



**UCI RESOURCES BERHAD**

(Registration No. 202001015323 (1371643-X))

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR  
ENDED 30 JUNE 2024**

**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 2024**

	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Plant and equipment	1,023	1,311
Right-of-use assets	15,919	15,270
Other investment	1,000	1,000
<b>Total non-current assets</b>	<b>17,942</b>	<b>17,581</b>
<b>Current assets</b>		
Inventories	4,418	4,547
Trade receivables	8,655	6,918
Other receivables, deposits and prepayments	389	2,179
Short term fund	510	500
Fixed deposits	3,615	4,094
Cash and bank balances	1,329	1,997
<b>Total current assets</b>	<b>18,916</b>	<b>20,235</b>
<b>Total assets</b>	<b>36,858</b>	<b>37,816</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	18,786	18,506
<b>Total equity</b>	<b>24,196</b>	<b>23,916</b>
<b>Non-current liabilities</b>		
Borrowings	4,657	6,022
Deferred tax liabilities	159	159
<b>Total non-current liabilities</b>	<b>4,816</b>	<b>6,181</b>
<b>Current liabilities</b>		
Trade payables	4,728	4,543
Other payables, deposits and accruals	500	540
Borrowings	2,548	2,359
Current tax liabilities	70	277
<b>Total current liabilities</b>	<b>7,846</b>	<b>7,719</b>
<b>Total liabilities and equity</b>	<b>36,858</b>	<b>37,816</b>
<b>Net assets per share (sen)<sup>(2)</sup></b>	<b>7.26</b>	<b>7.17</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 Financial Statements for the financial year ended 31 December 2023 of the Company and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share are calculated based on the Company's number of ordinary shares in issue of 333,400,100 shares.

**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 2024**

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	13,955	17,216	13,955	17,216
Cost of sales	(12,675)	(13,529)	(12,675)	(13,529)
<b>Gross profit</b>	<b>1,280</b>	<b>3,687</b>	<b>1,280</b>	<b>3,687</b>
Other income	774	104	774	104
Selling and distribution expenses	(358)	(621)	(358)	(621)
Other operating expenses	(1,170)	(1,073)	(1,170)	(1,073)
Profit from operations	526	2,097	526	2,097
Finance costs	(154)	(40)	(154)	(40)
<b>Profit before taxation</b>	<b>372</b>	<b>2,057</b>	<b>372</b>	<b>2,057</b>
Income tax expenses	(92)	(512)	(92)	(512)
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>	<b>280</b>	<b>1,545</b>	<b>280</b>	<b>1,545</b>
Total comprehensive income for the financial period attributable to owners of the Company	280	1,545	280	1,545
<b>Earnings per ordinary share ("EPS") (sen):</b>				
- Basic	0.08	0.46	0.08	0.46

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 2023 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 2024**

	Non-distributable		Distributable	Total
	Share capital	Reorganisation reserve	Retained earnings	
	RM'000	RM'000	RM'000	
<b>Balance as at 1 January 2023</b>	20,210	(14,800)	17,158	22,568
Total comprehensive profit for the financial period	-	-	1,545	1,545
<b>Balance as at 30 June 2023</b>	<b>20,210</b>	<b>(14,800)</b>	<b>18,703</b>	<b>24,113</b>
<b>Balance as at 1 January 2024</b>	20,210	(14,800)	18,506	23,916
Total comprehensive profit for the financial period	-	-	280	280
<b>Balance as at 30 June 2024</b>	<b>20,210</b>	<b>(14,800)</b>	<b>18,786</b>	<b>24,196</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 2023 of the Company and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024**

	<b>Unaudited 30.06.2024 RM'000</b>	<b>Unaudited 30.06.2023 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	372	2,057
Adjustments for:-		
Depreciation of plant and equipment	514	231
Depreciation of right-of-use assets	231	192
Loss on disposal of fixed assets	18	-
Interest expense	144	34
Interest income	(35)	(88)
Operating profit before working capital changes	1,244	2,426
Changes in working capital:-		
Inventories	129	397
Trade receivables	(1,736)	(1,219)
Other receivables, deposits and prepayments	1,789	(962)
Trade payables	185	(203)
Other payables, deposits and accruals	(39)	(303)
Cash generated from operations	1,572	136
Interest paid	(144)	(34)
Interest received	35	88
Tax paid	(299)	(245)
<b>Net cash from/(used in) operating activities</b>	<b>1,164</b>	<b>(55)</b>
<b>Cash flows from investing activities</b>		
Other investments in unquoted shares	-	-
Investment in short-term funds	(10)	-
Purchase of plant and equipment	(245)	(213)
Purchase of right-of-use assets	(881)	(1,285)
<b>Net cash used in investing activities</b>	<b>(1,136)</b>	<b>(1,498)</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024 (CONT'D)**

	Unaudited 30.06.2024 RM'000	Unaudited 30.06.2023 RM'000
<b>Cash flows from financing activities</b>		
Net drawdown/(repayment) of lease liabilities	431	(110)
Net repayment of borrowings	(1,606)	(113)
<b>Net cash used in financing activities</b>	<u>(1,175)</u>	<u>(223)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(1,147)</u>	<u>(1,776)</u>
Cash and cash equivalents at the beginning of the financial period	<u>6,091</u>	<u>9,742</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u><b>4,944</b></u>	<u><b>7,966</b></u>

*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 2023 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 2024

#### 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 2024, 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 2023 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 2023.

The Group has applied the following accounting standards and amendments of the MFRSs for the financial year beginning on 1 January 2024:

##### **MFRSs and amendments effective for annual periods beginning on or after 1 January 2024:**

- Amendments to MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements
- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to MFRS 107, Statement of Cash Flows – Supplier Finance Arrangements

The following are accounting standards and amendments of the MFRS framework that have been issued by the Malaysian Accounting Standards Board but have not been adopted by the Group:

##### **MFRS and amendments effective for annual periods beginning on or after 1 January 2025:**

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

##### **MFRS and amendments effective for annual periods beginning on or after 1 January 2026:**

- Amendments to MFRS 7, Financial Instruments: Disclosures and Amendments to MFRS 9, Financial Instruments – Amendments to the Classification and Measurement of Financial Instruments

##### **MFRS effective for annual periods beginning on or after 1 January 2027:**

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

##### **MFRSs and amendments effective for annual periods beginning on or after a date yet to be confirmed:**

- Amendments to MFRS 10, Consolidated Financial Statements and Amendments to MFRS 128, Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group plans to apply the abovementioned accounting standards and amendments in the respective financial year when the above accounting standards and amendments become effective, if applicable.

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**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024 (CONT'D)****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 the 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 accounting estimates in the current financial period.

**A6. DEBT AND EQUITY SECURITIES**

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

**A7. SEGMENTAL INFORMATION**

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

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Box Culvert	5,558	7,996	5,558	7,996
U-Drain	2,709	3,253	2,709	3,253
L-Shape	5,030	4,367	5,030	4,367
Others <sup>(i)</sup>	658	1,600	658	1,600
<b>Total</b>	<b>13,955</b>	<b>17,216</b>	<b>13,955</b>	<b>17,216</b>

Note:

(i) Includes the Group's complementary precast concrete products and other trading building materials.

**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 2024.

**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**

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



## **UCI RESOURCES BERHAD**

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### **B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

#### **B1. REVIEW OF PERFORMANCE**

##### Current Financial Period (“FPE 2024”) vs Preceding Year Corresponding Period (“FPE 2023”)

The Group recorded a revenue of RM13.96 million for FPE 2024 as compared to RM17.22 million in FPE 2023, representing a decrease of RM3.26 million or 18.93%. The decrease in revenue was mainly due to lower orders received by our customers as a result of the general market slowdown in demand.

The Group recorded a profit before taxation of RM0.37 million for FPE 2024 as compared to a profit before taxation of RM2.06 million in FPE 2023, representing a decrease of RM1.69 million or 82.04%, mainly due to lower sales generated and a decrease in gross profit margins. Our gross profit margins decreased to 9.17% in FPE 2024 as compared to 21.42% in FPE 2023, mainly due to the higher cost of steel bar consumption resulting from the increase in steel prices which could not be all passed down to our customers and higher preventive maintenance costs incurred for our machineries and delivery vehicles.

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

The Group has in January 2023, obtained approval from the local authorities for the building plan for its new batching plant and factory at the Group’s new manufacturing site. Pursuant thereto, the Group expects its new batching plant and factory to be completed by the third quarter of 2024.

The global economy is expected to improve, given the gradual improvement in the second half of 2024, with monetary policies to be stabilised. However, persistent geopolitical conflicts and uncertainty in the United States of America’s economy and monetary policy may affect global economic growth.

In Malaysia, Gross Domestic Product (GDP) is forecasted to normalise to the official target set by Bank Negara Malaysia of +5.0%, supported by sustained growth in private consumption and investment activities.

We anticipate an improved demand for our building materials in anticipation of increased infrastructure projects outlined in Budget 2024. Additionally, prices for steel and cement, essential building materials, are expected to stabilise, reflecting improved market sentiment.

Notwithstanding the above and barring any unforeseen circumstances, the Board of Directors of the Company is of the opinion that the Group’s financial performance for the second half of the financial year ending 31 December 2024 will improve as the Group has a sufficient order book in hand and the prices of raw materials for Reinforcing Fabric of Steel (BRC) and cement had stabilised. 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 or announcement.

#### **B4. DIVIDENDS**

There was no dividend paid during the current financial period.

**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:

	<b>Individual 6 months ended</b>		<b>Cumulative 6 months ended</b>	
	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the Company	280	1,545	280	1,545
Weighted average number of ordinary shares in issue ('000)	333,400	333,400	333,400	333,400
Basic EPS (sen)	0.08	0.46	0.08	0.46

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

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