



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

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

	As at 30 Jun 2021 Unaudited RM'000	As at 31 Dec 2020 Audited RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	17,339	17,463
Right-of-use assets	2,331	2,102
Total non-current assets	19,670	19,565
Current assets		
Contract assets	22,130	27,686
Trade receivables	18,384	12,806
Other receivables	2,713	2,755
Fixed deposit with licensed banks	6,288	5,874
Cash and bank balances	594	1,568
Total current assets	50,109	50,689
Total assets	69,779	70,254
<u>LIABILITIES AND EQUITY</u>		
Capital and reserves		
Share capital	15,057	15,057
Merger reserve	(6,000)	(6,000)
Retained earnings	24,134	23,670
Total equity	33,191	32,727
Non-current liabilities		
Lease liabilities	940	913
Bank borrowings	7,737	8,082
Total non-current liabilities	8,677	8,995
Current liabilities		
Trade payables	9,226	11,633
Other payables	887	3,484
Amount due to a Director	681	681
Lease liabilities	710	679
Bank borrowings	9,455	5,018
Tax payable	6,952	7,037
Total current liabilities	27,911	28,532
Total liabilities and equity	69,779	70,254
Net assets per share (RM)⁽²⁾	0.05	0.04

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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 2020 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 731,400,004 ordinary shares as at 30 June 2021 and 31 December 2020.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Individual 6 months ended		Cumulative 6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	12,157	7,393	12,157	7,393
Cost of sales	(9,283)	(3,783)	(9,283)	(3,783)
Gross profit	2,874	3,610	2,874	3,610
Other income	177	50	177	50
Net (loss) / gain on impairment of trade receivables	(541)	111	(541)	111
Administrative expenses	(1,320)	(2,232)	(1,320)	(2,232)
Finance costs	(520)	(466)	(520)	(466)
Profit before taxation	670	1,073	670	1,073
Taxation	(206)	(484)	(206)	(484)
Profit for the financial period	464	589	464	589
Earnings per ordinary share ("EPS") (sen):				
- Basic and diluted ⁽²⁾⁽³⁾	0.06	0.20	0.06	0.20

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 2020 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 731,400,004 and 365,700,002 Uni Wall shares for the financial period ended 30 June 2021 and 30 June 2020.*
- (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 2021

	← Non-distributable →		Distributable	Total RM'000
	Share capital	Merger reserve	Retained earnings	
	RM'000	RM'000	RM'000	
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
At 1 January 2021	15,057	(6,000)	23,670	32,727
Profit for the financial period, representing total comprehensive profit for the financial period	-	-	464	464
At 30 June 2021	15,057	(6,000)	24,134	33,191

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 2020 and the accompanying explanatory notes attached to this interim financial report.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	6 months ended	
	30 Jun 2021 RM'000	30 Jun 2020 RM'000
Cash Flows From Operating Activities		
Profit before taxation	670	1,073
Adjustments for:		
Amortisation of right-of-use assets	330	227
Depreciation of property, plant and equipment	138	120
Interest expense	506	254
Interest income	(17)	(18)
Impairment (gain)/loss on trade receivables	541	(111)
Net gain on disposal of property, plant and equipment	(3)	-
Operating profit before working capital changes	2,165	1,545
Changes in working capital:		
Contract assets	5,556	(717)
Trade receivables	(6,119)	2,189
Other receivables	42	148
Contract liabilities	-	(23)
Trade payables	(2,408)	(428)
Other payables	(2,597)	244
	(5,526)	1,413
Cash (used in)/generated from operations	(3,361)	2,958
Tax paid	(933)	(280)
Interest paid	(506)	(254)
Net cash (used in)/from operating activities	(4,800)	2,424
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	(47)	(10)
Purchase of right-of-use assets	-	(48)
Proceeds from disposals of property, plant and equipment	3	-
Interest received	17	18
Increase in pledged fixed deposit with licensed banks	(414)	(2,700)
Net cash used in investing activities	(441)	(2,740)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONT'D)

	6 months ended	
	30 Jun 2021	30 Jun 2020
	RM'000	RM'000
Cash Flows From Financing Activities		
Drawdown of finance lease liabilities	494	-
Drawdown of term loan	-	3,200
Net changes in amount due to a Director	-	(1,000)
Net changes in Import/Export line	4,179	(1,288)
Net changes in letter of credit	(295)	(219)
Repayment of lease liabilities	(319)	(276)
Repayment of term loans	(263)	(101)
Net cash from financing activities	3,796	316
Net decrease in cash and cash equivalents	(1,445)	(2)
Cash and cash equivalents at beginning of the financial period	(80)	1,612
Cash and cash equivalents at end of the financial period	(1,525)	1,612
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	594	2,023
Fixed deposits with licensed banks	6,288	5,496
Bank overdrafts	(2,119)	(411)
	4,763	7,108
Less: Pledged fixed deposits with licensed banks	(6,288)	(5,496)
	(1,525)	1,612

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 2020 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 2021

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 2021 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 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 latest Audited Consolidated Financial Statements, except for the adoption of the following new and revised MFRSs, Amendments to MFRS and IC interpretations.

- a) New and revised MFRSs, Amendments to MFRSs and IC interpretation adopted during the financial period.

MFRSs	Effective date
<i>Amendments to MFRS 4, 7, 9, 16 and 139 Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
<i>Amendments to MFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

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

- b) New and revised MFRSs, Amendments to MFRSs and IC interpretation, but only effective for annual periods beginning on or after 1 January 2022.

The following are standards of the MFRSs Framework that has been issued by the Malaysian Accounting Standards Board but have not been early adopted by the Group:

MFRSs	Effective date
Annual Improvements to MFRS Standards 2018-2020 Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment-Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>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 2021 (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

There are no other changes in the composition of the Group as at the date of this report.

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 2021:

	As at 30 June 2021
	(RM'000)
Purchase of property, plant and equipment	
- Approved and contracted for	331
- Approved but not contracted for	1,752

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 RM12.2 million for the current financial period ended 30 June 2021, as compared to RM7.4 million in the preceding year corresponding period. The increase in revenue of RM4.8 million or 64.9% was mainly due to higher percentage of completion of existing projects in the current financial period and temporary closure of the Group's operations during the financial period ended 30 June 2020 following the imposition of Movement Control Order ("**MCO**") by the Malaysian Government.

The Group's gross profit margin decreased to 23.6% in the current financial period from 48.8% in the preceding year corresponding period. This was mainly due to higher cost of materials incurred as a result of replacement of damaged materials on-site during the temporary closure of operations following the imposition of MCO.

The Group recorded a profit after tax of RM0.5 million for the current financial period ended 30 June 2021, as compared to a profit after tax of RM0.6 million in the preceding year corresponding period, representing a decrease of RM0.1 million or 16.7%. This was in line with the Group's decrease in gross profit as mentioned above as well as due to amongst others, a net loss on impairment of receivables during the current financial period. As a result, the Group recorded lower profit after tax margin of 3.8% for the current financial period ended 30 June 2021, as compared to 8.0% in the preceding year corresponding period.

B2. COMMENTARY ON PROSPECTS

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**") had on 15 December 2020 announced that the Company had on the same date, entered into a Memorandum of Collaboration ("**MOC**") with NS Corporation (collectively referred as "**the Parties**") to initiate a participation and cooperation between the Parties to work on the realisation and execution of works in the development of lands located in the state of Negeri Sembilan ("**Master Land**") which is styled as Malaysia Vision Valley 2.0, whereby the Company has agreed to carry out and implement the development of certain parts of the Master Land (approximately 16,000 acres). To-date, the Parties are still in discussion on the above. The Board is of the view that the MOC will facilitate the expansion of the Group's business activities to broaden the Group's future earnings as part of its initiatives to achieve improved financial performance and will make an announcement on any material development on the status of the MOC.

Despite the prevailing challenges arising from the COVID-19 outbreak, the Group has managed to expand its factory facilities to increase its fabrication capacity from 60,000 square metres of panels per month in the preceding year corresponding period to approximately 90,000 square metres of panel per month in the current financial period. Barring any unforeseen circumstances, the expansion of the Group's factory facilities is expected to be completed by end of 2022.

**B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS
(CONT'D)**

B2. COMMENTARY ON PROSPECTS (CONT'D)

The Board have closely monitored the development of the COVID-19 outbreak in Malaysia that may affect the business performance, 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 that affected the Group and the Company's business operations. As at date of this report, the COVID-19 outbreak has increased the Group's cost of purchase of raw materials due to interrupted supplies in the market. 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 2021. 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

There were no 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.

The Court has scheduled a case management date on 27 September 2021 to fix new trial dates. The trial of the matter is now fixed on 28 February 2022, 1 March 2022, 2 March 2022 and 3 March 2022.

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. There will not be any material adverse impact to the Group's financial position after taking into consideration that the claim had already been recorded in the Group's trade payables as at the date of this report.

C3. DIVIDENDS

The Board does not recommend any interim dividend for the current financial period ended 30 June 2021.

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 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the parent	464	589	464	589
Number of ordinary shares in issue ('000)	731,400	365,700	731,400	365,700
Basic and diluted EPS (sen)	0.06	0.20	0.06	0.20

The EPS for the financial period ended 30 June 2021 and 30 June 2020 were computed based on the assumptions that 731,400,004 and 365,700,002 shares were issued at the beginning of the financial periods ended 30 June 2021 and 30 June 2020 respectively.