealised foreign exchange losses.

Plastic products

Revenue had increased marginally by RM 36,000.
Profit before taxation had decreased by RM 657,000 as a result of lower gross margin, unrealised foreign exchange losses and higher operating costs.

Meanwhile, losses at its Thailand subsidiary had narrowed from RM 92,000 in 2QFY2024 to RM 85,000 in 3QFY2024.

Machine trading

Revenue had decreased by RM 1,409,000 as a result of lower machine sales.

This segment recorded a loss before taxation of RM 1,301,000 as a result of lower machine sales.

Healthcare

Revenue had increased by RM 10,000.

This segment recorded a higher loss before taxation of RM 193,000 for 3QFY2024 due to higher overheads and distribution costs.

19 Profit forecast
Not applicable.

20 Taxation	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM '000	RM '000	RM '000	RM '000
Income tax	619	1,095	718	3,414
Deferred tax	0	0	0	0
	619	1,095	718	3,414

21 Group Borrowings and Debt Securities

	30.09.2024	30.09.2024	30.09.2024	30.09.2023	30.09.2023	30.09.2023
	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	221	221	0	954	954
	0	221	221	0	954	954
Current						
Lease liabilities	0	277	277	0	1,006	1,006
Trust receipts	7,258	0	7,258	15,650	0	15,650
	7,258	277	7,535	15,650	1,006	16,656
Grand Total	7,258	498	7,756	15,650	1,960	17,610

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

At 30.09.2024	Exchange Rate	Non-current RM '000	Current RM '000
Currency			
RM		221	277
USD	4.1220		7,258
JPY	0.0289		-
EURO	4.6183	-	-
TOTAL		221	7,535

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 30 Sept 2024 :

	Fair value Gain/(loss) RM '000
Foreign exchange contracts	-131

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 13,000 for the quarter under review.

27 Commentary on Prospects

While the appreciation of the Ringgit against the USD has compressed our margins, the slowdown in the US market has weakened demand. Additional headwinds include geopolitical tensions in the Middle East and Ukraine, as well as uncertainties surrounding potential tariffs and regulatory changes following the recent US election.

28 Profit for the period

	Quarter 3Q FY2024 RM '000	Year todate FY2024 RM '000
Profit for the period is arrived at after charging :		
Depreciation of PPE	1,095	3,460
Write down on inventories	425	425
Unrealised forex loss	1,603	1,767
Gratuity for executive directors	-	4,500
	-	-
and after crediting :	-	-
Reversal of write down of inventories	300	575
Unrealised forex gain	-	900
Gain on disposal of property, plant and equipment	3,046	3,046

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 Sept 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 30 September	2024	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>

(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 18 November 2024.