



**UCI RESOURCES BERHAD**

(Registration No. 202001015323 (1371643-X))  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR  
ENDED 30 JUNE 2022**

**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 2022**

	Unaudited As at 30.06.2022 RM'000	Audited As at 31.12.2021 RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Plant and equipment	1,236	1,277
Right-of-use assets	7,712	7,844
Other investment	1,000	-
<b>Total non-current assets</b>	<b>9,948</b>	<b>9,121</b>
<b>Current assets</b>		
Inventories	4,451	4,285
Trade receivables	8,930	8,033
Other receivables, deposits and prepayments	739	551
Fixed deposits	3,047	4,032
Cash and bank balances	2,952	2,622
<b>Total current assets</b>	<b>20,119</b>	<b>19,523</b>
<b>Total assets</b>	<b>30,067</b>	<b>28,644</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	20,210	20,210
Reorganisation reserve	(14,800)	(14,800)
Retained profits	16,980	15,697
<b>Total equity</b>	<b>22,390</b>	<b>21,107</b>
<b>Non-current liabilities</b>		
Borrowings	1,279	1,444
Deferred tax liabilities	83	83
<b>Total non-current liabilities</b>	<b>1,362</b>	<b>1,527</b>
<b>Current liabilities</b>		
Trade payables	4,492	4,054
Other payables, deposits and accruals	240	385
Borrowings	1,007	1,320
Current tax liabilities	576	251
<b>Total current liabilities</b>	<b>6,315</b>	<b>6,010</b>
<b>Total liabilities and equity</b>	<b>30,067</b>	<b>28,644</b>
<b>Net assets per share (sen)<sup>(2)</sup></b>	<b>6.71</b>	<b>6.33</b>

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 Consolidated Financial Statements for the financial year ended 31 December 2021 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 333,400,100 ordinary shares in issue.

**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 2022**

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	16,657	11,597	16,657	11,597
Cost of sales	(13,460)	(9,725)	(13,460)	(9,725)
<b>Gross profit</b>	<b>3,197</b>	<b>1,872</b>	<b>3,197</b>	<b>1,872</b>
Other income	37	36	37	36
Selling and distribution expenses	(398)	(417)	(398)	(417)
Other operating expenses	(1,063)	(1,640)	(1,063)	(1,640)
Profit/(Loss) from operations	1,773	(149)	1,773	(149)
Finance costs	(64)	(66)	(64)	(66)
<b>Profit/(Loss) before taxation</b>	<b>1,709</b>	<b>(215)</b>	<b>1,709</b>	<b>(215)</b>
Income tax expenses	(426)	(60)	(426)	(60)
<b>Profit/(Loss) for the financial period, representing total comprehensive income for the financial period</b>	<b>1,283</b>	<b>(275)</b>	<b>1,283</b>	<b>(275)</b>
Total comprehensive income/(loss) for the financial period attributable to owners of the Company	1,283	(275)	1,283	(275)
<b>Earnings/(Loss) per ordinary share ("EPS"/"LPS") (sen):</b>				
- Basic	0.38	(0.09)	0.38	(0.09)

*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 Consolidated Financial Statements for the financial year ended 31 December 2021 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 2022**

	Non-distributable		Distributable	
	Share capital	Reorganisation reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2021</b>	15,300	(14,800)	16,136	16,636
Total comprehensive loss for the financial period	-	-	(275)	(275)
Issuance of shares	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>Balance as at 1 January 2022</b>	20,210	(14,800)	15,697	21,107
Total comprehensive profit for the financial period	-	-	1,283	1,283
<b>Balance as at 30 June 2022</b>	<b>20,210</b>	<b>(14,800)</b>	<b>16,980</b>	<b>22,390</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 Consolidated Financial Statements for the financial year ended 31 December 2021 of the Company and the accompanying explanatory notes attached to this interim financial report.*

**UCI RESOURCES BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2022**

	Unaudited 30.06.2022 RM'000	Unaudited 30.06.2021 RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	1,709	(215)
Adjustments for:-		
Depreciation of plant and equipment	361	353
Depreciation of right-of-use assets	212	441
Interest expense	64	66
Interest income	(27)	(8)
Operating profit before working capital changes	2,319	637
Changes in working capital:-		
Inventories	(166)	(357)
Trade receivables	(897)	88
Other receivables, deposits and prepayments	(188)	36
Trade payables	439	(636)
Other payables, deposits and accruals	(145)	(434)
Cash generated from/(used in) operations	1,362	(666)
Interest paid	(64)	(66)
Interest received	27	8
Tax paid	(102)	(232)
<b>Net cash from/(used in) operating activities</b>	<b>1,223</b>	<b>(956)</b>
<b>Cash flows from investing activities</b>		
Other investment in unquoted shares	(1,000)	-
Purchase of plant and equipment	(320)	(350)
Purchase of right-of-use assets	(80)	(663)
<b>Net cash used in investing activities</b>	<b>(1,400)</b>	<b>(1,013)</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2022 (CONT'D)**

	Unaudited 30.06.2022 RM'000	Unaudited 30.06.2021 RM'000
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	4,910
Fixed deposits pledged	-	(4,500)
Repayment of lease liabilities	(106)	(18)
(Repayment)/Drawdown of borrowings	(372)	334
Net cash (used in)/from financing activities	<u>(478)</u>	<u>726</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(655)</b>	<b>(1,243)</b>
Cash and cash equivalents at the beginning of the financial period	<u>6,654</u>	<u>3,028</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<b><u>5,999</u></b>	<b><u>1,785</u></b>

Note:

- (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 Consolidated Financial Statements for the financial year ended 31 December 2021 of the Company and the accompanying explanatory notes attached to this interim financial report.*

## **UCI RESOURCES BERHAD**

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### **A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2022**

#### **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 2022 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 2021 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 2021.

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 the current financial year:

##### **MFRSs, interpretations and amendments effective for the annual period beginning on or after 1 April 2021:**

- Amendment to MFRS 16, Leases – Covid-19 – Related Rent Concessions

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 2022 (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**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period under review.

**A7. SEGMENTAL INFORMATION**

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

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Box Culvert	7,859	6,116	7,859	6,116
U-Drain	4,665	3,010	4,665	3,010
L-Shape	3,676	2,120	3,676	2,120
Others <sup>(i)</sup>	457	351	457	351
<b>Total</b>	<b>16,657</b>	<b>11,597</b>	<b>16,657</b>	<b>11,597</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 2022.

**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 were no material capital commitments in respect of plant and equipment as at the end of the current financial period:

Capital commitments	RM'000
<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 RM16.66 million for the current financial period ended 30 June 2022, as compared to RM11.60 million in the preceding year corresponding period, representing an increase of RM5.06 million or 43.6%. The increase in revenue was driven by higher billings and higher selling prices. The higher selling prices were due to adjustments made based on anticipated higher raw material prices.

The Group recorded a profit before taxation of RM1.71 million for the current financial period ended 30 June 2022 as compared to a loss before taxation of RM0.21 million in the preceding year corresponding period, representing an increase of RM1.92 million or 814.3%, mainly due to higher revenue generated and lower other operating expenses. The other operating expenses was lower in the current financial period ended 30 June 2022 due to the one-off listing expenses of RM0.45 million being expensed off in the preceding year corresponding period.

#### **B2. COMMENTARY ON PROSPECTS**

As disclosed in the Company's Information Memorandum dated 29 January 2021, the Group intends to relocate and expand to a new manufacturing site, which is in progress as the building plan was just obtained on 19 July 2022.

Whilst the Malaysian economy is set for recovery, the business outlook remains challenging due to inflationary pressure and rising building material costs. The Group remains optimistic about the recovery of the Malaysian economy in view of the Malaysian Government's efforts in introducing various stimulus packages to stimulate economic recovery such as the "PRIHATIN", "PEMULIH" and "PEMERKASA" packages.

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 2022 will remain challenging. Moving forward, the Group will continue to monitor and improve its operations and to remain 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/or announcement.

#### **B4. DIVIDENDS**

The Board had on 15 August 2022 declared a single tier interim dividend of RM0.0015 per ordinary share in respect of the financial year ending 31 December 2022. The interim dividend amounting to RM500,100 will be paid on 30 August 2022.

**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 the preceding year corresponding period are computed as follows:

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the Company	1,283	(275)	1,283	(275)
Weighted average number of ordinary shares in issue ('000)	333,400	309,517	333,400	309,517
Basic EPS/LPS (sen)	0.38	(0.09)	0.38	(0.09)

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

**C4. UTILISATION OF PROCEEDS**

As at 30 June 2022, the proceeds from the Excluded Issue amounting to RM5.01 million were utilised in the following manner:

Purpose	Proposed utilisation (RM'000)	Actual utilised (RM'000)	Unutilised amount (RM'000)	Estimated timeframe for utilisation
Capital expenditure	3,000	(320)	2,680	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>(2,330)</b>	<b>2,680</b>	