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

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2019

Registered office:
Suite 10.02, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Principal place of business:
15, Jalan Kesuma 2/3
Bandar Tasik Kesuma
43700 Semenyih
Selangor Darul Ehsan

Registration No. 201801007506 (1269520-X)

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2019

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UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM	Company RM
Net profit for the financial year attributable to owners of the Company	8,265,254	2,358,354

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividend

Since the end of the last financial year, the Company paid:

	2019 RM
A final single-tier dividend of RM0.0028 per ordinary share in respect of the financial year ended 31 December 2018 on 15 July 2019	1,023,960
An interim single-tier dividend of RM0.0028 per ordinary share in respect of the financial year ended 31 December 2019 on 17 December 2019	1,023,960
	2,047,920

The Directors do not recommend any final dividend in respect of the current financial year.

Issue of Shares and Debentures

During the financial year, the Company increased its shares capital from 320,000,002 to 365,700,002 by way of the issuance of 45,700,000 ordinary shares at an issue price of RM0.16 per ordinary shares for a total cash consideration of RM7,312,000 for working capital purposes.

The new ordinary shares issued during the financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

The Directors in office during the financial year until the date of this report are as follows:

Siow Hon Yong*
Siow Hon Yuen*
Siew Choon Jern

** Director of the Company and its subsidiary company*

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the subsidiary company and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary company) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 01.01.2019	**Bought**	**Sold**	**At 31.12.2019**
Interest in the Company				
Indirect interests:				
Siow Hon Yong[1]	320,000,002	-	-	320,000,002
Siow Hon Yuen[1]	320,000,002	-	-	320,000,002

Directors' Interests in Shares (Cont'd)

[1] *Deemed interest by virtue of Section 8(4) of the Companies Act 2016 in Malaysia held through Hysiow Holdings Sdn. Bhd.*

None of the other Director in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and received by Directors as shown in Note 32(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for Directors, officers or auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

Other Statutory Information (Cont'd)

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

  (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

  (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;

  (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

  (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Holding Company

The holding company is Hysiow Holdings Sdn. Bhd., a private limited company, incorporated and domiciled in Malaysia.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 6 to the financial statements.

Subsequent Events

The details of the subsequent events are disclosed in Note 35 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

The details of auditor’s remuneration are disclosed in Note 25 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 June 2020.

SIOW HON YONG	SIOW HON YUEN

KUALA LUMPUR

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016 in Malaysia

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 15 to 90 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 June 2020.

SIOW HON YONG	SIOW HON YUEN

KUALA LUMPUR

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act 2016 in Malaysia

I, Siow Hon Yong, being the Director primarily responsible for the financial management of Uni Wall APS Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and relief, the financial statements set out on pages 15 to 90 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 16 June 2020	)))

SIOW HON YONG

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD
[Registration No.: 201801007506 (1269520-X)]
(Incorporated in Malaysia)

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of Uni Wall APS Holdings Berhad, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 90.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNI WALL APS HOLDINGS BERHAD (CONT'D)
[Registration No.: 201801007506 (1269520-X)]
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Report On The Audit Of The Financial Statements (Cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
Revenue and cost recognition of construction contracts	
Refer to Note 2(c) (Significant Accounting Judgements, Estimates and Assumptions), Note 3 (Significant Accounting Policies) and Note 23 (Revenue). A significant proportion of the Group's revenues and profits are derived from long-term construction contracts which span more than one accounting period. The Group use the percentage-of-completion method in accounting for these long-term contracts. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. We focused on this area because management applies significant judgement in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs.	We had performed walkthrough test on the Group's controls by checking for evidence of reviews and approvals over contract cost, setting budgets and authorising and recording of actual costs incurred; We had read all key contracts to obtain an understanding of the specific terms and conditions; We had compared the architect certificate against stage of completion of certain contracts to ascertain the reasonableness of the percentage of completion recognised in the profit or loss; We had challenged the assumptions in deriving at the estimates of contract costs. This includes comparing the actual margins achieved of previous similar completed projects to estimates and compared the estimated cost to suppliers' agreements or tenders; We had agreed a sample of costs incurred to date to invoice and/or progress claim, checked that they were allocated to the appropriate contract, and met the definition of contract costs; and We had assessed the adequacy and reasonableness of the disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNI WALL APS HOLDINGS BERHAD (CONT'D)
[Registration No.: 201801007506 (1269520-X)]
(Incorporated in Malaysia)

Report On The Audit Of The Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the key audit matters
Impairment of trade receivables	
Refer to Note 3 (Significant Accounting Policies), Note 8 (Trade Receivables) and Note 33 (Financial Instruments).	We had developed understanding of the design and implementation of controls associated with monitoring of outstanding receivables and impairment calculation;
We focused on this area given the use of significant estimates and judgement in determining the appropriate level of impairment for trade receivables.	We had developed an understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports or other collection reports;
	We had assessed recoverability of receivables that were past due but not impaired with reference to their historical records and repayment trends;
	We had reviewed receipts of collections subsequent to the financial year end, customer correspondence, and considering level of activity with the customer and explanation on recoverability with significantly past due balances; and
	We had assessed the reasonableness of impairment charges for identified credit exposures.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)
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Report On The Audit Of The Financial Statements (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)
[Registration No.: 201801007506 (1269520-X)]
(Incorporated in Malaysia)

Report On The Audit Of The Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD (CONT'D)
[Registration No.: 201801007506 (1269520-X)]
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Report On The Audit Of The Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNI WALL APS HOLDINGS BERHAD (CONT'D)
[Registration No.: 201801007506 (1269520-X)]
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM BEE PENG
Approved Number: 03307/06/2021 J
Chartered Accountant

KUALA LUMPUR
16 June 2020

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		Group		Company	
		2019	**2018**	**2019**	**2018**
	Note	**RM**	**RM**	**RM**	**RM**
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	17,631,669	13,758,762	-	-
Right-of-use assets	5	1,845,759	-	-	-
Investment in a subsidiary company	6	-	-	8,000,000	8,000,000
		19,477,428	13,758,762	8,000,000	8,000,000
Current Assets					
Contract assets	7	15,042,041	7,826,929	-	-
Trade receivables	8	8,358,525	5,741,265	-	-
Other receivables	9	1,374,302	1,122,605	17,235	178,600
Amount due from holding company	10	-	13,041	-	-
Amount due from a subsidiary company	11	-	-	5,736,098	-
Fixed deposits with licensed banks	12	2,795,721	1,926,162	-	-
Cash and bank balances		2,743,818	288,717	1,633,044	10,002
		30,314,407	16,918,719	7,386,377	188,602
Assets classified as held for sales	13	-	80,000	-	-
		30,314,407	16,998,719	7,386,377	188,602
Total Assets		49,791,835	30,757,481	15,386,377	8,188,602
EQUITY					
Share capital	14	15,056,793	8,000,002	15,056,793	8,000,002
Merger reserve	15	(6,000,000)	(6,000,000)	-	-
Retained earnings/ (Accumulated loss)		17,654,902	11,437,568	246,076	(64,358)
		26,711,695	13,437,570	15,302,869	7,935,644

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 (CONT'D)

		Group		Company	
		2019	**2018**	**2019**	**2018**
	Note	**RM**	**RM**	**RM**	**RM**
LIABILITIES					
Non-Current Liabilities					
Finance lease liabilities	16	-	479,931	-	-
Lease liabilities	17	935,888	-	-	-
Bank borrowings	18	4,386,406	1,845,236	-	-
Deferred tax liabilities	19	26,105	5,277	-	-
		5,348,399	2,330,444	-	-
Current Liabilities					
Contract liabilities	7	22,868	13,999	-	-
Trade payables	20	7,568,730	4,158,380	-	-
Other payables	21	1,382,496	915,792	83,508	179,700
Amount due to a Director	22	1,681,049	3,971,679	-	-
Amount due to a subsidiary company	11	-	-	-	73,258
Finance lease liabilities	16	-	286,036	-	-
Lease liabilities	17	509,056	-	-	-
Bank borrowings	18	2,996,150	2,316,849	-	-
Tax payable		3,571,392	3,326,732	-	-
		17,731,741	14,989,467	83,508	252,958
Total Liabilities		23,080,140	17,319,911	83,508	252,958
Total Equity and Liabilities		49,791,835	30,757,481	15,386,377	8,188,602

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Group		Company	
					23.02.2018 to 31.12.2018
		2019	2018	2019	
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	23	40,354,418	17,310,828	3,200,000	-
Cost of sales		(20,701,368)	(7,432,860)	-	-
Gross profit		19,653,050	9,877,968	3,200,000	-
Other income		181,399	56,223	-	-
Net loss on impairment of financial assets	25	(3,407,514)	-	-	-
Administrative expenses		(3,539,478)	(2,307,758)	(841,646)	(64,358)
Finance costs	24	(598,711)	(436,472)	-	-
Profit/(Loss) before taxation	25	12,288,746	7,189,961	2,358,354	(64,358)
Taxation	26	(4,023,492)	(2,072,386)	-	-
Net profit/(loss) for the financial year/period, representing total comprehensive income/(loss) for the financial year/period		8,265,254	5,117,575	2,358,354	(64,358)

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

		Group	
		2019	**2018**
	Note	**RM**	**RM**
Net profit for the financial year, representing total comprehensive income for the financial year attributable to:			
Owners of the Company		8,265,254	5,117,575
Earnings per share (sen):			
- Basic	27	2.27	4.26
- Diluted	27	2.27	4.26

UNI WALL APS HOLDINGS BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Attributable to Owners of the Company			
		<-- Non-Distributable -->		Distributable	
	Note	Share Capital RM	Merger Reserve RM	Retained Earnings RM	Total Equity RM
Group					
At 1 January 2018		1,000,000	-	6,483,253	7,483,253
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	5,117,575	5,117,575
Transactions with owners:					
Incorporation of the Company	14	2	-	-	2
Issuance of ordinary shares to the existing owners of the subsidiary company	14	1,000,000	-	-	1,000,000
Adjustment arising from restructuring exercise	14, 15	6,000,000	(6,000,000)	-	-
Dividend paid to the existing owners of the subsidiary company	29	-	-	(163,260)	(163,260)
Total transactions with owners		7,000,002	(6,000,000)	(163,260)	836,742
At 31 December 2018		8,000,002	(6,000,000)	11,437,568	13,437,570
At 1 January 2019		8,000,002	(6,000,000)	11,437,568	13,437,570
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	8,265,254	8,265,254
Transactions with owners:					
Issuance of ordinary shares	14	7,312,000	-	-	7,312,000
Share issuance expenses	14	(255,209)	-	-	(255,209)
Dividend paid to the owners of the Company	29	-	-	(2,047,920)	(2,047,920)
Total transactions with owners		7,056,791	-	(2,047,920)	5,008,871
At 31 December 2019		15,056,793	(6,000,000)	17,654,902	26,711,695

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

		Attributable to Owners of the Company		
		Non-distributable	Distributable	
	Note	Share capital RM	Retained earnings/ (Accumulated loss) RM	Total equity RM
Company				
At date of incorporation		2	-	2
Net loss for the financial period, representing total comprehensive loss for the financial period		-	(64,358)	(64,358)
Transactions with owners:				
Share issued pursuant to restructuring exercise	14	8,000,000	-	8,000,000
At 31 December 2018		8,000,002	(64,358)	7,935,644
At 1 January 2019		8,000,002	(64,358)	7,935,644
Net profit for the financial year, representing total comprehensive income for the financial year		-	2,358,354	2,358,354
Transactions with owners:				
Issuance of ordinary shares	14	7,312,000	-	7,312,000
Share issuance expenses	14	(255,209)	-	(255,209)
Dividends paid to owners of the Company	29	-	(2,047,920)	(2,047,920)
		7,056,791	(2,047,920)	5,008,871
At 31 December 2019		15,056,793	246,076	15,302,869

The accompanying notes form an integral part of the financial statements.

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Group		Company	
				23.02.2018 to
	2019	2018	2019	31.12.2018
	RM	RM	RM	RM
Cash Flows From Operating Activities				
Profit/(Loss) before taxation	12,288,746	7,189,961	2,358,354	(64,358)
Adjustments for:				
Amortisation of right-of-use assets	308,411	-	-	-
Deposits written off	14,150	-	-	-
Depreciation of property, plant and equipment	235,304	1,195,284	-	-
Dividend income	-	-	(3,200,000)	-
Interest expenses	440,564	270,176	-	-
Interest income	(59,640)	(55,647)	-	-
Impairment loss on assets classified as held for sales	-	10,701	-	-
Impairment loss on trade receivables	3,407,514	-	-	-
(Gain)/Loss on disposals of property, plant and equipment	(5,000)	98,500	-	-
Operating profit/(loss) before working capital changes	16,630,049	8,708,975	(841,646)	(64,358)
Changes in working capital:				
Contract assets	(7,215,112)	(7,826,929)	-	-
Trade receivables	(6,024,774)	(2,439,780)	-	-
Other receivables	(265,847)	(595,442)	161,365	(178,600)
Contract liabilities	8,869	(2,074,087)	-	-
Trade payables	3,410,350	4,042,301	-	-
Other payables	466,704	636,386	(96,192)	179,700
	(9,619,810)	(8,257,551)	65,173	1,100
Cash from/(used in) operation activities	7,010,239	451,424	(776,473)	(63,258)
Tax paid	(3,758,004)	(1,025,113)	-	-
Interest received	59,640	55,647	-	-
Interest paid	(440,564)	(270,176)	-	-
	(4,138,928)	(1,239,642)	-	-
Net cash from/(used) in operating activities	2,871,311	(788,218)	(776,473)	(63,258)

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 23.02.2018 to 31.12.2018 RM
Cash Flows From Investing Activities					
Dividend received		-	-	3,200,000	-
Purchase of property, plant and equipment	4(a)	(5,322,322)	(1,622,950)	-	-
Purchase of right-of-use assets	5(b)	(92,345)	-	-	-
Proceeds from disposals of property, plant and equipment		5,000	54,000	-	-
Proceeds from disposals of asset held for sales		80,000	-	-	-
Increase in fixed deposit pledged with licensed banks		(869,559)	(315,718)	-	-
Net cash (used in)/from investing activities		(6,199,226)	(1,884,668)	3,200,000	-
Cash Flows From Financing Activities					
Dividend paid		(2,047,920)	-	(2,047,920)	-
Drawdown of term loan		2,900,000	2,500,000	-	-
Net changes in amount due from holding company		13,041	(13,041)	-	-
Net changes in amount due from/to a subsidiary company		-	-	(5,809,356)	73,258
Net changes in amount due to a Director		(2,013,283)	(564,366)	-	-
Net changes in Import/Export line		1,287,912	-	-	-
Net changes in letter of credit		218,919	-	-	-
Proceeds from issuance of ordinary shares		7,312,000	1,000,002	7,312,000	2
Share issuance expenses		(255,209)	-	(255,209)	-
Repayment of finance lease liabilities		-	(274,507)	-	-
Repayment of lease liabilities		(446,084)	-	-	-
Repayment of term loans		(388,592)	(267,858)	-	-
Net cash from/(used in) financing activities		6,580,784	2,380,230	(800,485)	73,260

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

	Group		Company	
				23.02.2018 to
	2019	2018	2019	31.12.2018
	RM	RM	RM	RM
Net changes in cash and cash equivalents	3,252,869	(292,656)	1,623,042	10,002
Cash and cash equivalents at the beginning of the financial year/period	(1,641,226)	(1,348,570)	10,002	-
Cash and cash equivalents at the end of the financial year/period	1,611,643	(1,641,226)	1,633,044	10,002
Cash and cash equivalents at the end of the financial year/period comprises:				
Cash and bank balances	2,743,818	288,717	1,633,044	10,002
Fixed deposits with licensed banks	2,795,721	1,926,162	-	-
Bank overdrafts	(1,132,175)	(1,929,943)	-	-
	4,407,364	284,936	1,633,044	10,002
Less: Fixed deposits pledged with licensed banks	(2,795,721)	(1,926,162)	-	-
	1,611,643	(1,641,226)	1,633,044	10,002

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019

1. Corporate Information

The Company is a public limited liability Company, incorporated and domiciled in Malaysia and is listed on LEAP Market of the Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at No. 15, Jalan Kesuma 2/3, Bandar Tasik Kesuma, 43700 Semenyih, Selangor Darul Ehsan.

The registered office of the Company is located at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiary company are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The holding company is Hysiow Holdings Sdn. Bhd., a private limited company, incorporated and domiciled in Malaysia.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

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

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures

2. **Basis of Preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

Adoption of new and amended standards (Cont'd)

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year: (Cont'd)

Annual Improvements to MFRSs 2015 – 2017 Cycle:	Amendments to MFRS 3 Amendments to MFRS 11 Amendments to MFRS 112 Amendments to MFRS 123

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

<u>MFRS 16 *Leases*</u>

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, IC Interpretation 4 *Determine whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases – Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 *Leases* are no longer required. MFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use ("ROU") asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the ROU asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statements of cash flows.

The ROU asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

MFRS 16 *Leases (Cont'd)*

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As permitted by the transitional provision of MFRS 16, the Group has elected to adopt a simplified transition approach where cumulative effects of initial application are recognised on 1 January 2019 as an adjustment to the opening balance of retained earnings.

For leases that were classified as finance lease under MFRS 117, the carrying amounts of the ROU asset and the lease liability at 1 January 2019 are determined to be the same as the carrying amount of the lease asset and lease liability under MFRS 117 immediately before that date.

The Group has also applied the following practical expedients when applying MFRS 16 to lease previously classified as operating lease under MFRS 117:

- Applied a single discount rate to portfolio of leases with reasonably similar characteristics.
- The Group does not apply the standard to leases which lease terms end within 12 months from 1 January 2019.
- No adjustments are made on transition for leases for which the underlying assets are of low value.

Impact arising from the adoption of MFRS 16 on the financial statements:

Statements of financial position

	As at 31.12.2018 RM	**MFRS 16 adjustments RM**	**As at 1.1.2019 RM**
Group			
Property, plant and equipment	13,758,762	(1,214,111)	12,544,651
Right-of-use assets	-	1,214,111	1,214,111
Finance lease liabilities	(765,967)	765,967	-
Lease liabilities	-	(765,967)	(765,967)

2. **Basis of Preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

Adoption of new and amended standards (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020
Amendments to MFRS 3	Definition of Business	1 January 2020
Amendments to MFRS 9, MFRS 139, and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of a Material	1 January 2020
Amendments to MFRS 16	Covid-19 - Related Rent Concessions	1 June 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs Standards 2018 - 2020 • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141		1 January 2022
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

2. **Basis of Preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

Adoption of new and amended standards (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above MFRSs and amendments to MFRSs when they become effective.

The initial application of the above-mentioned MFRSs and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) **Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) **Significant accounting judgements, estimates and assumptions**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Satisfaction of performance obligations in relation to contracts with customers</u>

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Judgements (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers (Cont'd)

The Group recognises revenue over time in the following circumstances:

(i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(ii) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(iii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Useful lives/amortisation of property, plant and equipment and ROU assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively to the financial statements.

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

<u>Revenue from construction contracts (Cont'd)</u>

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The details of construction contracts are disclosed in Note 7 to the financial statements.

<u>Deferred tax assets</u>

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 19 to the financial statements.

<u>Provision for expected credit loss of financial assets at amortised cost</u>

The Group reviews the recoverability of its receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses a provision matrix to calculate expected credit loss for receivables. The provision rates are based on number of days past due.

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost (Cont'd)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Note 33 to the financial statements.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2019, the Group has tax payable of RM3,571,392 (2018: RM3,326,732).

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiary companies are consolidated using merger method of accounting as the business combination of these subsidiary companies involved an entity under common control.

Under the merger method of accounting, the results of subsidiary companies are presented as if the merger had been affected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer’s previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(i) **Subsidiary companies (Cont'd)**

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(j)(i) to the financial statements on impairment of non-financial assets.

(ii) **Changes in ownership interests in subsidiary companies without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(iii) **Disposal of subsidiary companies**

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) **Goodwill on consolidation**

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(j)(i) to the financial statements on impairment of non-financial assets.

(b) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i) to the financial statements on impairment of non-financial assets.

(i) **Recognition and measurement**

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

3. **Significant Accounting Policies (Cont'd)**

(b) **Property, plant and equipment (Cont'd)**

(i) **Recognition and measurement (Cont'd)**

All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) **Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) **Depreciation**

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

3. **Significant Accounting Policies (Cont'd)**

(b) **Property, plant and equipment (Cont'd)**

(iii) **Depreciation (Cont'd)**

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold buildings	2%
Forklift	10%
Furniture and fittings	20%
Motor vehicles	20%
Office equipment	20%
Plant and machinery	20%
Renovation	20%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(c) **Leases**

Policy applicable from 1 January 2019

As lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i) to the financial statements on impairment of non-financial assets.

3. **Significant Accounting Policies (Cont'd)**

(c) **Leases (Cont'd)**

Policy applicable from 1 January 2019 (Cont'd)

As lessee (Cont'd)

The ROU assets under cost model are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Motor vehicles	20%
Plant and machinery	20%

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Policy applicable before 1 January 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

3. **Significant Accounting Policies (Cont'd)**

(c) **Leases (Cont'd)**

Policy applicable before 1 January 2019 (Cont'd)

Finance lease

As lessee

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(d) **Financial assets**

Financial assets are recognised in the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determined the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amount due from subsidiary company, fixed deposit with licensed banks, and cash and bank balances.

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. **Significant Accounting Policies (Cont'd)**

(d) **Financial assets (Cont'd)**

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Regular way purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirely, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(e) **Financial liabilities**

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(f) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

3. **Significant Accounting Policies (Cont'd)**

(f) **Financial guarantee contracts (Cont'd)**

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- The amount of the loss allowance; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principle of MFRS 15 *Revenue from contracts with Customers.*

(g) **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) **Contract assets/Contract liabilities**

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(i) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, and deposits with banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

3. **Significant Accounting Policies (Cont'd)**

(j) **Impairment of assets**

(i) **Non-financial assets**

The carrying amounts of non-financial assets (except for contract assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units).

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(j) **Impairment of assets (Cont'd)**

(ii) **Financial assets**

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposure for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables, contract assets and inter-company balances, the Company apply a simplified approach in calculating ECLs. Therefore, the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(k) **Share capital**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

3. **Significant Accounting Policies (Cont'd)**

(l) **Provisions**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(m) **Income taxes**

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

3. **Significant Accounting Policies (Cont'd)**

(m) **Income taxes (Cont'd)**

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) **Employee benefits**

(i) **Short term employee benefits**

Wages, salaries, bonuses, and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) **Defined contribution plans**

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit and loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

3. **Significant Accounting Policies (Cont'd)**

(o) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(p) **Revenue recognition**

Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

(i) **Construction contracts**

Revenue from construction contracts is recognised by reference to the stage of completion. Stage of completion is determined by reference to total construction cost incurred-to-date as a percentage of total estimated total construction cost for each contract.

3. **Significant Accounting Policies (Cont'd)**

(p) **Revenue recognition (Cont'd)**

Revenue from other sources

(i) **Interest income**

Interest income is recognised on accruals basis using the effective interest method.

(ii) **Dividend income**

Dividend income is recognised when the Company's right to receive payment is established.

(q) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(r) **Contingencies**

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3. **Significant Accounting Policies (Cont'd)**

(s) **Non-current assets (or disposal groups) held for sale**

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary company acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative period.

4. Property, Plant and Equipment

Group	Freehold Land RM	Freehold Buildings RM	Forklift RM	Furniture and Fittings RM	Motor Vehicles RM	Office Equipment RM	Plant and Machinery RM	Renovation RM	Capital Work-in-progress RM	Total RM
2019										
Cost										
At 1 January 2019, as previously stated	7,290,854	3,403,507	25,000	17,125	4,736,583	173,309	3,627,010	279,222	1,497,560	21,050,170
Effect of adopting MFRS 16	-	-	-	-	(1,345,381)	-	(215,000)	-	-	(1,560,381)
At 1 January 2019, as restated	7,290,854	3,403,507	25,000	17,125	3,391,202	173,309	3,412,010	279,222	1,497,560	19,489,789
Additions	-	-	-	3,521	-	36,524	101,303	-	5,180,974	5,322,322
Disposals		-	-	-	(100,329)	-	-	-	-	(100,329)
At 31 December 2019	7,290,854	3,403,507	25,000	20,646	3,290,873	209,833	3,513,313	279,222	6,678,534	24,711,782
Accumulated depreciation										
At 1 January 2019, as previously stated	-	656,292	25,000	17,125	3,049,453	114,611	3,191,904	237,023	-	7,291,408
Effect of adopting MFRS 16	-	-	-	-	(331,936)	-	(14,334)	-	-	(346,270)
At 1 January 2019, as restated	-	656,292	25,000	17,125	2,717,517	114,611	3,177,570	237,023	-	6,945,138
Charges for the financial year	-	68,063	-	295	57,634	19,211	69,005	21,096	-	235,304
Disposals	-	-	-	-	(100,329)	-	-	-	-	(100,329)
At 31 December 2019	-	724,355	25,000	17,420	2,674,822	133,822	3,246,575	258,119	-	7,080,113
Carrying amount										
At 31 December 2019	7,290,854	2,679,152	-	3,226	616,051	76,011	266,738	21,103	6,678,534	17,631,669

4. **Property, Plant and Equipment (Cont'd)**

Group	**Freehold Land RM**	**Leasehold Land RM**	**Freehold and Leasehold Buildings RM**	**Forklift RM**	**Furniture and Fittings RM**	**Motor Vehicles RM**	**Office Equipment RM**	**Plant and Machinery RM**	**Renovation RM**	**Capital Work-in-progress RM**	**Total RM**
2018											
Cost											
At 1 January 2018	7,454,114	28,633	3,460,773	25,000	17,125	4,540,114	101,456	3,162,006	279,222	295,270	19,363,713
Additions	-	-	7,834	-	-	501,469	71,853	465,004	-	1,202,290	2,248,450
Disposals	(163,260)	-	-	-	-	(305,000)	-	-	-	-	(468,260)
Transferred to assets classified as held for sales (Note 13)	-	(28,633)	(65,100)	-	-	-	-	-	-	-	(93,733)
At 31 December 2018	7,290,854	-	3,403,507	25,000	17,125	4,736,583	173,309	3,627,010	279,222	1,497,560	21,050,170
Accumulated depreciation											
At 1 January 2018	-	1,010	590,243	25,000	17,125	2,409,102	99,024	2,894,229	215,923	-	6,251,656
Charges for the financial year	-	-	68,071	-	-	792,851	15,587	297,675	21,100	-	1,195,284
Disposals	-	-	-	-	-	(152,500)	-	-	-	-	(152,500)
Transferred to assets classified as held for sales (Note 13)	-	(1,010)	(2,022)	-	-	-	-	-	-	-	(3,032)
At 31 December 2018	-	-	656,292	25,000	17,125	3,049,453	114,611	3,191,904	237,023	-	7,291,408
Carrying amount											
At 31 December 2018	7,290,854	-	2,747,215	-	-	1,687,130	58,698	435,106	42,199	1,497,560	13,758,762

4. Property, Plant and Equipment (Cont'd)

(a) Purchase of property, plant and equipment

The aggregate additional costs for the property, plant and equipment of the Group during the financial year acquired under finance leases and cash payments are as follows:

	Group	
	2019	2018
	RM	RM
Aggregate costs	5,322,322	2,248,450
Less: Finance leases	-	(625,500)
Cash payments	5,322,322	1,622,950

(b) Assets held under finance leases

Included in the property, plant and equipment of the Group under finance lease arrangement with carrying amount are as follows:

	Group	
	2019	2018
	RM	RM
Motor vehicles	-	877,371
Plant and machinery	-	200,666
	-	1,078,037

The leased assets are pledged for the related financing facilities as disclosed in Note 16 to the financial statements.

Following the adoption of MFRS 16 on 1 January 2019, the Group had reclassified the carrying amount of leased assets to ROU assets as disclosed in Note 5 to the financial statements.

4. **Property, Plant and Equipment (Cont'd)**

(c) Assets pledged as securities to licensed banks

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 18 to the financial statements are:

	Group	
	2019	**2018**
	RM	**RM**
Freehold land	7,290,854	7,290,854
Freehold buildings	2,679,152	2,747,215
Capital work-in-progress	6,678,534	1,497,560
	16,648,540	11,535,629

5. **Right-of-use Assets**

	Motor Vehicles RM	**Plant and Machinery RM**	**Total RM**
Group			
2019			
Cost			
At 1 January 2019, as previously stated	-	-	-
Effect of adopting MFRS 16	1,345,381	215,000	1,560,381
At 1 January 2019, as restated	1,345,381	215,000	1,560,381
Additions	138,840	801,219	940,059
At 31 December 2019	1,484,221	1,016,219	2,500,440
Accumulated amortisation			
At 1 January 2019, as previously stated	-	-	-
Effect of adopting MFRS 16	331,936	14,334	346,270
At 1 January 2019, as restated	331,936	14,334	346,270
Charge for the financial year	161,328	147,083	308,411
At 31 December 2019	493,264	161,417	654,681
Carrying amount			
At 31 December 2019	990,957	854,802	1,845,759

5. **Right-of-use Assets (Cont'd)**

(a) Assets held under lease liabilities

The carrying amount of right-of-use assets of the Group held under lease financing are as follows:

	Group 2019 RM	**Group 2018 RM**
Motor vehicles	990,957	-
Plant and machinery	854,802	-
	1,845,759	-

The leased assets are pledged as securities for lease liabilities as disclosed in Note 17 to the financial statements.

(b) Purchase of right-of-use assets

The aggregate additional costs for the right-of-use assets of the Company during the financial year acquired under the lease liabilities and cash payments are as follows:

	2019 RM	**2018 RM**
Aggregate costs	940,059	-
Less: Leases liabilities	(847,714)	-
Cash payments	92,345	-

6. **Investment in a Subsidiary Company**

	Company 2019 RM	**Company 2018 RM**
In Malaysia		
Unquoted shares, at cost	8,000,000	8,000,000

6. Investment in a Subsidiary Company (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interests 2019 %	Effective interests 2018 %	Principal activities
Uni Wall Architectural Products & Services Sdn. Bhd.	Malaysia	100	100	Supplying, installation and fabrication of aluminium products
Held through Uni Wall Architectural Products & Services Sdn. Bhd.:				
Uni Wall Manufacturing Sdn. Bhd.	Malaysia	100	-	Has not commenced business operations

During the financial year, Uni Wall Architectural Products & Services Sdn. Bhd. ("UAPSSB"), a wholly-owned subsidiary company of the Company, subscribed 2 ordinary shares in Uni Wall Manufacturing Sdn. Bhd. ("UMSB"), representing 100% equity interests in UMSB for a total cash consideration of RM2. Pursuant to that, UMSB became an indirect wholly-owned subsidiary company of the Company.

7. Contract Assets/(Liabilities)

	Group 2019 RM	Group 2018 RM
Construction costs incurred to date	67,196,246	47,347,637
Add: Attributable profits	61,287,696	40,781,885
	128,483,942	88,129,522
Less: Progress billings	(113,464,769)	(80,316,592)
	15,019,173	7,812,930
Presented as:		
- Contract assets	15,042,041	7,826,929
- Contract liabilities	(22,868)	(13,999)
	15,019,173	7,812,930

7. **Contract Assets/(Liabilities) (Cont'd)**

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount generally will be billed ranging from 7 days to 60 days and payment is expected ranging from 30 days to 60 days.

The contract liabilities primarily relate to the advance consideration received from a customer for a construction contract, which revenue is recognised overtime during the construction. The contract liabilities as expected to be recognised as revenue over a period ranging from 30 days to 60 days.

8. **Trade Receivables**

	Group	
	2019	**2018**
	RM	**RM**
Trade receivables	11,766,039	5,741,265
Less: Accumulated impairment losses	(3,407,514)	-
	8,358,525	5,741,265

Trade receivables are recognised at their original certificate of claimed amounts which represent their fair value on initial recognition.

The Group's normal trade credit terms are ranging from 30 days to 45 days (2018: 30 days to 60 days). Other credit terms are assessed and approved on a case by case basis.

Included in trade receivables of the Group as at 31 December 2019 are retentions of RM3,261,211 (2018: RM3,857,354) relating to construction work-in-progress. Retentions are unsecured, non-bearing interests and are expected to be collected as follows:

	Group	
	2019	**2018**
	RM	**RM**
Within one year	42,000	3,261,551
Between one to two years	149,500	595,803
More than two years	3,069,711	-
	3,261,211	3,857,354

9. Other Receivables

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Other receivables	142,094	7,350	17,235	-
Deposits	68,850	401,359	-	-
Prepayments	1,162,865	706,603	-	178,600
GST recoverable	493	7,293	-	-
	1,374,302	1,122,605	17,235	178,600

Included in the other receivables of the Group and of the Company is amount due from a company in which certain Directors of the Company have substantial financial interests amounting to RM17,235 (2018: RMNil) and RM17,235 (2018: RMNil) respectively which is unsecured, non-bearing interest advances and is a repayable on demand.

10. Amount due from Holding Company

Amount due from holding company is unsecured, non-bearing interests advances and is repayable on demand.

11. Amount due from/to a Subsidiary Company

Amount due from/to a subsidiary company is unsecured, non-bearing interests advances and is repayable on demand.

12. Fixed Deposits with Licensed Banks

The fixed deposits with licensed banks of the Group are pledged as securities for credit facilities granted by the banks as disclosed in Note 18 to the financial statements.

The interest rate of fixed deposits with licensed banks of the Group is ranging from 2.90% to 4.00% (2018: 3.15% to 3.35%) per annum and the maturity of the deposits is ranging from 30 days to 365 days (2018: 30 days to 365 days).

13. Assets Classified as Held for Sales

	Group	
	2019	2018
	RM	RM
Property, plant and equipment		
At 1 January	80,000	-
Transferred from property, plant and equipment (Note 4)	-	90,701
Disposals	(80,000)	-
Impairment loss recognised	-	(10,701)
At 31 December	-	80,000

On 18 May 2018, the UAPSSB, a wholly-owned subsidiary company of the Company, had entered into a Sale and Purchase Agreement ("SPA") with purchaser for the disposal of leasehold land and building of UAPSSB for a purchase consideration of RM80,000. This transaction had been completed during the financial year.

14. Share Capital

	Number of shares		Amount	
	2019	2018	2019	2018
	Units	Units	RM	RM
Group				
Issued and fully paid:				
Ordinary shares				
At 1 January	320,000,002	1,000,000	8,000,002	1,000,000
Issuance of ordinary shares to existing owners of the subsidiary company	-	1,000,000	-	1,000,000
Adjustment arising from restructuring	-	(2,000,000)	-	(2,000,000)
Issuance of shares for acquisition of Uni Wall Architectural Sdn. Bhd.	-	320,000,000	-	8,000,000
On incorporation	-	2	-	2
Issuance of ordinary shares	45,700,000		7,312,000	
Share issuance expenses	-	-	(255,209)	-
At 31 December	365,700,002	320,000,002	15,056,793	8,000,002

14. **Share Capital (Cont'd)**

	Number of shares		Amount	
	2019	**2018**	**2019**	**2018**
	Units	**Units**	**RM**	**RM**
Company				
Issued and fully paid:				
Ordinary shares				
At 1 January	320,000,002	-	8,000,002	-
Issuance of ordinary shares	45,700,000	-	7,312,000	-
Issuance of shares for acquisition of Uni Wall Architectural Sdn. Bhd.	-	320,000,000	-	8,000,000
On date of incorporation	-	2	-	2
Share issuance expenses	-	-	(255,209)	-
At 31 December	365,700,002	320,000,002	15,056,793	8,000,002

During the financial year, the Company increased its shares capital from 320,000,002 to 365,700,002 by way of issuance of 45,700,000 ordinary shares at an issue price of RM0.16 per ordinary shares for a total cash consideration of RM7,312,000 for working capital purposes.

The Company was incorporated on 23 February 2018, a private limited company, incorporated and domiciled in Malaysia, with issued and paid up capital of RM2 comprising two ordinary shares. As the Company was incorporated subsequent to 31 December 2017, accordingly, the share capital of the Group as of 31 December 2017 and 1 January 2018 refers to the issued capital of UAPSSB.

In previous financial period, the Company increased its shares capital from RM2 to RM8,000,002 by way of the issuance of 320,000,000 ordinary shares at an issue price of RM0.025 per ordinary shares as consideration for the acquisition of the entire share capital of UAPSSB.

The new ordinary shares issued during the financial year and previous financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

15. Merger Reserve

	2019 RM	2018 RM
Consideration transferred	8,000,000	8,000,000
Less: Fair value of identifiable net assets acquired	(2,000,000)	(2,000,000)
Merger reserve arising on acquisition	6,000,000	6,000,000

The merger reserve arises from the acquisition of UAPSSB under common control, representing the difference between the carrying amount of net equity of the UAPSSB as of the acquisition date and the acquisition consideration paid by the Company.

16. Finance Lease Liabilities

	Group	
	2019 RM	2018 RM
Minimum lease payments:		
Not later than one year	-	319,096
Later than one year but not later than two years	-	201,648
Later than two years but not later than five years	-	312,755
	-	833,499
Less: Future finance charges	-	(67,532)
Present value of minimum lease payments	-	765,967
Present value of minimum lease payments:		
Not later than one year	-	286,036
Later than one year but not later than two years	-	181,888
Later than two years but not later than five years	-	298,043
	-	765,967
Analysed as:		
Repayable within twelve months	-	286,036
Repayable after twelve months	-	479,931
	-	765,967

Obligations under finance leases

These obligations are secured by a charge over the leased assets as disclosed in Note 4(b) to the financial statements. The interest rate for the leases is Nil (2018: 2.48% to 3.00%) per annum.

16. **Finance Lease Liabilities (Cont'd)**

Following the adoption of MFRS 16 on 1 January 2019, the Group had reclassified the carrying amount of finance lease liabilities to lease liabilities as disclosed in Note 17 to the financial statements.

17. **Lease Liabilities**

	Group	
	2019	**2018**
	RM	**RM**
At 1 January 2019, as previously stated	-	-
Effect of adopting of MFRS 16	765,967	-
At 1 January 2019, as restated	765,967	-
Additions	847,714	-
Reclassification	277,347	-
Repayment	(446,084)	-
	1,444,944	-
Presented as:		
Non-current	935,888	-
Current	509,056	-
	1,444,944	-

The maturity analysis of lease liabilities of the Group at the end of reporting period:

	Group	
	2019	**2018**
	RM	**RM**
Minimum lease payments:		
Not later than one year	583,792	-
Later than one year but not later than two years	543,420	-
Later than two years but not later than five years	449,326	-
	1,576,538	-
Less: Future finance charges	(131,594)	-
Present value of minimum lease payments	1,444,944	-

The leased liabilities are secured by a charge over the leased assets as disclosed in Note 5(a) to the financial statements. The interest rate for the leases are ranging from 2.48% to 3.62% (2018: Nil) per annum.

18. **Bank Borrowings**

	Group 2019 RM	Group 2018 RM
Secured		
Current		
Bank overdrafts	1,132,175	1,929,943
Import/Export line	1,287,912	-
Letter of credit	218,919	-
Term loans:		
- RM loan at BFR+1% per annum	357,144	386,906
	2,996,150	2,316,849
Non-current		
Term loans:		
- RM loan at BFR+1% per annum	1,488,092	1,845,236
- RM loan at BFR% per annum	2,898,314	-
	4,386,406	1,845,236
	7,382,556	4,162,085

(a) Bank overdrafts

Bank overdrafts are denominated at RM, bear interest at BLR-0.75%, BLR+2.00% and BFR+1% per annum and are secured by the following:

(i) Legal charge over a piece of freehold land and building, and capital work-in-progress as disclosed in Note 4(c) to the financial statements;
(ii) Legal charge over fixed deposits of the Group as disclosed in Note 12 to the financial statements;
(iii) Corporate guarantee by the Company; and
(iv) Jointly and severally guarantee by certain Directors of the Company.

(b) Import/Export line

Import/Export line are denominated of RM, bear interest of BLR% per annum and are secured by the following:

(i) Legal charge over a piece of freehold land and building, and capital work-in-progress as disclosed in Note 4(c) to the financial statements;
(ii) Legal charge over fixed deposits of the Group as disclosed in Note 12 to the financial statements;
(iii) Corporate guarantee by the Company; and
(iv) Jointly and severally guarantee by certain Directors of the Company.

18. **Bank Borrowings (Cont'd)**

(c) Letter of credit

Letter of credit are denominated of RM, bear commission at 0.10% per month and are secured by the following:

(i) Legal charge over a piece of freehold land and building as disclosed in Note 4(c) to the financial statements;
(ii) Legal charge over fixed deposits of the Group as disclosed in Note 12 to the financial statements; and
(iii) Jointly and severally guarantee by certain Directors of the Company.

(d) RM loan at BFR+1% per annum

Term loan is secured by the following:

(i) Legal charge over a piece of freehold land and capital work-in-progress as disclosed in Note 4(c) to the financial statements;
(ii) Legal charge over fixed deposits of the Group as disclosed in Note 12 to the financial statements; and
(iii) Jointly and severally guarantee by certain Directors of the Company.

(e) RM loan at BFR% per annum

Term loan is secured by the following:

(i) Legal charge over a piece of freehold land and capital work-in-progress as disclosed in Note 4(c) to the financial statements; and
(ii) Jointly and severally guarantee by certain Directors of the Company.

19. **Deferred Tax Liabilities**

	Group	
	2019	**2018**
	RM	**RM**
At 1 January	5,277	11,053
Recognised in profit or loss	20,828	(5,776)
At 31 December	26,105	5,277

19. **Deferred Tax Liabilities (Cont'd)**

The net deferred tax asset and liability shown on the statements of financial position of the Group after appropriate offsetting are as follows:

	Group	
	2019	**2018**
	RM	**RM**
Deferred tax asset	(85,086)	(31,259)
Deferred tax liability	111,191	36,536
	26,105	5,277

The components and movements of deferred tax asset and deferred tax liability are as follows:

Deferred tax asset of the Group

	Other Temporary Differences RM
Group	
At 1 January 2018	(36,347)
Recognised in profit or loss	5,088
At 31 December 2018	(31,259)
At 1 January 2019	(31,259)
Recognised in profit or loss	(53,827)
At 31 December 2019	(85,086)

Deferred tax liability of the Group

	Accelerated Capital Allowance RM
Group	
At 1 January 2018	47,400
Recognised in profit or loss	(10,864)
At 31 December 2018	36,536
At 1 January 2019	36,536
Recognised in profit or loss	74,655
At 31 December 2019	111,191

19. **Deferred Tax Liabilities (Cont'd)**

Deferred tax asset has not been recognised in respect of the following items:

	Group	
	2019	**2018**
	RM	**RM**
Unused tax losses	8,907	-

With effect from year of assessment 2019, unused tax losses are allowed to be carried forward up to a maximum of seven consecutive year of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

20. **Trade Payables**

Credit terms of trade payables of the Group is ranging from Nil to 90 days (2018: Nil to 90 days) depending on the terms of the contracts.

21. **Other Payables**

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Other payables	674,297	384,152	2,708	161,700
Accruals	708,199	531,640	80,800	18,000
	1,382,496	915,792	83,508	179,700

22. **Amount due to a Director**

Amount due to a Director is unsecured, non-bearing interests advances and is repayable on demand.

23. Revenue

	Group		Company	
	2019	2018	2019	23.02.2018 to 31.12.2018
	RM	RM	RM	RM
Revenue from contracts with customers:				
Construction contract revenue	40,354,418	17,310,828	-	-
Revenue from other sources:				
Dividend income	-	-	3,200,000	-
	40,354,418	17,310,828	3,200,000	-

The timing of revenue recognition is at over time.

Revenue from contracts with customers recognised for the Group in the current financial year included RM13,999 (2018: RM2,088,086) that was included in the contract liabilities at the beginning of the financial year.

24. Finance Costs

	Group	
	2019	2018
	RM	RM
Bank guarantee charges	156,250	158,004
Commitment fee	1,897	8,292
	158,147	166,296
Interest expense on:		
- Finance lease	-	31,077
- Bank overdrafts	89,234	82,117
- Overdue	-	82
- Term loans	278,511	156,900
- Lease liabilities	72,819	-
	598,711	436,472

25. **Profit/(Loss) Before Taxation**

Profit/(Loss) before taxation is determined after charging/(crediting):

	Group		Company	
	2019	**2018**	**2019**	**23.02.2018 to 31.12.2018**
	RM	**RM**	**RM**	**RM**
Auditors' remuneration	54,500	48,000	20,000	18,000
Amortisation of right-of-use assets	308,411	-	-	-
Depreciation of property, plant and equipment	235,304	1,195,284	-	-
Deposit written off	14,150	-	-	-
Interest income	(59,640)	(55,647)	-	-
Impairment loss on assets classified as held for sales	-	10,701	-	-
Impairment loss on trade receivables	3,407,514	-	-	-
Non-executive Director:				
- Fees	54,000	-	54,000	-
(Gain)/Loss on disposals of property, plant and equipment	(5,000)	98,500	-	-

26. **Taxation**

	Group		Company	
	2019	**2018**	**2019**	**23.02.2018 to 31.12.2018**
	RM	**RM**	**RM**	**RM**
Tax expenses recognised in profit or loss:				
Malaysian statutory tax:				
- Current income tax	4,014,107	1,982,837	-	-
- (Over)/Under provision in prior years	(11,443)	95,325	-	-
	4,002,664	2,078,162	-	-
Deferred tax (Note 19):				
- Origination and reversal of temporary differences	87,093	(12,489)	-	-
- (Over)/Under provision in prior years	(66,265)	6,713	-	-
	20,828	(5,776)	-	-
Tax expense for the financial year/period	4,023,492	2,072,386	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2018: 18% on chargeable income up to RM500,000 and the tax rate on subsequent chargeable income from 24%) of the estimated assessable profits for the financial year.

26. **Taxation (Cont'd)**

A reconciliation of income tax expenses applicable to profit/(loss) before taxation at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		**Company**	
	2019 RM	**2018 RM**	**2019 RM**	**23.02.2018 to 31.12.2018 RM**
Profit/(Loss) before taxation	12,288,746	7,189,961	2,358,354	(64,358)
At Malaysian statutory tax rate of 24 % (2018: 24%)	2,949,299	1,725,591	566,005	(15,446)
Tax incentive obtained from differential tax rate of Nil (2018: 18%)	-	(30,000)	-	-
Income not subject to tax	(6,464)	(138)	(768,000)	-
Expenses not deductible for tax purposes	1,156,227	274,895	201,995	15,446
Deferred tax asset not recognised	2,138	-	-	-
(Over)/Under provision of income tax expense in prior years	(11,443)	95,325	-	-
(Over)/Under provision of deferred tax expense in prior years	(66,265)	6,713	-	-
Tax expense for the financial year/period	4,023,492	2,072,386	-	-

27. **Earnings Per Share**

(a) **Basic earnings per share**

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares of the Company as at the end of the reporting period.

27. **Earnings Per Share (Cont'd)**

(a) **Basic earnings per share (Cont'd)**

	Group 2019 RM	Group 2018 RM
Basic earnings per share		
Profit for the financial year attributable to owners of the Company (RM)	8,265,254	5,117,575
Weighted average number of ordinary shares in issue:		
Issued ordinary shares of 1 January/ date of incorporation	320,000,002	2
Effect of ordinary shares issued during the financial year	44,573,151	120,000,000
Weighted average number of ordinary shares as of 31 December	364,573,153	120,000,002
Basic earnings per share (Sen)	2.27	4.26

(b) **Diluted earnings per share**

The Group has no dilution in their retained earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of the financial statements.

28. **Staff Costs**

	Group 2019 RM	Group 2018 RM
Fees	64,000	-
Salaries, wages and allowances	5,237,376	1,612,821
Defined contribution plans	161,771	139,093
Benefits-in-kind	89,300	97,774
	5,552,447	1,849,688

28. **Staff Costs (Cont'd)**

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group during the financial year as below:

	Group	
	2019	**2018**
	RM	**RM**
Fees	10,000	-
Salaries, wages and allowances	603,184	434,664
Defined contribution plans	74,227	46,780
Benefits-in-kind	56,700	50,000
	744,111	531,444

29. **Dividend**

	Group	
	2019	**2018**
	RM	**RM**
Dividend recognised as distribution to ordinary shareholders of the Company:		
Final dividends paid in respect of the financial year ended:		
- 31 December 2018 (single-tier dividend of RM0.0028 per ordinary share)	1,023,960	-
Interim dividends paid in respect of the financial year ended:		
- 31 December 2018 (single-tier dividend of disposal of freehold land)	-	163,260
- 31 December 2019 (single-tier dividend of RM0.0028 per ordinary share)	1,023,960	-
	2,047,920	163,260

On 25 April 2018, UAPSSB had entered into SPA with Directors ("the Vendor") of UAPSSB for the disposal freehold land for a consideration of RM163,260 to be settled through declaration of a dividend in specie of the freehold land to the Vendor. The transaction was completed in previous financial year.

The Directors do not recommend the payment of a final dividend for the current financial year.

30. **Financial Guarantees**

	2019 RM	2018 RM
Group		
Unsecured:		
Bank guarantee for tender bond on projects given to third parties	280,000	-
Bank guarantee on performance bond for projects given to third parties	5,537,747	2,075,150
	5,817,747	2,075,150
Company		
Unsecured:		
Corporate guarantee given by the Company to licensed banks for banking facilities granted to a subsidiary company	1,287,912	432,194
Corporate guarantee given by the Company to a third party for supply of goods to a subsidiary company	1,066,648	-
	2,354,560	432,194

31. **Reconciliation of Liabilities Arising from Financing Activities**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	As at 1 January RM	Effect of adopting MFRS 16 RM	Reclassification (i) RM	New lease liabilities RM	Drawdown RM	Repayment RM	Other (ii) RM	At 31 December RM
Group								
2019								
Amount due from holding company	(13,041)	-	-	-	-	-	13,041	-
Amount due to a Director	3,971,679	-	(277,347)	-	-	-	(2,013,283)	1,681,049
Finance lease liabilities (Note 16)	765,967	(765,967)	-	-	-	-	-	-
Lease liabilities (Note 17)	-	765,967	277,347	847,714	-	(446,084)	-	1,444,944
Term loans (Note 18)	2,232,142	-	-	-	2,900,000	(388,592)	-	4,743,550
Letter of credit (Note 18)	-	-	-	-	-	-	218,919	218,919
Import/Export line (Note 18)	-	-	-	-	-	-	1,287,912	1,287,912
	6,956,747	-	-	847,714	2,900,000	(834,676)	(493,411)	9,376,374
2018								
Amount due from holding company	-	-	-	-	-	-	(13,041)	(13,041)
Amount due to a Director	4,536,045	-	-	-	-	-	(564,366)	3,971,679
Finance lease liabilities (Note 16)	414,974	-	-	625,500	-	(274,507)	-	765,967
Term loans (Note 18)	-	-	-	-	2,500,000	(267,858)	-	2,232,142
	4,951,019	-	-	625,500	2,500,000	(542,365)	(577,407)	6,956,747

31. **Reconciliation of Liabilities Arising from Financing Activities (Cont'd)**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 January RM	Other (ii) RM	At 31 December RM
Company			
2019			
Amount due from a subsidiary company	73,258	(5,809,356)	(5,736,098)
2018			
Amount due to a subsidiary company	-	73,258	73,258

(i) This reclassification being leased liabilities reclassified from amount due to a Director.

(ii) The cash flows from:

(a) amount due from holding company makes up the net amount of advances to and repayment from holding company in the statements of cash flow;
(b) amount due from a Director makes up the net amount of advances to and repayment from a Director in the statements of cash flow; and
(c) amount due from subsidiary company makes up the net amount of advances to and repayment from subsidiary company in the statements of cash flow

32. **Related Party Transactions**

(a) **Identifying related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

32. **Related Party Transactions (Cont'd)**

(b) **Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the combined financial statements, the significant related party transactions of the Group are as follows:

	Group	
	2019	**2018**
	RM	**RM**
Transactions with Directors		
- Disposal of freehold land	-	163,260

(c) **Compensation of key management personnel**

Remuneration of Directors are as follows:

	Group		Company	
				23.02.2018 to
	2019	**2018**	**2019**	**31.12.2018**
	RM	**RM**	**RM**	**RM**
Directors				
Fees	64,000	-	54,000	-
Salaries, wages and allowances	603,184	434,664	-	-
Defined contribution plans	74,227	46,780	-	-
Benefits-in-kind	56,700	50,000	-	-
	798,111	531,444	54,000	-

33. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	2019 RM	**2018 RM**
Group		
At Amortised Cost		
Financial Assets		
Trade receivables	8,358,525	5,741,265
Other receivables	210,944	408,709
Amount due from holding company	-	13,041
Fixed deposits with licensed banks	2,795,721	1,926,162
Cash and bank balances	2,743,818	288,717
	14,109,008	8,377,894
Financial Liabilities		
Trade payables	7,568,730	4,158,380
Other payables	1,382,496	915,792
Amount due to a Director	1,681,049	3,971,679
Financial lease liabilities	-	765,967
Lease liabilities	1,444,944	-
Bank borrowings	7,382,556	4,162,085
	19,459,775	13,973,903
Company		
At Amortised Cost		
Financial Assets		
Other receivables	17,235	-
Amount due from a subsidiary company	5,736,098	-
Cash and bank balances	1,633,044	10,002
	7,386,377	10,002
Financial Liabilities		
Other payables	83,508	179,700
Amount due to a subsidiary company	-	73,258
	83,508	252,958

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management**

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) **Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from the individual characteristics of each customer, loans and advances to an associate and financial guarantee given to banks for credit facilities granted to related companies and third parties. There are no significant changes as compared to prior periods.

Contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via Group's management reporting procedures and action will be taken for stagnant contract assets.

At each reporting date, Group assesses whether any of the contract assets are credit impaired.

The gross amounts of credit impaired contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year/period.

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(i) **Credit risk (Cont'd)**

Contract assets (Cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Concentration of credit risk

As at the end of the financial year, the Group had 3 customers (2018: 2 customers) and accounted for approximately 97% (2018: 100%) of the total contract assets.

Recognition and measurement of impairment loss

As there are only a few contract customers, the Group assessed the risk of loss of each customer individually based on their financial information and past trend of payments, where applicable. All these customers have low risk of default because there is no history of default from these customers. The Company is of the view that loss allowance is not material and hence, it is not provided for.

The aged analysis of contract assets as at the end of the reporting period:

	Gross balance RM	Allowance for impairment RM	Net balance RM
2019			
Group			
- Less than 30 days	10,891,261	-	10,891,261
- 31 to 60 days	473,690	-	473,690
- More than 60 days	3,677,090	-	3,677,090
	15,042,041	-	15,042,041
2018			
- Less than 30 days	1,897,100	-	1,897,100
- 31 to 60 days	2,872,647	-	2,872,647
- More than 60 days	3,057,182	-	3,057,182
	7,826,929	-	7,826,929

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(i) **Credit risk (Cont'd)**

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via the Group's management reporting procedures and action will be taken for long overdue debts. Majority of the trade receivables are from construction activity.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statements of financial position.

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(i) **Credit risk (Cont'd)**

Trade receivables (Cont'd)

Concentration of credit risk

As at the end of the financial year, the Group had 3 customers (2018: 2 customers) and accounted for approximately 79% (2018: 83%) of the total trade receivables.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Group's debt recovery process is that when invoices which are exceeded credit terms, the Group will start to initiate a structured debt recovery process which is monitored by sales team.

The Group uses an allowance matrix to measure ECLs for trade receivables. Consistent with the debt recovery process, involves which are exceeded credit terms may be considered as credit impaired.

Loss rates are based on actual credit loss experience over the past three years. Nevertheless, the Group believes that the forward-looking factors are immaterial for the purpose of impairment calculation for the financial year.

33. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables of the Group.

	Gross balance RM	Allowance for impairment RM	Net balance RM
Group			
2019			
Current	4,099,054	(302,694)	3,796,360
Past due:			
- Less than 30 days	542,656	(59,715)	482,941
- 31 to 60 days	38,250	(13,121)	25,129
- More than 60 days	2,170,559	(1,377,675)	792,884
	6,850,519	(1,753,205)	5,097,314
Credit impaired			
More than 60 days			
- Individually impaired	1,654,309	(1,654,309)	-
	8,504,828	(3,407,514)	5,097,314
Retention sum	3,261,211	-	3,261,211
	11,766,039	(3,407,514)	8,358,525
2018			
Current	1,452,035	-	1,452,035
Past due:			
- Less than 30 days	431,876		431,876
	1,883,911	-	1,883,911
Rentention sum	3,857,354	-	3,857,354
	5,741,265	-	5,741,265

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(i) **Credit risk (Cont'd)**

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The movement in the allowance for impairment losses in respect of trade receivables during the financial year as follows:

	Lifetime ECL RM	Credit impaired RM	Total RM
Group			
At 1 January 2019	-	-	-
Impairment loss recognised	1,753,205	1,654,309	3,407,514
At 31 December 2019	1,753,205	1,654,309	3,407,514

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The cash and cash equivalents are held with licensed banks. The Group and the Company have a credit policy in place to control credit risk by deposit with licensed banks with good credit rating.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

These banks have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(i) **Credit risk (Cont'd)**

Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables are mainly arising from receivables from third parties. The Group manages the credit risk on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

These other receivables have low credit risks. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured loans and advances to holding company. The Group and the Company monitor the ability of the holding company to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

Generally, the Group and the Company consider loans and advances to holding company has low credit risk because there is no indications that any going concern from holding company. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(i) **Credit risk (Cont'd)**

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantee as disclosed in Note 30 to the financial statemens. The Group and the Company monitor the ability of the subsidiary company to service its loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group and of the Company as disclosed in Note 30 to the financial statements.

Recognition and measurement of impairment loss

There is no history of default from a subsidiary company, and there are no indications that any going concern from this subsidiary company. The Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

(ii) **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(ii) **Liquidity risk (Cont'd)**

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Group						
2019						
Non-derivative financial liabilities						
Trade payables	7,568,730	-	-	-	7,568,730	7,568,730
Other payables	1,382,496	-	-	-	1,382,496	1,382,496
Amount due to a Director	1,681,049	-	-	-	1,681,049	1,681,049
Lease liabilities	583,792	543,420	449,326	-	1,576,538	1,444,944
Bank borrowings	2,996,150	461,514	2,085,166	2,088,919	7,631,749	7,382,556
	14,212,217	1,004,934	2,534,492	2,088,919	19,840,562	19,459,775
2018						
Non-derivative financial liabilities						
Trade payables	4,158,380	-	-	-	4,158,380	4,158,380
Other payables	915,792	-	-	-	915,792	915,792
Amount due to a Director	3,971,679	-	-	-	3,971,679	3,971,679
Finance lease liabilities	319,095	201,648	312,755	-	833,498	765,967
Bank borrowings	2,494,603	954,463	840,320	437,467	4,726,853	4,162,085
	11,859,549	1,156,111	1,153,075	437,467	14,606,202	13,973,903

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(iii) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

(a) **Interest rate risk**

The Group's fixed rate deposits placed with licensed banks and fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short- and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

33. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(iii) **Market risk (Cont'd)**

(a) **Interest rate risk (Cont'd)**

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	2019	**2018**
	RM	**RM**
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	2,795,721	1,926,162
Financial liabilities		
Financial lease liabilities	-	765,967
Lease liabilities	1,444,944	-
	1,444,944	765,967
Floating rate instrument		
Financial liability		
Bank borrowings	7,382,556	4,162,085

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change of 0.25% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before taxation by RM17,909 (2018: RM10,405), arising mainly as a result of lower/higher interest expenses on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

33. **Financial Instruments (Cont'd)**

(c) **Fair value information**

The Group's and the Company's carrying amounts of receivables and payables, cash and cash equivalents and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	2019	**2018**
	RM	**RM**
Group		
Financial liabilities		
Finance lease liabilities (Level 2)		
- Carrying amount (Non-current)	-	479,931
- Fair value	-	475,798
Financial guarantees (Level 3)		
- Carrying amount	5,817,747	2,075,150
- Fair value	5,817,747	2,075,150
Company		
Financial liability		
Financial guarantees (Level 3)		
- Carrying amount (Non-current)	2,354,560	432,194
- Fair value	2,354,560	432,194

33. **Financial Instruments (Cont'd)**

(c) **Fair value information (Cont'd)**

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

<u>Non-derivative financial instruments</u>

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

34. **Capital Management**

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratio at the end of the reporting period are as follows:

34. **Capital Management (Cont'd)**

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Total loans and borrowings	8,827,500	4,928,052	-	-
Less: Deposits, cash and bank balances	(5,539,539)	(2,214,879)	(1,633,044)	(10,002)
Net debt	3,287,961	2,713,173	(1,633,044)	(10,002)
Total equity	26,711,695	13,437,570	15,302,869	7,935,644
Gearing ratio	0.12	0.20	*	*

* *The gearing ratio analysis is not applicable as the Company has no loans and borrowings as at 31 December 2019.*

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to any external imposed capital requirements.

35. **Subsequent Events**

(a) Effect of outbreak of coronavirus pandemic

The Board of Directors of the Company ("Board") have closely monitored the development of the outbreak of coronavirus pandemic ("COVID-19") infection 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 business operations. As at the date of this report, the financial impact of the COVID-19 outbreak to the Group and to the Company cannot be reasonably estimated due to the inherent unpredictable nature and rapid development relating to COVID-19, the extent of the impact depends on the on-going precautionary measures introduced by each country to address this pandemic and the durations of the pandemic.

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 2020. 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.

35. **Subsequent Events (Cont'd)**

(b) Acquisition of newly incorporated company

On 7 April 2020, the Company had subscribed 100 ordinary shares in NS Aero City Sdn. Bhd. ("NACSB"), representing 100% equity interests in NACSB for a total cash consideration of RM100. Pursuant to that, NACSB became wholly-owned subsidiary company of the Company.

36. **Material Litigation**

Ajiya Safety Glass Sdn. Bhd. ("Plaintiff" or "Ajiya") vs. Uni Wall Architectural Products & Services Sdn. Bhd. ("Defendant" or "UAPSSB").

Shah Alam High Court Suit No.: BA-22NCVC-96-03/2020

On 9 March 2020, a glass supplier of UAPSSB, Ajiya had served a Writ of Summons against UAPSSB in respect of alleged claim of RM1,711,311 from UAPSSB being the outstanding payment due for glasses already sold and delivered to UAPSSB for UAPSSB's façade construction works together with interest of the rate of 8% per annum. UAPSSB disputed the claim as Ajiya had sold sub-standard glasses to UAPSSB, which does not fit for purpose and not in accordance with the glasses ordered by UAPSSB in the quotations.

On 28 May 2020, UAPSSB had filed a Defence and Counter Claim against Ajiya 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. UAPSSB is of the view that it has a good defence to Ajiya's claims, and that UAPSSB's counter claim against Ajiya is likely to succeed. Therefore, there will not be any material adverse impact to the financial position of the Group.

37. **Capital Commitment**

	Group	
	2019	**2018**
	RM	**RM**
Approved and contracted for:		
- Purchase of property, plant and equipment	-	244,680
Approved but not contracted for:		
- Purchase of property, plant and equipment	1,821,465	11,447,759
	1,821,465	11,692,439

38. Segmental Information

Segmental information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

(a) Business segment

The principal businesses of the Group are carrying on the business as supplying, installation and fabrication of aluminum products which are substantially within a single business segment. As such, segmental reporting by business segment is deemed not necessary.

(b) Geographical segments

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers. Segment assets and segment capital expenditure are based on geographical location of assets. The geographical location of customers and assets are within Malaysia. As such, segmental reporting by geographical segment is deemed not necessary.

39. Comparative Figures

The Company's figures for the financial statements of the previous financial period are for the financial period from 23 February 2018 to 31 December 2018. As they reflect the result for less than 12 months, these are not comparable to the current financial year results.

40. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 16 June 2020.