



**UCI RESOURCES BERHAD**

(Registration No. 202001015323 (1371643-X))

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR  
ENDED 31 DECEMBER 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 31 DECEMBER 2022**

	Unaudited As at 31.12.2022 RM'000	Audited As at 31.12.2021 RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Plant and equipment	1,041	1,277
Right-of-use assets	7,665	7,844
Other investments	1,000	-
<b>Total non-current assets</b>	<b>9,706</b>	<b>9,121</b>
<b>Current assets</b>		
Inventories	4,717	4,285
Trade receivables	8,397	8,033
Other receivables, deposits and prepayments	2,265	551
Fixed deposits	6,072	4,032
Cash and bank balances	3,670	2,622
<b>Total current assets</b>	<b>25,121</b>	<b>19,523</b>
<b>Total assets</b>	<b>34,827</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	17,352	15,697
<b>Total equity</b>	<b>22,762</b>	<b>21,107</b>
<b>Non-current liabilities</b>		
Borrowings	5,829	1,444
Deferred tax liabilities	83	83
<b>Total non-current liabilities</b>	<b>5,912</b>	<b>1,527</b>
<b>Current liabilities</b>		
Trade payables	5,200	4,054
Other payables, deposits and accruals	458	385
Borrowings	332	1,320
Current tax liabilities	163	251
<b>Total current liabilities</b>	<b>6,153</b>	<b>6,010</b>
<b>Total liabilities and equity</b>	<b>34,827</b>	<b>28,644</b>
<b>Net assets per share (sen)<sup>(2)</sup></b>	<b>6.82</b>	<b>6.33</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (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 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 as at the end of the financial year ended 31 December 2022 and 31 December 2021.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022**

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	17,098	13,025	33,755	24,622
Cost of sales	(14,159)	(10,285)	(27,619)	(20,009)
<b>Gross profit</b>	<b>2,939</b>	<b>2,740</b>	<b>6,136</b>	<b>4,613</b>
Other income	88	74	125	90
Selling and distribution expenses	(436)	(307)	(834)	(724)
Other operating expenses	(1,348)	(1,809)	(2,411)	(3,305)
Profit from operations	1,243	698	3,016	674
Finance costs	(70)	(45)	(134)	(113)
<b>Profit before taxation</b>	<b>1,173</b>	<b>653</b>	<b>2,882</b>	<b>561</b>
Income tax expenses	(301)	(313)	(727)	(500)
<b>Profit for the financial period/year, representing total comprehensive income for the financial period/year</b>	<b>872</b>	<b>340</b>	<b>2,155</b>	<b>61</b>
Total comprehensive income for the financial period/year attributable to owners of the Company	872	340	2,155	61
<b>Earnings per ordinary share ("EPS") (sen):</b>				
- Basic	0.26	0.10	0.64	0.02

*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 SECOND HALF-YEAR ENDED 31 DECEMBER 2022**

	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 2021</b>	15,300	(14,800)	16,136	16,636	-	16,636
Total comprehensive income for the financial year	-	-	61	61	-	61
Issuance of shares	4,910	-	-	4,910	-	4,910
Dividend	-	-	(500)	(500)	-	(500)
<b>Balance as at 31 December 2021</b>	<b>20,210</b>	<b>(14,800)</b>	<b>15,697</b>	<b>21,107</b>	-	<b>21,107</b>
<b>Balance as at 1 January 2022</b>	20,210	(14,800)	15,697	21,107	-	21,107
Total comprehensive income for the financial year	-	-	2,155	2,155	-	2,155
Dividend	-	-	(500)	(500)	-	(500)
<b>Balance as at 31 December 2022</b>	<b>20,210</b>	<b>(14,800)</b>	<b>17,352</b>	<b>22,762</b>	-	<b>22,762</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.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL-YEAR ENDED 31 DECEMBER 2022**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	2,882	561
Adjustments for:-		
Depreciation of plant and equipment	767	558
Depreciation of right-of-use assets	271	571
Loss on disposal of plant and equipment	-	2
Impairment loss on trade receivables	-	168
Impairment loss on goodwill on consolidation	-	51
Reversal of impairment loss on trade receivables no longer required	-	(5)
Interest expense	82	113
Interest income	(92)	(65)
Operating profit before working capital changes	3,910	1,954
Changes in working capital:-		
Inventories	(432)	(268)
Trade receivables	(364)	(1,742)
Other receivables, deposits and prepayments	(1,715)	594
Trade payables	1,147	342
Other payables, deposits and accruals	72	(127)
Cash generated from operations	2,618	753
Interest paid	(82)	(113)
Interest received	92	65
Tax paid	(815)	(484)
<b>Net cash from operating activities</b>	<b>1,813</b>	<b>221</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of plant and equipment	-	10
Investment in unquoted investment shares	(1,000)	-
Purchase of plant and equipment	(531)	(273)
Purchase of right-of-use assets	(92)	(762)
<b>Net cash used in investing activities</b>	<b>(1,623)</b>	<b>(1,025)</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL-YEAR ENDED 31 DECEMBER 2022 (CONT'D)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(500)	(500)
Proceeds from issuance of shares	-	4,910
Repayment of lease liabilities	(240)	(343)
Net drawdown of borrowings	3,638	363
Net cash from financing activities	<u>2,898</u>	<u>4,430</u>
<b>Net increase in cash and cash equivalents</b>	<u><b>3,088</b></u>	<u><b>3,626</b></u>
Cash and cash equivalents at the beginning of the financial year	<u>6,654</u>	<u>3,028</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<u><b>9,742</b></u>	<u><b>6,654</b></u>

*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 SECOND HALF-YEAR ENDED 31 DECEMBER 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 second half-year ended 31 December 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 annual period beginning on or after 1 January 2022:**

- Amendments to MFRS 1, First-Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- Amendments to MFRS 3, Business Combination – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to Illustrative Example accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)

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 and financial year-to-date.

#### 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 and financial year-to-date.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022 (CONT'D)**

**A5. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in accounting estimates in the current financial period and financial year-to-date.

**A6. DEBT AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period and financial year-to-date.

**A7. SEGMENTAL INFORMATION**

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

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Box Culvert	7,497	3,451	15,356	9,567
U-Drain	3,678	6,313	8,343	9,323
L-Shape	5,168	3,145	8,844	5,265
Others <sup>(i)</sup>	755	116	1,212	467
<b>Total</b>	<b>17,098</b>	<b>13,025</b>	<b>33,755</b>	<b>24,622</b>

*Note:*

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

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

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

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

There were no changes in the composition of the Group for the financial year ended 31 December 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 year:

<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 (2H FYE2022) vs Preceding Year Corresponding Period (2H FYE2021)

The Group recorded a revenue of RM17.10 million for the 2H FYE2022, as compared to RM13.02 million in the preceding year's corresponding period, representing an increase of RM4.08 million or 31.3%, mainly driven by an increase in orders from customers.

The Group recorded a profit before taxation of RM1.17 million for the 2H FYE2022 as compared to a profit before taxation of RM0.65 million in the preceding year corresponding period, representing an increase of RM0.52 million or 80.0%. This increase was mainly due to higher gross profit generated as a result of an increase in revenue as explained above. The lower profit before taxation in the preceding year corresponding period was also due to the one-off remaining listing expenses of RM0.45 million being expensed off.

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

The Group has recently obtained approval in January 2023 from the local authorities for its building plan for the new batching plant and factory at the Group's new manufacturing site, and will commence construction in the first quarter 2023. The Group expects its new batching plant and factory to be completed by third quarter 2023.

The Malaysian Government has successfully contained the pandemic through its efforts which has seen the improvement of the economy albeit slowly recovering. However geo-political factors such as global inflation crisis, and other uncertainties may hamper the efforts of the Malaysian Government in improving the economy.

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 2023 will improve as the prices of raw materials has stabilised and after taking into account the Group's order book. Moving forward, the Group will continue to monitor and assess its business operations and will take proactive measures to ensure its 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/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 ended 31 December 2022. The interim dividend amounting to RM500,100 was 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 interim financial report.

#### **C2. MATERIAL LITIGATION**

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

**C3. EARNINGS PER SHARE**

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

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	872	340	2,155	61
Weighted average number of ordinary shares in issue ('000)	333,400	326,354	333,400	326,354
Basic EPS (sen)	0.26	0.10	0.64	0.02

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

**C4. UTILISATION OF PROCEEDS**

As at 31 December 2022, the proceeds from the Excluded Issue amounting to RM5.01 million were 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>Revised estimated timeframe for utilisation</b>
Capital expenditure	3,000	-	3,000	Within 30 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>(2,010)</b>	<b>3,000</b>	