

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 2016
(unaudited)

Note	3 month period ended 30 September			12 month period ended 30 September	
	2016 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
	Current quarter	Previous Quarter ended 30.6.2016	Current quarter	12 months cumulative to date	12 months cumulative to date
Revenue	22,889	30,316	18,055	96,184	74,961
Cost of sales	(15,230)	(20,399)	(13,632)	(62,339)	(47,404)
Gross profit	7,659	9,917	4,423	33,845	27,557
Operating expenses	(6,044)	(6,098)	(6,571)	(25,451)	(24,693)
Other operating income	775	312	4,615	2,656	14,637
Operating profit	2,390	4,131	2,467	11,050	17,501
Financing costs	(6)	-	29	(7)	(23)
Interest income	20	28	73	170	182
Share of profit of associates	203	167	148	471	427
Profit before taxation	2,607	4,326	2,717	11,684	18,087
Tax expense	(467)	(1,231)	145	(3,376)	(2,044)
Profit for the period	2,140	3,095	2,862	8,308	16,043
Other comprehensive income net of tax	927	(394)	1,114	(215)	2,168
Total comprehensive income for the year	3,067	2,701	3,976	8,093	18,211
Profit attributable to:					
Owners of the Parent	2,131	3,086	2,850	8,257	16,000
Non-controlling interest	9	9	12	51	43
	2,140	3,095	2,862	8,308	16,043
Total comprehensive income attributable to:					
Owners of the Parent	3,058	2,692	3,964	8,042	18,168
Non-controlling interest	9	9	12	51	43
	3,067	2,701	3,976	8,093	18,211
Basic earnings per ordinary share (sen)	5.24	7.58	7.00	20.29	39.32
Diluted earnings per ordinary share (sen)	5.24	7.58	7.00	20.29	39.32

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 September 2015 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 2016
(unaudited)

	As at 30 September 2016	As at 30 September 2015
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	28,240	19,337
Prepaid lease payments	5,131	5,125
Investment Property	25,764	23,865
Investments in associates	12,479	12,224
Other investments	12,182	11,461
Goodwill on consolidation	1,046	1,046
	<u>84,842</u>	<u>73,058</u>
Current assets		
Inventories	33,028	32,590
Trade and other receivables	21,953	24,379
Tax recoverable	-	739
Fixed deposits with licensed bank	548	531
Cash & cash equivalents	26,165	34,811
	<u>81,694</u>	<u>93,050</u>
Total assets	<u>166,536</u>	<u>166,108</u>
Equity		
Share capital	40,690	40,690
Reserves	117,547	113,574
	<u>158,237</u>	<u>154,264</u>
Total equity attributable to the shareholders of the Company	158,237	154,264
Minority interest	791	790
Total equity	<u>159,028</u>	<u>155,054</u>
Non-current liabilities		
Borrowings	B9 -	8
Deferred tax liabilities	1,679	1,731
	<u>1,679</u>	<u>1,739</u>
Current liabilities		
Trade and other payables	6,727	9,267
Dividend payable	-	-
Borrowings	B9 8	25
Taxation	(906)	23
	<u>5,829</u>	<u>9,315</u>
Total equity and liabilities	<u>166,536</u>	<u>166,108</u>
Net assets per share (RM)	3.89	3.79

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 September 2015 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 Changes in Equity for the 12 month ended 30 September 2016
(unaudited)

	Attributable to owners of the Parent						Total	Non-controlling interest	Total
	Share capital	Share premium-non distributable	Revaluation reserve-non distributable	Exchange translation reserve-non distributable	Fair value adjustment reserve-non distributable	Retained profits-distributable			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2014	40,690	1,964	890	116	16	96,489	140,165	747	140,912
Profit for the year	-	-	-	-	-	16,000	16,000	43	16,043
Other comprehensive income									
Fair value change in available -for-sale financial assets	-	-	-	-	776	-	776	-	776
Exchange translation differences	-	-	-	1,392	-	-	1,392	-	1,392
Total other comprehensive income	-	-	-	1,392	776	-	2,168	-	2,168
Total comprehensive income	-	-	-	1,392	776	16,000	18,168	43	18,211
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)
At 30 September 2015	<u>40,690</u>	<u>1,964</u>	<u>890</u>	<u>1,508</u>	<u>792</u>	<u>108,420</u>	<u>154,264</u>	<u>790</u>	<u>155,054</u>
At 1 October 2015	40,690	1,964	890	1,508	792	108,420	154,264	790	155,054
Profit for the year	-	-	-	-	-	8,257	8,257	1	8,258
Other comprehensive income									
Fair value change in available -for-sale financial assets	-	-	-	-	148	-	148	-	148
Exchange translation differences	-	-	-	(363)	-	-	(363)	-	(363)
Total other comprehensive income	-	-	-	(363)	148	-	(215)	-	(215)
Total comprehensive income	-	-	-	(363)	148	8,257	8,042	1	8,043
Transactions with owners									
Dividend for year ended 30 September 2015	-	-	-	-	-	(4,069)	(4,069)	-	(4,069)
Total transactions with owners	-	-	-	-	-	(4,069)	(4,069)	-	(4,069)
At 30 September 2016	<u>40,690</u>	<u>1,964</u>	<u>890</u>	<u>1,145</u>	<u>940</u>	<u>112,608</u>	<u>158,237</u>	<u>791</u>	<u>159,028</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 2015 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 Cashflows for the 12 month period ended 30 September 2016
(unaudited)

	For the 12 month period ended 30 September 2016 RM'000	For the 12 month period ended 30 September 2015 RM'000
Cash flows from operating activities		
Profit before taxation	10,684	18,087
Adjustment for non-cash items:		
- Non-cash items and non-operating items	463	(11,716)
Operating profit before changes in working capital	11,147	6,371
Changes in working capital:		
- Inventories	(438)	566
- Trade and other receivables	2,426	833
- Trade and other payables	(2,540)	3,462
Cash generated from operations	10,595	11,232
- Income taxes paid	(3,618)	(2,846)
- Income taxes refund	-	12
- Interest paid	(7)	(23)
- Interest received	170	182
Net cash flow generated from operating activities	7,140	8,557
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,367)	(2,557)
Proceeds from disposal of property, plant and equipment	634	14,906
Proceeds from disposal of other investment	-	2,125
Purchase of other investment	(575)	(1,451)
Purchase of prepaid land lease	-	-
Dividend received	575	393
Net (decrease)/increase cash flow used in investing activities	(13,733)	13,416
Cash flows from financing activity		
Repayment of hire purchase liabilities	(26)	(23)
Bills payable & banker acceptance	-	(1,505)
Dividend paid	(4,069)	(4,069)
Repayment of term loan	-	-
Net cash flow used in financing activities	(4,095)	(5,597)
Net (decrease)/increase in cash and cash equivalents	(10,688)	16,376
Cash and cash equivalents at beginning of year	35,342	18,280
Effects of changes in exchange rate	1,059	686
Cash and cash equivalents at 30 September	25,713	35,342

Cash and cash equivalents comprise the following balance sheet amounts:

Cash and bank balances	26,165	34,811
Bank overdraft	-	-
Fixed deposit	548	531
	26,713	35,342

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 September 2015 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 2016

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 2015.

There are no new MFRSs and Amendments to published standards mandatory for annual financial periods beginning on or after 1 October 2015.

A2 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2015 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 with the distribution of mechanical power transmission and material handling products and systems and industrial spare parts. As such the trading nature or operations of these companies does not linked directly to seasonality or cyclicity.

A4 Unusual nature and amount of items affecting assets, liabilities, equity, net income and cash flows

There were no unusual nature and amount of items, which affected the assets, liabilities, equity, net income and cash flows of the Group during the quarter under review.

A5 Material changes in estimates of amounts reported in prior periods in current financial year or prior financial years which have material effect in the current interim period

There were no material changes in estimates during the quarter under review.

A6 Debts and equity securities

There were no new debts and equity securities issued during the quarter.

A7 Dividends

There were no dividends paid during the quarter under review other than those disclosed in note B12.

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

A Notes to Interim Financial Report on Consolidated Results For the Year Ended 30 September 2016

A8 Segmental reporting

The segmental analysis for the Group for the financial year ended September 30, 2016 are as follows:

	WEST MALAYSIA				EAST MALAYSIA	SINGAPORE	TOTAL
	Northern RM'000	Southern RM'000	Eastern RM'000	Central RM'000	Sarawak RM'000	RM'000	RM'000
Segment Revenue	3,926	6,848	5,342	85,964	7,210	5,835	115,125
Elimination							(18,941)
Consolidated Revenue							<u>96,184</u>
Profit before Taxation and Minority Interest	2,372	708	405	15,526	738	(825)	18,924
Elimination							(7,711)
Share of profit Of associated Companies							471
							<u><u>11,684</u></u>

A9 Material events subsequent to the end of the interim period

On 11 January 2016, 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 General Meeting held on 26 February 2016.

A10 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.

B1. Review of performance

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

	For the cumulative 12 months ended 30.9.2016 RM'000	For the cumulative 12 months ended 30.9.2015 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	3,926	3,192	734	22.99
Southern	6,848	6,935	(87)	(1.25)
Eastern	5,342	5,646	(304)	(5.38)
Central	67,023	45,448	21,575	47.47
East Malaysia				
Sarawak	7,210	7,079	131	1.85
Oversea				
Singapore	5,835	6,661	(826)	(12.40)
	<u>96,184</u>	<u>74,961</u>	<u>21,223</u>	<u>28.31</u>

The main reason for the increase in Group's revenue was mainly due to the award to and completion of a special project by the company amounting to RM18,558,198 for the year ended 30.9.2016.

The profit before tax has decreased by 35.40% to RM11,684,000 as compared to RM18,087,000 in the corresponding year ended 30/9/2015. This decrease was mainly due to gain on sale of fixed assets of RM8,808,000 (of which RM8,692,000 arises from sale of property) for year ended 30.9.2015 as compared to RM275,000 for current year ended 30.9.2016 and gain in fair value of investment properties of RM4,120,000 as compared to RM400,000 for year ended 30.9.2016.

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

	For the quarter ended 30.9.2016 RM'000	For the quarter ended 30.9.2015 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	840	796	44	5.53
Southern	1,745	1,586	159	10.03
Eastern	970	1,218	(248)	(20.36)
Central	15,860	11,346	4,514	39.78
East Malaysia				
Sarawak	1,832	1,390	442	31.80
Oversea				
Singapore	<u>1,642</u>	<u>1,719</u>	<u>(77)</u>	<u>(4.48)</u>
	<u>22,889</u>	<u>18,055</u>	<u>4,834</u>	<u>26.77</u>

For the quarter under review, the profit before taxation decreased by 4.05% to RM2,607,000 from RM2,717,000 for the corresponding period ended 30/9/2015. This decrease was mainly due to decrease in other income arising mainly from gain in fair value of investment properties of RM400,000 for the current quarter ended 30.9.2016 as compared to RM4,120,000 for previous quarter ended 30.9.2015.

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)	
	30.9.2016	30.6.2016	RM'000	%
	RM'000	RM'000		
Revenue by segment				
West Malaysia-Region				
Northern	840	1,122	(282)	(25.13)
Southern	1,745	1,659	86	5.18
Eastern	970	1,535	(565)	(36.81)
Central	15,860	22,891	(7,031)	(30.72)
East Malaysia				
Sarawak	1,832	1,664	168	10.10
Oversea				
Singapore	1,642	1,445	197	13.63
	<u>22,889</u>	<u>30,316</u>	<u>(7,427)</u>	<u>(24.50)</u>
Profit before tax	<u>2,607</u>	<u>4,326</u>	<u>(2,747)</u>	<u>(39.74)</u>

The overall decrease in profit before taxation of 39.74% to RM2,607,000 from RM4,326,000 was mainly due to decrease in turnover.

B3. Current financial year's prospects

During the fourth quarter of 2016 under review, the global economy was performing short of expectations, with the IMF revising its forecast for global growth projection to 3.1% for the whole of 2016.

Growth prospects for the global economy will be uncertain due to various issues shaping the global landscape such as the US Presidential election, the BREXIT spillover effects, lower crude oil prices, continuing slowdown of major advance economies such as the US and Eurozone countries.

The Asian and ASEAN economies are not expected to perform robustly, underpinned by the rebalancing of the Chinese economy, a stuttering Japanese economic growth thereby generating weak demand for the resource commodities and manufactured goods of the ASEAN nations.

The performance of the Malaysian economy for the near future is not expected to be overly optimistic pending factors such as recovery of crude oil prices, rising demand for our resource commodities such as palm oil rubber and timber as well as electronic and electrical goods. The local economy continue to face uncertainty due to rising prices and weak demand for consumer goods and services

Against this backdrop, the Malaysian economy expanded by 4.0% during the second quarter of 2016. This growth was attributed by the expansion of the domestic economy despite the lackluster performance of the export driven economic sectors.

The domestic economy will be driven by continuation of major implemented infrastructural projects and the services sectors through household spending as well as improved exports of electronic and electrical manufactured goods. The prospects of stimulus measures to be taken by the impending budget for 2017 will be factors for companies planning for 2017.

On balance, the Malaysian economy for the year 2016 is expected to grow at 4.0%-4.5% with challenging domestic as well as global economic and geopolitical conditions ahead for 2017.

Cognizant of the risks factors ahead, the Board continues to be cautiously confident of steering the Group to a profitable outcome for the months ahead.

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	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current Malaysian Tax	(407)	48	(3,271)	(2,102)
(Under)/overprovision in prior years	(39)	120	(39)	120
Real Property Tax	(118)	0	(118)	0
	<u>(564)</u>	<u>168</u>	<u>(3,428)</u>	<u>(1,982)</u>
Deferred taxation	97	(23)	52	(62)
	<u>(467)</u>	<u>145</u>	<u>(3,376)</u>	<u>(2,044)</u>
	=====	=====	=====	=====

The effective tax rates for the current period ended 30 September 2016 and 2015 were 28.79% and 36.65% 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	
30.9.2016	30.9.2015	30.9.2016	30.9.2015
(RM'000)	(RM'000)	(RM'000)	(RM'000)

Interest income	(20)	(73)	(170)	(182)
Other income including investment				
Income	(775)	(4,548)	(2,381)	(5,829)
(Gain)/Loss on disposal of property, plant and equipment	0	(67)	(275)	(8,808)
Interest expense	6	(29)	7	23
Depreciation and amortization	795	546	2,096	2,036
Foreign exchange (gain)/loss	53	561	297	511

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 ended 30 September 2016.

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:

	30.9.2016 RM'000	30.9.2015 RM'000
Available-for-sale financial assets:		
Unquoted shares at cost	50	50
Wholesale Funds	12,132	11,411
	<u>12,182</u>	<u>11,461</u>
	=====	=====

B8. Status of corporate proposals

To date, there are no corporate proposals announcement.

B9. Group borrowings and debt securities

The Group's borrowings as at 30 September 2016 are as follows:

	30.9.2016		30.9.2015	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Long term loan	0	0	0	0
Hire purchase creditors	0	0	8	0
	<u>0</u>	<u>0</u>	<u>8</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	0	0
Hire purchase creditors	8	0	25	0
Bank overdraft	0	0	0	0
	<u>8</u>	<u>0</u>	<u>25</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

	30.9.2016 RM'000	30.9.2015 RM'000
	_____	_____
Proposed:		
Single tier Final dividend of 6% & Single tier Special dividend of 4%	4,069	
(2015: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 30.9.2015 was paid on 25.3.2016.

At the forthcoming Annual General Meeting, a single tier final dividend of 6% amounting to RM2,441,000 and a special dividend of 4% amounting to RM1,627,000 for the financial year ended 30.9.2016 will be proposed for 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	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to Ordinary shareholders	2,131	2,850	8,257	16,000
Weighted average Number of shares In issued.	40,690	40,690	40,690	40,690

Basic earnings per				
Ordinary share(sen)	5.24	7.00	20.29	39.32
Diluted earnings per share (sen)	5.24	7.00	20.29	39.32

B14. Realised and unrealised profits

	As at 30/9/2016 (RM '000)	As at 30/9/2015 (RM '000)
Total retained profits of the Group:		
Realised	93,948	91,413
Unrealised	15,279	14,816
	109,227	106,229
Total share of retained profits from associated companies:		
Realised	12,473	11,376
Unrealised	6	6
	12,479	11,382
	121,706	117,611
Add: Consolidation adjustments	(9,098)	(9,191)
Total Group retained profits	112,608	108,420