



UNI WALL APS HOLDINGS BERHAD
[Registration No. 201801007506 (1269520-X)]
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 30 JUNE 2020**

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
(Registration No. 201801007506 (1269520-X))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020⁽¹⁾

	As at 30 Jun 2020 Unaudited RM'000	As at 31 Dec 2019 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	17,564	17,631
Right-of-use assets	2,089	1,846
Total non-current assets	19,653	19,477
Current assets		
Contract assets	15,759	15,042
Trade receivables	6,281	8,359
Other receivables	1,226	1,374
Fixed deposit with licensed banks	5,496	2,796
Cash and bank balances	2,023	2,744
Total current assets	30,785	30,315
Total assets	50,438	49,792
LIABILITIES AND EQUITY		
Capital and reserves		
Share capital	15,057	15,057
Merger reserve	(6,000)	(6,000)
Retained earnings	18,244	17,655
Total equity	27,301	26,712
Non-current liabilities		
Lease liabilities	1,000	936
Bank borrowings	7,047	4,386
Deferred tax liabilities	26	26
Total non-current liabilities	8,073	5,348
Current liabilities		
Contract liabilities	-	23
Trade payables	7,141	7,569
Other payables	1,627	1,382
Amount due to a Director	681	1,681
Lease liabilities	632	510
Bank borrowings	1,208	2,996
Tax payable	3,775	3,571
Total current liabilities	15,064	17,732
Total liabilities and equity	50,438	49,792
Net assets per share (RM)⁽²⁾	0.07	0.07

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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 2019 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 2020 and 31 December 2019.*

UNI WALL APS HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	7,393	19,377	7,393	19,377
Cost of sales	(3,783)	(9,762)	(3,783)	(9,762)
Gross profit	3,610	9,615	3,610	9,615
Other income	50	30	50	30
Net gain on impairment of trade receivable	111	-	111	-
Administrative expenses	(2,232)	(1,365)	(2,232)	(1,365)
Listing expenses	-	(804)	-	(804)
Finance costs	(466)	(298)	(466)	(298)
Profit before taxation	1,073	7,178	1,073	7,178
Taxation	(484)	(1,794)	(484)	(1,794)
Profit for the financial period	589	5,384	589	5,384
Earnings per ordinary share ("EPS") (sen):				
- Basic and diluted ⁽²⁾⁽³⁾	0.2	1.5	0.2	1.5

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 2019 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Basic EPS are calculated based on the Company's total number issued shares of 365,700,002 Uni Wall shares.*
- (3) *Diluted EPS is equivalent to the basic EPS as the Company does not have any securities convertible into ordinary shares of the Company at the end of the reporting period.*

UNI WALL APS HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020⁽¹⁾

	← Non-distributable →		→ Distributable	
	Share capital	Merger reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	8,000	(6,000)	11,438	13,438
Profit for the financial period, representing total comprehensive profit for the financial period	-	-	5,384	5,384
Transaction with owners:				
Issuance of ordinary shares	7,312	-	-	7,312
At 30 June 2019	15,312	(6,000)	16,822	26,134
At 1 January 2020	15,057	(6,000)	17,655	26,712
Profit for the financial period, representing total comprehensive profit for the financial period	-	-	589	589
At 30 June 2020	15,057	(6,000)	18,244	27,301

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 2019 and the accompanying explanatory notes attached to this interim financial report.*

UNI WALL APS HOLDINGS BERHAD
(Registration No. 201801007506 (1269520-X))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020⁽¹⁾

	6 months ended	
	30 Jun 2020 RM'000	30 Jun 2019 RM'000
Cash Flows From Operating Activities		
Profit before taxation	1,073	7,178
Adjustments for:		
Amortisation of right-of-use assets	227	-
Deposit written off	-	7
Depreciation of property, plant and equipment	120	239
Interest expense	254	298
Interest income	(18)	(30)
Impairment gain on trade receivable	(111)	-
Net loss on disposal of property, plant and equipment	-	22
Operating profit before working capital changes	1,545	7,714
Changes in working capital:		
Contract assets	(717)	(3,109)
Trade receivables	2,189	(5,696)
Other receivables	148	765
Contract liabilities	(23)	(14)
Trade payables	(428)	1,421
Other payables	244	(818)
	1,413	(7,451)
Cash generated from operations	2,958	263
Tax paid	(280)	(1,600)
Interest paid	(254)	(298)
Net cash from/(used in) operating activities	2,424	(1,635)
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	(10)	(1,228)
Purchase of right-of-use assets	(48)	-
Interest received	18	14
Increase in pledged fixed deposit with licensed banks	(2,700)	(1)
Net cash used in investing activities	(2,740)	(1,215)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020⁽¹⁾ (CONT'D)

	6 months ended	
	30 Jun 2020 RM'000	30 Jun 2019 RM'000
Cash Flows From Financing Activities		
Drawdown of term loan	3,200	2,900
Net changes in amount due from holding company	-	(2)
Net changes in amount due to a Director	(1,000)	(2,973)
Net changes in import/export line	(1,288)	-
Net changes in letter of credit	(219)	-
Proceeds from issuance of ordinary shares	-	7,312
Repayment of finance lease liabilities	-	(257)
Repayment of lease liabilities	(276)	-
Repayment of term loans	(101)	(208)
Net cash from financing activities	316	6,772
Net increase in cash and cash equivalents	(2)	3,922
Cash and cash equivalents at beginning of the financial period	1,612	(1,641)
Cash and cash equivalents at end of the financial period	1,612	2,281
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	2,023	2,281
Fixed deposits with licensed banks	5,496	1,927
Bank overdrafts	(411)	-
	7,108	4,208
Less: Pledged fixed deposits with licensed banks	(5,496)	(1,927)
	1,612	2,281

Notes:

- (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 2019 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Less than RM1,000.*

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

A1. BASIS OF PREPARATION

The interim financial statements of Uni Wall and its subsidiaries (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 2020 announced by the Company in compliance with the LEAP Market Listing Requirements of Bursa Securities (“Listing Requirements”).

The interim financial report should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2019 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 latest Audited Consolidated Financial Statements, except for the adoption of the following new and revised MFRSs, Amendments to MFRS and IC interpretations.

MFRSs	Effective date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendments to MFRS 16 Covid-19-Related Rent Concessions</i>	1 June 2020

The adoption of the above accounting standards and interpretations have no impact on the financial statements of the Group upon their initial application.

The Group has not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by Malaysian Accounting Standard Board but are not yet effective for the Group:

MFRSs	Effective date
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standard 2018-2020”</i>	1 January 2022
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment-Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (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.

A6. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial period.

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 changes in estimates in the current financial period under review that have not been reflected in this interim financial report.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

Save as disclosed below, there are no other changes in the composition of the group as at the date of this report.

On 7 April 2020, the Company had subscribed 100 ordinary shares in NS Aero City Sdn. Bhd. ("NACSB"), representing 100% equity interests in NACSB for a total cash consideration of RM100. Pursuant to that, NACSB became wholly-owned subsidiary company of the Company.

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 2020:

	As at 30 June 2020 (RM'000)
Approved but not contracted for	
Purchase of property, plant and equipment	1,773

B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

During the 6 months period under review, the Group recorded a revenue of RM7.4 million for the current financial period ended 30 June 2020, as compared to RM19.4 million in the corresponding period of the previous financial year. The decrease in revenue of RM12.0 million or 61.9% was mainly due to temporary closure of operations following movement control order (“**MCO**”) imposed by the Malaysian government effective 18 March 2020 in response to the coronavirus pandemic (“**COVID-19**”).

The Group recorded a gross profit margin of 48.8% for current financial period as compared to 49.6% in the corresponding period of the previous financial year.

The Group recorded a profit after tax of RM0.6 million for the current financial period ended 30 June 2020 as compared to a profit after tax of RM5.4 million in the corresponding period of the previous financial year, representing a decrease of RM4.8 million or 88.9%. This is in line with the decrease in revenue impacted by the temporary closure of operations as mentioned above.

As a result, the Group recorded lower profit after tax margin of 8.0% for the current financial period ended 30 June 2020, as compared to 27.8% in the corresponding period of the previous financial year. This is mainly due to higher amount of administrative expenses for the financial period ended 30 June 2020 as a result of one-off reclassification of the construction workers’ overhead expenses from cost of sales

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 presence in local building facade industry in Malaysia;
- (ii) expansion of factory facilities for higher fabrication capacity; and
- (iii) expansion into downstream business.

The Board of Directors of the Company (“**Board**”) have closely monitored the development of the outbreak of COVID-19 infection in Malaysia that may affect the business operations, financial performance and financial position of the Group and of the Company mainly due to travel and movement restriction and other precautionary measures imposed by relevant local authorities. As at the date of this report, our Group has recorded lower revenue for the current financial period ended 30 June 2020 as a result of the temporary closure of operations due to the MCO. Under the foregoing circumstances, the Board is of view that the financial performance of the Group will remain challenging for the financial year ending 31 December 2020. As such, the Board will continue to closely monitor the situation and respond proactively to mitigate the impact on the Group’s and the Company’s financial performance and financial position.

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

Save for the proposed bonus issue of 365,700,002 Uni Wall shares announced by the Company on 6 August 2020, there were no other corporate proposals announced but pending completion as at the date of this report.

C2. MATERIAL LITIGATION

Save as disclosed below, there are no other material litigations pending as at the date of this report.

On 9 March 2020, a supplier of Uni Wall's wholly-owned subsidiary, Uni Wall Architectural Products & Services Sdn Bhd ("**Uni Wall Architectural**" or "**Defendant**"), Ajiya Safety Glass Sdn Bhd ("**Ajiya**" or "**Plaintiff**") had served a writ of summons in the High Court of Shah Alam bearing civil action no. BA-22NCVC-96-03/2020 against the Defendant in respect of alleged claim of RM1,711,311 from the Defendant being the outstanding payment due for glasses already sold and delivered to the Defendant's façade construction works together with an interest rate of 8% per annum. The Defendant disputed the claim as the Plaintiff had sold sub-standard glasses to the Defendant, which does not fit for purpose and not in accordance with the glasses ordered by the Defendant in the quotation.

On 28 May 2020, the Defendant had filed a Defence and Counter Claim against the Plaintiff for a sum of approximately RM1,300,000 together with the interest rate of 5% per annum for the damages and also further damages to be assessed as the façade construction works are still on-going. On 11 June 2020, the Plaintiff had filed a reply to the Defence and Counter Claim made by the Defendant and the Defendant had then filed a reply on the Defence made by Ajiya on 2 July 2020.

On 30 July 2020, court was fixed for case management by way of an e-review. As both Ajiya and Uni Wall Architectural (the "**Parties**") have informed the Court that pleadings are closed, the Learned Registrar then informed the Parties to file their Bundle of Pleadings by 14 August 2020, Agreed Facts and Issues by 4 September 2020 and Common Bundle of Documents by 18 September 2020. A case management before the Learned Registrar has been fixed on 22 September 2020 for the Parties to comply with the filing and marking of the aforementioned documents. Subsequently, the Parties shall file their respective Witness Statement by 23 October 2020 and a further case management date before the Judge is scheduled on 26 October 2020 at 2.30 p.m. to fix the trial dates.

The Board is of the view that Uni Wall Architectural has a good defence to Ajiya's claims, and that Uni Wall Architectural's counter claim is likely to succeed. Hence, there will not be any material adverse impact to the Group's financial performance as after taking into consideration that the claim had already been recorded in the Group's trade payables as at 31 December 2019.

C3. DIVIDENDS

The Board does not recommend any interim dividend for the current financial period ended 30 June 2020.

C OTHER INFORMATION (CONT'D)

C4. EPS

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

	Individual 6 months ended		Cumulative 6 months ended	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the parent	589	5,384	589	5,384
Number of ordinary shares in issue ('000)	365,700	365,700	365,700	365,700
Basic and diluted EPS (sen)	0.2	1.5	0.2	1.5

The EPS for the financial period ended 30 June 2020 and 30 June 2019 were computed based on the Company's total number of issued shares of 365,700,002 Uni Wall shares.