

**Interim Report**  
**UMS Holdings Berhad**  
(Company No. 74125-V)  
(Incorporated in Malaysia)  
**and its subsidiaries**

Condensed Consolidated Statement of Comprehensive Income for the 12 month period ended 30 September 2015  
(unaudited)

Note	3 month period ended 30 September			12 month period ended 30 September	
	2015 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
	Current quarter	Previous Quarter ended 30.6.2015	Current quarter	12 months cumulative to date	12 months cumulative to date
Revenue	18,693	19,487	19,851	75,599	82,928
Cost of sales	(14,376)	(10,776)	(13,047)	(48,148)	(52,074)
Gross profit	4,317	8,711	6,804	27,451	30,854
Operating expenses	(6,413)	(5,733)	(7,096)	(24,535)	(23,298)
Other operating income	5,352	8,954	2,603	15,374	6,527
<b>Operating profit</b>	<b>3,256</b>	<b>11,932</b>	<b>2,311</b>	<b>18,290</b>	<b>14,083</b>
Financing costs	26	25	(19)	(26)	(93)
Interest income	57	30	42	166	67
Share of profit of associates	138	25	162	417	842
<b>Profit before taxation</b>	<b>3,477</b>	<b>12,012</b>	<b>2,496</b>	<b>18,847</b>	<b>14,899</b>
Tax expense	<b>B5</b> 101	(1,038)	(126)	(2,088)	(2,954)
<b>Profit for the period</b>	<b>3,578</b>	<b>10,974</b>	<b>2,370</b>	<b>16,759</b>	<b>11,945</b>
Other comprehensive income net of tax	471	1,376	(932)	1,525	(42)
<b>Total comprehensive income for the year</b>	<b>4,049</b>	<b>12,350</b>	<b>1,438</b>	<b>18,284</b>	<b>11,903</b>
<b>Profit attributable to:</b>					
Owners of the Parent	3,572	10,962	2,383	16,722	11,873
Non-controlling interest	6	12	(13)	37	72
	<b>3,578</b>	<b>10,974</b>	<b>2,370</b>	<b>16,759</b>	<b>11,945</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Parent	4,043	12,338	1,451	18,321	11,831
Non-controlling interest	6	12	(13)	(37)	72
	<b>4,049</b>	<b>12,350</b>	<b>1,438</b>	<b>18,284</b>	<b>11,903</b>
Basic earnings per ordinary share (sen)	<b>B13</b> 8.78	26.94	5.86	41.10	29.18
Diluted earnings per ordinary share (sen)	8.78	26.94	5.86	41.10	29.18

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 September 2014 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Report**  
**UMS Holdings Berhad**  
 (Company No. 74125-V)  
 (Incorporated in Malaysia)  
**and its subsidiaries**

**Condensed Consolidated Statement of Financial Position as at 30 September 2015**  
 (unaudited)

	As at 30 September 2015	As at 30 September 2014
	RM'000	RM'000
<b>Non-current assets</b>		
Property, plant and equipment	17,555	24,227
Prepaid lease payments	6,772	5,165
Investment Property	23,865	19,745
Investments in associates	12,215	12,448
Other investments	11,461	11,384
Goodwill on consolidation	1,046	1,046
	<u>72,914</u>	<u>74,015</u>
<b>Current assets</b>		
Inventories	32,613	32,678
Trade and other receivables	24,469	25,033
Tax recoverable	-	99
Fixed deposits with licensed bank	531	514
Cash & cash equivalents	34,924	18,565
	<u>92,537</u>	<u>76,889</u>
<b>Total assets</b>	<u>165,451</u>	<u>150,904</u>
<b>Equity</b>		
Share capital	40,690	40,690
Reserves	113,653	99,475
	<u>154,343</u>	<u>140,165</u>
Total equity attributable to the shareholders of the Company	154,343	140,165
Minority interest	784	747
Total equity	<u>155,127</u>	<u>140,912</u>
<b>Non-current liabilities</b>		
Borrowings	B9 13	28
Deferred tax liabilities	1,793	1,669
	<u>1,806</u>	<u>1,697</u>
<b>Current liabilities</b>		
Trade and other payables	9,230	5,743
Dividend payable	-	-
Borrowings	B9 21	2,325
Taxation	(733)	227
	<u>8,518</u>	<u>8,295</u>
<b>Total equity and liabilities</b>	<u>165,451</u>	<u>150,904</u>
Net assets per share (RM)	3.79	3.44

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 September 2014 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Report**  
**UMS Holdings Berhad**  
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**Condensed Consolidated Statement of Changes in Equity for the 12 month ended 30 September 2015**  
(unaudited)

	Share capital RM'000	Share premium-non distributable RM'000	Attributable to owners of the Parent				Total RM'000	Non-controlling interest RM'000	Total RM'000
			Revaluation reserve-non distributable RM'000	Exchange translation reserve-non distributable RM'000	Fair value adjustment reserve-non distributable RM'000	Retained profits- distributable RM'000			
<b>At 1 October 2013</b>	40,690	1,964	890	144	29	84,617	128,334	675	129,009
Profit for the period	-	-	-	-	-	11,872	11,872	72	11,944
Other comprehensive income									
Fair value change in available -for-sale financial assets	-	-	-	(29)	-	-	(29)	-	(29)
Exchange translation differences	-	-	-	-	(12)	-	(12)	-	(12)
Total other comprehensive income	-	-	-	(29)	(12)	-	(41)	-	(41)
Total comprehensive income	-	-	-	(29)	(12)	11,872	11,831	72	11,903
Transactions with owners									
Dividend for year ended 30 September 2013	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-
<b>At 30 September 2014</b>	<u>40,690</u>	<u>1,964</u>	<u>890</u>	<u>115</u>	<u>17</u>	<u>96,489</u>	<u>140,165</u>	<u>747</u>	<u>140,912</u>
<b>At 1 October 2014</b>	40,690	1,964	890	115	17	96,489	140,165	747	140,912
Profit for the period	-	-	-	-	-	16,722	16,722	37	16,759
Other comprehensive income									
Fair value change in available -for-sale financial assets	-	-	-	-	776	-	776	-	776
Exchange translation differences	-	-	-	749	-	-	749	-	749
Total other comprehensive income	-	-	-	749	776	-	1,525	-	1,525
Total comprehensive income	-	-	-	749	776	16,722	18,247	37	18,284
Transactions with owners									
Dividend for year ended 30 September 2014	-	-	-	-	-	(4,069)	(4,069)	-	(4,069)
Total transactions with owners	-	-	-	-	-	(4,069)	(4,069)	-	(4,069)
<b>At 30 September 2015</b>	<u>40,690</u>	<u>1,964</u>	<u>890</u>	<u>864</u>	<u>793</u>	<u>109,142</u>	<u>154,343</u>	<u>784</u>	<u>155,127</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 September 2014 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Report**  
**UMS Holdings Berhad**  
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**Condensed Consolidated Statement of Cashflows for the 12 month period ended 30 September 2015**  
 (unaudited)

	For the 12 month period ended 30 September 2015 RM'000	For the 12 month period ended 30 September 2014 RM'000
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	18,847	14,899
<b>Adjustment for non-cash items:</b>		
- Non-cash items and non-operating items	(12,825)	(3,811)
<b>Operating profit before changes in working capital</b>	6,022	11,088
<b>Changes in working capital:</b>		
- Inventories	65	666
- Trade and other receivables	564	590
- Trade and other payables	3,487	(1,457)
<b>Cash generated from operations</b>	10,138	10,877
- Income taxes paid	(2,822)	(3,512)
- Interest paid	(26)	(93)
<b>Net cash flow generated from operating activities</b>	7,290	7,272
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,455)	(4,714)
Proceeds from disposal of property, plant and equipment	16,279	3,775
Proceeds from disposal of other investment	1,068	1,521
Purchase of other investment	(393)	(408)
Purchase of prepaid land lease	-	(1,497)
Interest received	166	67
Dividend received	393	1,058
<b>Net increase/(decrease) cash flow used in investing activities</b>	15,058	(198)
<b>Cash flows from financing activity</b>		
Repayment of hire purchase liabilities	(15)	(21)
Bills payable & banker acceptance	(1,505)	1,505
Dividend paid	(4,069)	(3,662)
Repayment of term loan	-	(440)
<b>Net cash flow used in financing activities</b>	(5,589)	(2,618)
Net increase in cash and cash equivalents	16,759	4,456
<b>Cash and cash equivalents at beginning of year</b>	18,280	13,827
<b>Effects of changes in exchange rate</b>	416	(3)
<b>Cash and cash equivalents at 30 September</b>	35,455	18,280

Cash and cash equivalents comprise the following balance sheet amounts:

Cash and bank balances	34,924	18,565
Bank overdraft	-	(799)
Fixed deposit	531	514
	35,455	18,280

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 September 2014 and the accompanying explanatory notes attached to the interim financial statements.

**A Notes to Interim Financial Report on Consolidated Results For the Year Ended 30 September 2015**

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**A1 Basis of preparation**

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting and with IAS 34, Interim Financial Reporting and should be read in conjunction with the Group's audited financial statements for the year ended 30 September 2014.

The Group adopted the following new Malaysian Financial Reporting Standards ("MFRSs"), and Amendments to published standards mandatory for annual financial periods beginning on or after 1 October 2014:

**Standards Amendments**

Amendments to MFRS 132 – Offsetting Financial assets and Financial Liabilities

Amendments to MFRS 136 – Recoverable Amount Disclosures For Non-Financial Assets

Annual Improvements to MFRSs 2010 – 2012 Cycle as follows:

- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 8 Operating Segments
- Amendments to MFRS 116 Property, Plant and Equipment
- Amendments to MFRS 124 Related Party Disclosures
- Amendments to MFRS 138 Intangible Assets

Annual Improvements to MFRSs 2011 – 2013 Cycle as follow:

- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 13 Fair Value Measurement
- Amendments to MFRS 140 Investment Property

**A2 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 30 September 2014 was not subject to any qualifications.

**A3 Seasonal or cyclical factors**

The principal activities of the company is that of an investment holding company with its subsidiaries mainly dealing



**A Notes to Interim Financial Report on Consolidated Results For the Year Ended 30 September 2015**

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**A9 Statement on the effect on interim results concerning valuation of property, plant and equipment brought forward without amendment from the previous annual financial statements.**

There were no valuations of property, plant and equipment performed or brought forward from the previous financial year.

**A10 Material events subsequent to the end of the interim period**

On 12 January 2015, the Board of Directors announced that the Company intends to seek the approval of its shareholders to undertake the proposed purchase and/or hold its own shares of up to 10% of its issued and paid-up share capital of the Company in accordance with Section 67A of the Companies Act, 1965. This proposal was approved by its shareholders in its Annual General Meeting held on 18 March 2015.

**A11 Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter concerned including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

**A12 Changes in contingent assets and liabilities**

There were no changes in contingent assets or liabilities since the end of last annual balance sheet date

## B1. Review of performance

The Group's performance for the financial year-to-date under review against the corresponding financial year-to-date of the previous financial year is tabled below :-

	For the cumulative 12 months ended 30.9.2015	For the cumulative 12 months ended 30.9.2014	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	3,192	2,898	294	10.14
Southern	6,935	8,130	(1,195)	(14.70)
Eastern	5,647	7,769	(2,123)	(27.33)
Central	46,086	47,630	(1,544)	(3.24)
East Malaysia				
Sarawak	7,079	8,622	(1,543)	(17.90)
Oversea				
Singapore	6,661	7,879	(1,218)	(15.46)
	<u>75,599</u>	<u>82,928</u>	<u>(7,329)</u>	<u>(8.84)</u>

The main reason for the decrease in the Group's revenue was attributable to a general slowdown in the construction and agriculture sectors of the Malaysian economy.

Weak global demand and lower prices for our agricultural commodities and resources such as crude oil, palm oil, rubber and timber extended into the fourth quarter of the Group's financial year ended 30/9/2015.

However, the profit before tax has increased by 26.50% to RM18,847,000 as compared to RM14,899,000 in the corresponding year ended 30/9/2014. This was mainly due to profit from sale of property of RM9,672,000 and revaluation surplus of investment properties of RM4,120,000 as compared to RM2,492,000 for profit from sale of properties and 2,335,000 for revaluation surplus of investment properties for year ended 30/9/2014.

The Group's performance for the quarter under review against the corresponding quarter of the previous financial year is tabled below :-

	For the quarter ended 30.9.2015	For the quarter ended 30.9.2014	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	796	564	232	41.13
Southern	1,586	1,777	(191)	(10.75)
Eastern	1,218	1,749	(531)	(30.36)
Central	11,984	10,920	1,064	9.74



East Malaysia					
Sarawak	1,390	1,747	(357)	(20.44)	
Oversea					
Singapore	1,719	3,094	(1,375)	(44.44)	
	<u>18,693</u>	<u>19,851</u>	<u>(1,158)</u>	<u>(5.83)</u>	

For the quarter under review, the overall decrease in revenue of 5.83% is mainly due to a general slowdown of the global demand and in particular a sluggish performance of major Asian economies of China and Japan. However, the profit before taxation increased by 39.30% to RM3,477,000 from RM2,496,000 for the corresponding period ended 30/9/2014. This was mainly due to revaluation surplus of investment properties of RM4,120,000 as compared to RM2,335,000 for the corresponding period ended 30/9/2014.

**B2. Comments on material changes in the profit before taxation for the quarterly results compared to the results of the preceding quarter.**

	3 months ended	3 months ended	Increase/(Decrease)	
	30.9.2015	30.6.2015	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	796	701	95	13.55
Southern	1,586	1,971	(385)	(19.53)
Eastern	1,218	1,349	(131)	(9.71)
Central	11,984	12,088	(104)	(0.86)
East Malaysia				
Sarawak	1,390	1,704	(314)	(18.43)
Oversea				
Singapore	1,719	1,674	45	2.69
	<u>18,693</u>	<u>19,487</u>	<u>(794)</u>	<u>(4.07)</u>
Profit before tax	<u>3,477</u>	<u>12,012</u>	<u>(8,533)</u>	<u>(71.05)</u>

The profit before taxation for the quarter ended 30/9/2015 has decreased by 71.05% to RM3,477,000 from RM12,012,000 for the preceding quarter ended 30/6/2015. This was mainly due to profit from sale of a property of RM9,672,000 which was disposed in the quarter ended 30/6/2015.

### B3. Current financial year's prospects

The Malaysian economy registered a lower growth of 4.7% for the period from 1st July 2015 to 30<sup>th</sup> September 2015 when compared to 4.9% recorded for the preceding quarter ended 30<sup>th</sup> June 2015.

This weaker performance was underpinned by a moderate growth of the global economy during this period. Some major economies like USA and United Kingdom achieved moderate growth whilst the Eurozone countries has yet to show robust recovery and sustainable performance.

The Asian economies of China, Japan, Korea and India experienced weaker than expected export growth performance. Regionally, the ASEAN economy remains stable with the local economies of its member countries being driven and sustained by domestic demand and export of their resourced based commodities.

On the domestic front, the economy is mainly supported by private sector consumption and investments. The main drivers of this private sector demand are capex spending in manufacturing and services sectors.

Small businesses as well as consumers and households are still adjusting to the inflationary effects resulting from the implementation of Goods and Services Tax (GST).

Looking forward, the Malaysian economy will be dependent on a sustainable and firm economic recovery in the US, the adjustment of the Chinese GDP growth to a lower than 7% as well as an upturn of the economies of other major Asian countries. Regionally, Malaysia will also continue to be reliant on intra ASEAN trade as an additional driver to its economic performance.

Infrastructure projects such as the Bandar Malaysia Township development, MRT3, and the High Speed Rail from Kuala Lumpur to Singapore are expected to provide impetus to jumpstart the economy.

Export orientated manufactured goods and agricultural commodities example rubber gloves and electronic goods, palm oil rubber and timber products will benefit from the strong US dollar.

Going forward for the Malaysia economy and therefore the Group, the coming year will be fraught with challenges such as weak global demand for our exports, lower commodity prices for oil palm rubber timber and crude oil, a weakening ringgit against major currencies especially the US dollar. The price performance of crude petroleum will be crucial determinant in the performance of the 2016 Malaysian budget. Any major geopolitical turbulences and natural disasters will have a disruptive impact on the local economy.

Therefore, the Group and its Board will be constantly vigilant in monitoring key drivers of its performance to ensure another profitable performance for the next financial year.

### B4. Variance of actual profit from profit forecast

This note is not applicable as there is no profit forecast made.

### B5. Taxation

Taxation consists of the following :

	Individual quarter		Accumulated quarter	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current Malaysian Tax	69	(249)	(2,081)	(2,918)
Current Foreign Tax	0	(49)	0	(49)
Under/overprovision in prior years	116	65	116	65
	<u>185</u>	<u>(233)</u>	<u>(1,965)</u>	<u>(2,902)</u>
Deferred taxation	(84)	107	(123)	(52)
	<u>101</u>	<u>(126)</u>	<u>(2,088)</u>	<u>(2,954)</u>
	=====	=====	=====	=====

The effective tax rates for the current year ended 30 September 2015 and 2014 were 36.72% and 30.59% as compared to the applicable statutory tax rate. This is due to certain expenses which are not deductible for tax purposes.

**B6. Notes to the Statement of Comprehensive Income**

Profit for the period is arrived at after charging/(crediting):

	3 months ended		Cumulative months ended	
	30.6.2015	30.9.2014	30.9.2015	30.9.2014
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	(57)	(42)	(166)	(67)
Other income including investment				
Income	(4,372)	(3,208)	(5,653)	(4,504)
Gain on disposal of property, plant				
and equipment	(980)	605	(9,721)	(2,023)
Interest expense	(26)	19	26	93
Depreciation and amortization	564	478	2,054	1,882
Foreign exchange (gain)/loss	561	(6)	511	(64)

Other than the above, there were no provision for and write off of receivables and inventories, no gain or loss on disposal of quoted or unquoted investments and derivatives, impairment of assets and exceptional items included in the results for the current quarter and year ended 30 September 2015.

**B7. Purchase and sale of quoted securities**

There were no purchase or sale of quoted securities for the financial period concerned.

Details of other investments to date are as follows:

	30.9.2015	30.9.2014
	RM'000	RM'000
Available-for-sale financial assets:		
Unquoted shares at cost	50	50
Wholesale Funds	11,411	11,334
	<u>11,461</u>	<u>11,384</u>
	=====	=====

**B8. Status of corporate proposals**

Refer to note A10 above on status of corporate proposals announcement.

**B9. Group borrowings and debt securities**

The Group's borrowings as at 30 September 2015 are as follows:

	30.9.2015		30.9.2014	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Long term loan	0	0	0	0
Hire purchase creditors	21	0	28	0
	<u>21</u>	<u>0</u>	<u>28</u>	<u>0</u>
	=====	=====	=====	=====
Short term loan:-				
Term loan	0	0	0	0
Trust receipt	0	0	0	0
Banker acceptance	0	0	0	0
Letter of credit	0	0	0	0
Bills payable	0	0	1,505	0
Hire purchase creditors	13	0	21	0
Bank overdraft	0	0	799	0
	<u>13</u>	<u>0</u>	<u>2,325</u>	<u>0</u>
	=====	=====	=====	=====

**B10. Financial instruments with off balance sheet risks**

There were no financial instruments with off balance sheet risks during the current quarter.

**B11. Material litigation**

Neither UMS nor its subsidiary companies are engaged in any material litigation either as plaintiff or defendant and the Directors of UMS are not aware of any proceedings pending or threatened against UMS or its subsidiary companies or any facts likely to give rise to any proceedings which might materially affect the position and business of the UMS Group.

**B12. Dividend**

	30.9.2015 RM'000	30.9.2014 RM'000
Proposed:		
Single tier Final dividend of 6% & Single tier Special dividend of 4%	4,069	
(2014:Final dividend of 6% & Special dividend of 4%)		4,069

A single tier final dividend of 6% amounting to RM2,441,400 and a single tier special dividend of 4% amounting to RM1,627,600 for the financial year ended 30.9.2014 was paid on 15.4.2015.

At the forthcoming Annual General meeting, a single tier final dividend of 6% amounting to RM2,441,000 and a single tier special dividend of 4% amounting to RM1,627,000 for the financial year ended 30.9.2015 will be proposed for the shareholders approval.

**B13. Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share for the quarter and for the cumulative quarter is based on the following:

	3 months ended		Cumulative months ended	
	30.9.2015 (RM'000)	30.9.2014 (RM'000)	30.9.2015 (RM'000)	30.9.2014 (RM'000)
Net profit attributable to Ordinary shareholders	3,572	2,383	16,722	11,873
Weighted average Number of shares In issued.	40,690	40,690	40,690	40,690
Basic earnings per Ordinary share(sen)	8.78	5.86	41.10	29.18
Diluted earnings per share (sen)	8.78	5.86	41.10	29.18

**B14. Realised and unrealised profits**

	As at 30/9/2015 (RM '000)	As at 30/9/2014 (RM '000)
Total retained profits of the Group:		
Realised	97,194	83,096
Unrealised	9,298	11,006
	106,492	94,102
Total share of retained profits from associated companies:		
Realised	11,860	11,597
Unrealised	8	8
	11,868	11,615
	118,360	105,707
Add: Consolidation adjustments	(9,218)	(9,218)
Total Group retained profits	109,142	96,489

# **UMS Holdings Berhad**

Company No. 74125 – V  
(Incorporated in Malaysia)

Interim Financial Report  
30 September 2015