



**UCI RESOURCES BERHAD**  
(Registration No. 202001015323 (1371643-X))  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR  
ENDED 30 JUNE 2021**

**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 UCI RESOURCES BERHAD (“UCI” 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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	<b>Unaudited</b> <b>As at 30.06.2021</b> <b>RM'000</b>	<b>Audited</b> <b>As at 31.12.2020</b> <b>RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Plant and equipment	1,348	1,351
Right-of-use assets	7,987	7,765
Goodwill on consolidation	51	51
<b>Total non-current assets</b>	<b>9,386</b>	<b>9,167</b>
<b>Current assets</b>		
Inventories	4,373	4,017
Trade receivables	6,366	6,454
Other receivables, deposits and prepayments	1,106	1,142
Fixed deposits	4,500	-
Cash and bank balances	1,858	3,101
<b>Total current assets</b>	<b>18,203</b>	<b>14,714</b>
<b>Total assets</b>	<b>27,589</b>	<b>23,881</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	20,210	15,300
Reorganisation reserve	(14,800)	(14,800)
Retained profits	15,861	16,136
<b>Total equity</b>	<b>21,271</b>	<b>16,636</b>
<b>Non-current liabilities</b>		
Borrowings	1,547	1,874
Deferred tax liabilities	139	139
<b>Total non-current liabilities</b>	<b>1,686</b>	<b>2,013</b>
<b>Current liabilities</b>		
Trade payables	3,075	3,712
Other payables, deposits and accruals	78	512
Borrowings	1,475	832
Current tax liabilities	4	176
<b>Total current liabilities</b>	<b>4,632</b>	<b>5,232</b>
<b>Total liabilities and equity</b>	<b>27,589</b>	<b>23,881</b>
<b>Net assets per share (sen)<sup>(2)</sup></b>	<b>8.28</b>	<b>5.55</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021 (CONT'D)**

*Notes:*

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 of the Company and the accompanying explanatory notes attached to this interim financial report.*
- (2) Net assets per share is calculated based on the Company's number of (i) ordinary shares in issue of 333,400,100 as at the end of the financial period ended 30 June 2021, and (ii) ordinary shares in issue of 300,000,100 as at the end of the financial year ended 31 December 2020.*

**UCI RESOURCES BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2021**

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	11,597	9,013	11,597	9,013
Cost of sales	(9,725)	(7,060)	(9,725)	(7,060)
<b>Gross profit</b>	<b>1,872</b>	<b>1,953</b>	<b>1,872</b>	<b>1,953</b>
Other income	36	55	36	55
Selling and distribution expenses	(417)	(229)	(417)	(229)
Other operating expenses	(1,640)	(1,071)	(1,640)	(1,071)
Profit/(Loss) from operations	(149)	708	(149)	708
Finance costs	(66)	(49)	(66)	(49)
<b>Profit/(Loss) before taxation</b>	<b>(215)</b>	<b>659</b>	<b>(215)</b>	<b>659</b>
Income tax expenses	(60)	(158)	(60)	(158)
<b>Profit/(Loss) for the financial period, representing total comprehensive income for the financial period</b>	<b>(275)</b>	<b>501</b>	<b>(275)</b>	<b>501</b>
Total comprehensive income/(loss) for the financial period attributable to owners of the Company	(275)	501	(275)	501
<b>Earnings/(Loss) per ordinary share ("EPS"/"LPS") (sen):</b>				
- Basic	(0.09)	0.17	(0.09)	0.17

*Note:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 of the Company and the accompanying explanatory notes attached to this interim financial report.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2021**

	Non-distributable		Distributable		Non-controlling interest	Total
	Share capital	Reorganisation reserve	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000		
<b>Balance as at 1 January 2020</b>	500	-	14,838	15,338	(51)	15,287
Total comprehensive income for the financial period	-	-	501	501	-	501
Acquisition of a subsidiary	-	-	-	-	51	51
<b>Balance as at 30 June 2020</b>	<b>500</b>	<b>-</b>	<b>15,339</b>	<b>15,839</b>	<b>-</b>	<b>15,839</b>
<b>Balance as at 1 January 2021</b>	15,300	(14,800)	16,136	16,636	-	16,636
Total comprehensive loss for the financial period	-	-	(275)	(275)	-	(275)
Issuance of shares	4,910	-	-	4,910	-	4,910
<b>Balance as at 30 June 2021</b>	<b>20,210</b>	<b>(14,800)</b>	<b>15,861</b>	<b>21,271</b>	<b>-</b>	<b>21,271</b>

Note:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 of the Company and the accompanying explanatory notes attached to this interim financial report.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2021**

	Unaudited 30.06.2021 RM'000	Unaudited 30.06.2020 RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	(215)	659
Adjustments for:-		
Depreciation of plant and equipment	353	430
Depreciation of right-of-use assets	441	254
Loss on disposal of plant and equipment	-	17
Gain on disposal of right-of-use assets	-	(65)
Interest expense	66	49
Interest income	(8)	-
Operating profit before working capital changes	637	1,344
Changes in working capital:-		
Inventories	(357)	(478)
Trade receivables	88	964
Other receivables, deposits and prepayments	36	(60)
Trade payables	(636)	(1,022)
Other payables, deposits and accruals	(434)	(328)
Cash generated from/(used in) operations	(666)	420
Interest paid	(66)	(49)
Interest received	8	-
Tax paid	(232)	(93)
<b>Net cash from/(used in) operating activities</b>	<b>(956)</b>	<b>278</b>
<b>Cash flows from investing activities</b>		
Acquisition of non-controlling interest	-	(2)
Proceeds from disposal of plant and equipment	-	30
Proceeds from disposal of rights-of-use assets	-	73
Purchase of plant and equipment	(350)	(561)
Purchase of right-of-use assets	(663)	(94)
<b>Net cash used in investing activities</b>	<b>(1,013)</b>	<b>(552)</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2021 (CONT'D)**

	Unaudited 30.06.2021 RM'000	Unaudited 30.06.2020 RM'000
<b>Cash flows from financing activities</b>		
Dividend paid	-	(500)
Proceeds from issuance of shares	4,910	(2)
Fixed deposits pledged	(4,500)	-
Repayment of lease liabilities	(18)	(26)
Drawdown of borrowings	334	217
Net cash from/(used in) financing activities	<u>726</u>	<u>(309)</u>
<b>Net decrease in cash and cash equivalents</b>	<b><u>(1,243)</u></b>	<b><u>(583)</u></b>
Cash and cash equivalents at the beginning of the financial period	<u>3,028</u>	<u>4,309</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<b><u>1,785</u></b>	<b><u>3,726</u></b>

*Notes:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 of the Company and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Less than RM1,000.*

## **UCI RESOURCES BERHAD**

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### **A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2021**

#### **A1. BASIS OF PREPARATION**

The interim financial statements of UCI Resources Berhad 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 first half-year ended 30 June 2021 announced by the Company in compliance with Rule 6.12 of the LEAP Market Listing Requirements of Bursa Securities (“**Listing Requirements**”).

The interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2020 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 Financial Statements for the financial year ended 31 December 2020.

During the financial year, the Group and the Company have adopted the following new MFRSs, new interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“**MASB**”) that are mandatory for current financial year:

##### **MFRSs, interpretations and amendments effective for annual period beginning on or after 1 January 2020:**

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3, Business Combinations - Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures - Interest Rate Benchmark Reform
- Amendment to MFRS 16, Leases - Covid-19 - Related Rent Concessions
- Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

The adoption of the new MFRSs, new interpretation and amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

#### **A3. SEASONAL OR CYCLICAL FACTORS**

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

#### **A4. UNUSUAL ITEMS**

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.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2021 (CONT'D)**

**A5. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in accounting estimates in the current financial period.

**A6. DEBT AND EQUITY SECURITIES**

Saved as disclosed below, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period under review.

On 18 March 2021, 33,400,000 new ordinary shares of the Company were issued pursuant to the excluded issue at an issue price of RM0.15 per ordinary share to sophisticated investors within the meanings of Sections 229 and 230 of the Capital Markets and Services Act 2007 (“**Excluded Issue**”). Subsequently, on 23 March 2021, the Company’s entire enlarged issued share capital of RM20,310,100 comprising of 333,400,100 ordinary shares were listed on the LEAP Market of Bursa Securities.

**A7. SEGMENTAL INFORMATION**

The Group’s revenue based on products segment is presented as follows:

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Box Culvert	6,116	4,244	6,116	4,244
U-Drain	3,010	2,197	3,010	2,197
L-Shape	2,120	2,492	2,120	2,492
Others <sup>(i)</sup>	351	80	351	80
<b>Total</b>	<b>11,597</b>	<b>9,013</b>	<b>11,597</b>	<b>9,013</b>

Note:

(i) Includes the Group’s complementary precast concrete products.

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

There were no material events subsequent to the end of the current financial period.

**A9. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the financial period ended 30 June 2021.

**A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

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

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**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2021 (CONT'D)****A11. CAPITAL COMMITMENTS**

Save as disclosed below, there were no material capital commitments in respect of plant and equipment as at the end of the current financial period:

<b>Capital commitments</b>	<b>RM'000</b>
<b>Approved and contracted for</b>	
Plant and machinery	1,637

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### B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

#### B1. REVIEW OF PERFORMANCE

##### Current Financial Period vs Preceding Year Corresponding Period

The Group recorded a revenue of RM11.59 million for the current financial period ended 30 June 2021, as compared to RM9.01 million in the preceding year corresponding period, representing an increase of RM2.58 million or 28.6%. This was mainly due to delays in revenue recognition during the financial period ended 30 June 2020 as the Group's scheduled deliveries were affected by the Malaysian Government's imposition of the first movement control order ("MCO") which took effect from 18 March 2020 to 3 May 2020.

The Group recorded a loss before taxation of RM0.21 million for the current financial period ended 30 June 2021 as compared to a profit before taxation of RM0.66 million in the preceding year corresponding period, representing a decrease of RM0.87 million or 132.6%. This was mainly due to lower gross profit generated as a result of an increase in cost of steel bar materials as well as the one-off listing expenses of RM0.45 million incurred during the current financial period.

#### B2. PROSPECTS

As disclosed in the Company's Information Memorandum dated 29 January 2021, the Group has in place a series of future plans and strategies to further expand the Group's business which are to relocate to and expand the Group's new manufacturing site and thereafter to widen the Group's range of precast concrete products to continue catering for drain, tunnel and retaining wall construction. In view of the imposition of the MCO and full MCO, the Group's relocation plan is delayed as the building plan approval from the local authorities for the new batching plant at the new manufacturing site is pending.

The COVID-19 pandemic continues to raise concerns and the Group is unable to predict its impact on the demand for the Group's products. The imposition of the full MCO nationwide by the Malaysian Government from 1 June 2021 has resulted in the suspension of operations of some of the Group's customers. Further, subsequent imposition of the Enhanced MCO from 3 July 2021 to 16 July 2021 in most areas of Selangor and some areas in Kuala Lumpur has resulted in the suspension of all non-essential economic activities, including the Group's and its customers' operations located in the affected areas. As at date of this report, the COVID-19 outbreak has affected the Group's gross profit margin as a result of an increase in cost of raw materials due to interrupted supplies in the market.

Notwithstanding the above and barring any unforeseen circumstances, the Board of Directors of the Company ("**Board**") is of the opinion that the Group's financial performance for the financial year ending 31 December 2021 will remain challenging. Moving forward, the Group will continue to monitor and assess the impact of COVID-19 on the Group's business operations and will take proactive measures to ensure the Group's business remains resilient and focused.

#### 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.

#### B4. DIVIDENDS

The Board had on 13 July 2021 declared a single tier interim dividend of RM0.0015 per ordinary share in respect of the financial year ending 31 December 2021. The interim dividend amounting to RM500,100 was paid on 30 July 2021.

**C OTHER INFORMATION**

**C1. STATUS OF CORPORATE PROPOSALS**

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

**C2. MATERIAL LITIGATION**

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

**C3. EARNINGS PER SHARE**

The basic EPS for the current financial period and preceding year corresponding period are computed as follows:

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the Company	(275)	501	(275)	501
Weighted average number of ordinary shares in issue ('000)	309,517	300,000	309,517	300,000
Basic EPS/LPS (sen)	(0.09)	0.17	(0.09)	0.17

Diluted EPS is the same as the basic EPS as there were no potential dilutive instruments.

**C4. UTILISATION OF PROCEEDS**

As at 30 June 2021, the proceeds from the Excluded Issue amounting to RM5.01 million was utilised in the following manner:

<b>Purpose</b>	<b>Proposed utilisation (RM'000)</b>	<b>Actual utilised (RM'000)</b>	<b>Unutilised amount (RM'000)</b>	<b>Estimated timeframe for utilisation</b>
Capital expenditure	3,000	-	3,000	Within 18 months
Working capital	1,010	-	1,010	Within 6 months
Listing expenses	1,000	(1,000)	-	Immediate
<b>Total</b>	<b>5,010</b>	<b>(1,000)</b>	<b>4,010</b>	