



UNI WALL APS HOLDINGS BERHAD

(Company No. 1269520-X)

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 30 JUNE 2019**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY UNI WALL APS HOLDINGS BERHAD (“UNI WALL” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

UNI WALL APS HOLDINGS BERHAD
(Company No. 1269520-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019⁽¹⁾

	As at 30.06.2019 Unaudited RM'000	As at 31.12.2018 Audited RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	14,826	13,759
Total non-current assets	14,826	13,759
Current assets		
Contract assets	10,936	7,827
Trade receivables	11,437	5,741
Other receivables	665	1,122
Amount due from holding company	15	13
Fixed deposits with licensed banks	1,927	1,926
Cash and bank balances	2,281	289
Assets classified as held for sales	-	80
Total current assets	27,261	16,998
Total assets	42,087	30,757
<u>LIABILITIES AND EQUITY</u>		
Capital and reserves		
Share capital	15,312	8,000
Merger reserve	(6,000)	(6,000)
Retained earnings	16,822	11,438
Total equity	26,134	13,438
Non-current liabilities		
Finance lease liabilities	709	480
Bank borrowings	4,567	1,845
Deferred tax liability	5	5
Total non-current liabilities	5,281	2,330
Current liabilities		
Contract liability	-	14
Trade payables	5,579	4,158
Other payables	97	916
Amount due to directors	681	3,972
Finance lease liabilities	437	286
Bank borrowings	357	2,317
Tax payable	3,521	3,326
Total current liabilities	10,672	14,989
Total liabilities and equity	42,087	30,757
Net assets per share (RM)⁽²⁾	0.07	0.04

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Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.*
- (2) Net assets per share is calculated based on the Company's total number of issued shares of 365,700,002 ordinary shares as at 30 June 2019 and 320,000,002 ordinary shares as at 31 December 2018.*

UNI WALL APS HOLDINGS BERHAD
(Company No. 1269520-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
Revenue	19,377	4,658	19,377	4,658
Cost of sales	(9,762)	(1,884)	(9,762)	(1,884)
Gross profit	9,615	2,774	9,615	2,774
Other income	30	26	30	26
Administrative expenses	(1,365)	(1,145)	(1,365)	(1,145)
Listing expenses	(804)	-	(804)	-
Finance costs	(298)	(235)	(298)	(235)
Profit before taxation	7,178	1,420	7,178	1,420
Taxation	(1,794)	(355)	(1,794)	(355)
Net profit for the financial period, representing total comprehensive income for the financial period	5,384	1,065	5,384	1,065
Earnings per ordinary share ("EPS") (sen):				
- Basic and diluted ⁽²⁾	1.5	0.3	1.5	0.3

Notes:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Basic earnings per share are calculated based on the assumptions that 320,000,002 and 365,700,002 Uni Wall shares were issued at the beginning of the financial periods ended 30 June 2018 and 30 June 2019 respectively.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019⁽¹⁾

	← Non-distributable →		Distributable	
	Share capital	Merger reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2018	1,000	-	6,483	7,483
Net profit for the financial period, representing total comprehensive profit for the financial period	-	-	1,065	1,065
Transactions with owner:				
Issuance of ordinary shares	1,000	-	-	1,000
Dividends to owners of the subsidiary company	-	-	(163)	(163)
Total transactions with owners	1,000	-	(163)	(837)
At 30 June 2018	2,000	-	7,385	9,385
At 1 January 2019	8,000	(6,000)	11,438	13,438
Net profit for the financial period, representing total comprehensive profit for the financial period	-	-	5,384	5,384
Transaction with owner:				
Issuance of ordinary shares	7,312	-	-	7,312
At 30 June 2019	15,312	(6,000)	16,822	26,134

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

UNI WALL APS HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019⁽¹⁾

	6 months ended	
	30.06.2019 RM'000	30.06.2018 RM'000
Cash Flows From Operating Activities		
Profit before taxation	7,178	1,420
Adjustments for:		
Deposit written off	7	-
Depreciation of property, plant and equipment	239	399
Interest expense	298	136
Interest income	(30)	(26)
Impairment of property, plant and equipment	(10)	-
Loss on disposal of property, plant and equipment	32	110
Operating profit before working capital changes	7,714	2,039
Changes in working capital:		
Contract assets	(3,109)	(3,384)
Trade receivables	(5,696)	(952)
Other receivables	765	(265)
Contract liability	(14)	-
Trade payables	1,421	852
Other payables	(818)	(214)
Cash generated /(used in) operations	263	(2,473)
Tax paid	(1,600)	(251)
Interest paid	(298)	(136)
Net cash used in operating activities	(1,635)	(2,860)
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	(1,228)	(192)
Proceeds from disposal of property, plant and equipment	-	134
Interest received	14	26
Increase in pledged fixed deposit	(1)	(26)
Net cash used in investing activities	(1,215)	(58)
Cash Flows From Financing Activities		
Proceeds from issuance of ordinary shares	7,312	1,000
Repayment of finance lease liabilities	(257)	(122)
Drawdown of term loan	2,900	2,500
Repayment of term loan	(208)	(119)
Amount due from holding company	(2)	-
Amount due to directors	(2,973)	(549)
Net cash from financing activities	6,772	3,259

UNI WALL APS HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019⁽¹⁾ (CONT'D)

	6 months ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
Net increase in cash and cash equivalents	3,922	341
Cash and cash equivalents at beginning of the financial period	(1,641)	(1,349)
Cash and cash equivalents at end of the financial period	<u>2,281</u>	<u>(1,008)</u>
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	2,281	76
Fixed deposits with licensed banks	1,927	1,636
Bank overdrafts	-	(1,084)
	<u>4,208</u>	<u>628</u>
Less: Pledged fixed deposits with licensed banks	(1,927)	(1,636)
	<u>2,281</u>	<u>(1,008)</u>

Note:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are detailed in Note A1 and should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.*

UNI WALL APS HOLDINGS BERHAD

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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

A1. BASIS OF PREPARATION

Uni Wall was incorporated in Malaysia on 23 February 2018 under the Companies Act 2016 as a public company with an issued share capital of RM2.00 comprising 2 ordinary shares under its present name.

On 12 June 2018, there was a capital restructuring whereby Uni Wall obtained full control of Uni Wall Architectural Products & Services Sdn. Bhd. ("**Uni Wall Architectural**") by issuing 320,000,000 new ordinary shares in Uni Wall for a total purchase consideration of RM8,000,000 to the original shareholders, in exchange for the shares in Uni Wall Architectural. The original shareholders have the same interest in Uni Wall as they had in Uni Wall Architectural and there is no change to the assets and liabilities as a result of the establishment of Uni Wall.

On 15 January 2019, Uni Wall's entire enlarged issued share capital of RM15,312,002 comprising of 365,700,002 ordinary shares were listed on the LEAP Market of Bursa Securities.

The interim financial statements of Uni Wall and its subsidiary (the "**Group**") are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("**MFRS**") 134: Interim Financial Reporting.

This is the interim financial report on the consolidated results for the financial period ended 30 June 2019 announced by the Company in compliance with the LEAP Market Listing Requirements of Bursa Securities ("**Listing Requirements**"). The comparative figures have been presented as if the combination has occurred from the date when the combining entities first came under common control.

The interim financial report should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the Audited Consolidated Financial Statements for the financial year ended 31 December 2018 adoption of the following new and amended MFRSs and IC Interpretation which are applicable to its financial statements and are relevant to its operations:

On 1 January 2019, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual periods beginning on or after 1 January 2019:

MFRS	Effective date
MFRS 16: Leases	1-Jan-19
IC Interpretation 23: Uncertainty over Income Tax Treatments	1-Jan-19
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1-Jan-19
Amendments to MFRS 119: Plan Amendments, Curtailment or Settlement	1-Jan-19
Amendments to MFRS 128: Long-term interests in Associates and Joint Ventures	1-Jan-19
Annual Improvements to MFRSs 2015 – 2017 Cycle:	
• Amendments to MFRS 3	1-Jan-19
• Amendments to MFRS 11	1-Jan-19
• Amendments to MFRS 112	1-Jan-19
• Amendments to MFRS 123	1-Jan-19

The initial application of the abovementioned standards and interpretations did not have any material impact to the financial statements of the Group.

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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 (CONT'D)

A3. SEASONAL AND CYCLICAL FACTORS

The business operations of the Group are not significantly affected by any seasonal or cyclical factors for the current financial period under review.

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period under review.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates in the current financial period under review that have not been reflected in this interim financial report.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 (CONT'D)

A6. DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period under review:

On 10 January 2019, 45,700,000 new ordinary shares of the Company were issued pursuant to the excluded issue at an issue price of RM0.16 per ordinary share to sophisticated investors within the meanings of Section 230 of the Capital Markets and Services Act 2017 ("**Excluded Issue**").

Subsequently, on 15 January 2019, the Company's entire enlarged issued capital of RM15,312,002 comprising 365,700,002 ordinary shares were listed on the LEAP Market of Bursa Securities.

A7. SEGMENTAL INFORMATION

The Group's revenue is derived from one segment which is the supply, fabrication and installation of building facade system in Malaysia.

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL PERIOD

There were no material events subsequent to the end of the current financial period that have not been reflected in this interim financial report.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

Save as disclosed below, there were no changes in the composition of the Group for the current financial period under review:

On 8 May 2019, Uni Wall's wholly-owned subsidiary, Uni Wall Architectural incorporated Uni Wall Manufacturing Sdn. Bhd. ("**Uni Wall Manufacturing**"), a new wholly-owned subsidiary in Malaysia under the Companies Act 2016. Uni Wall Manufacturing was incorporated in Malaysia as a private limited company. Uni Wall Manufacturing is wholly-owned by Uni Wall Architectural with an issued share capital of RM2.00 comprising 2 ordinary shares.

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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 (CONT'D)

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets and contingent liabilities as at the date of this interim financial report.

A11. CAPITAL COMMITMENTS

Save as disclosed below, there are no other material capital commitment in respect of property, plant and equipment as at 30 June 2019:

	As at 30.06.2019
	RM'000
Approved but not contracted for	
Purchase of property, plant and equipment	5,024

B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

During the six (6) months period under review, the Group recorded a revenue of RM19.4 million for the current financial period ended 30 June 2019, as compared to RM4.7 million in the corresponding period of the previous financial year, representing an increase of RM14.7 million or 319% mainly due to higher percentage of completion of existing project Hill 10 I-City (Year 2019: 64%; Year 2018: 23%) and commencement of 2 new projects (Kuala Lumpur Metropolis: 2%, Toyoma Ocean 6%) during the financial period ended 30 June 2019.

However, the Group's gross profit margin decreased by 10% as the profit margins of the projects secured in the current financial period is lower than the profit margin of the projects in the corresponding period of the previous financial year as discounts were given for the new projects secured due to the larger project sizes.

The Group recorded a profit after tax of RM5.4 million for the current financial period ended 30 June 2019 as compared to a profit after tax of RM1.1 million in the corresponding period of the previous financial year, representing an increase of RM4.3 million or 391%, which is in line with the increase in revenue. Pursuant thereto, the proportion of administrative expenses relative to the gross profit in the current financial period ended 30 June 2019 is lower compared to that in the corresponding period of the previous financial year.

As a result, the Group recorded higher profit after tax margin of 28% for the current financial period ended 30 June 2019, as compared to 23% in the corresponding period of the previous financial year.

B2. COMMENTARY ON PROSPECTS

As disclosed in the Company's Information Memorandum dated 26 November 2018, the Group has a series of future plans and strategies in place to further expand the Group's business which are focused in the following areas:

- (i) expansion of geographical presence to Australia;
- (ii) expansion of presence in local building facade industry in Malaysia; and
- (iii) expansion of factory facilities for higher fabrication capacity.

Focus Economics reported that uptick in unemployment rate and still-falling house prices in Australia point to continued weakness in private consumption while survey-based data also signals downbeat in investment activity. The slowdown of Australia market condition and increase in competition have resulted in significant decrease in project scale and margin. In view thereof, the management of the Group has decided to focus on local building facade industry and expansion of factory facilities for this year.

Barring any unforeseen circumstances, the Board of Directors of the Company ("**Board**") is of the opinion that the prospects of the Group's financial performance for the financial year ending 31 December 2019 will remain favourable.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

C OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

There are no corporate proposals announced but pending completion as at the date of this report.

C2. UTILISATION OF PROCEEDS

The status of utilisation of the gross proceeds arising from the Excluded Issue amounting to RM7.3 million are as follows:

Purpose	Proposed Utilisation RM'000	Actual* Utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated timeframe for utilisation upon listing
Capital expenditure	3,500	(2,976)	-	524	Within 6 months
Working capital	3,012	(2,383)	(4)	625	Within 24 months
Estimated listing expenses	800	(804)	4	-	Immediate
Total	7,312	(6,163)	-	1,149	

Note:

* Utilisation as at 30 June 2019.

C3. MATERIAL LITIGATION

There are no material litigations pending as at the date of this report.

C4. DIVIDENDS

The Board had on 8 May 2019 declared a final single-tier dividend of 0.28 sen per ordinary share in respect of the financial year ended 31 December 2018. The dividend was paid on 15 July 2019.

The Board does not recommend any interim dividend for the current financial period ended 30 June 2019.

C5. EPS

The basic and diluted EPSs for the current financial period and financial year-to-date are computed as follows:

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the parent	5,384	1,065	5,384	1,065
Number of ordinary shares in issue ('000)	365,700	320,000	365,700	320,000
Basic and diluted EPS (sen)	1.5	0.3	1.5	0.3

The EPS for the financial periods ended 30 June 2019 and 30 June 2018 were computed based on the assumption that 320,000,002 and 365,700,002 Uni Wall shares were issued at the beginning of the financial periods ended 30 June 2018 and 30 June 2019 respectively.