

**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 2020**  
(unaudited)

Note	3 month period ended 30 September			12 month period ended 30 September	
	2020 RM'000	2020 RM'000	(restated) 2019 RM'000	2020 RM'000	(restated) 2019 RM'000
	Current quarter	Previous Quarter ended 30.6.2020	Current quarter	12 months cumulative to date	12 months cumulative to date
<b>Revenue</b>	14,874	9,590	16,460	56,788	68,007
Cost of sales	(9,349)	(6,991)	(10,073)	(36,645)	(42,405)
Gross profit	5,525	2,599	6,387	20,143	25,602
Operating expenses	(4,785)	(4,919)	(7,081)	(20,418)	(25,179)
Other operating income	(516)	753	1,704	1,596	3,050
<b>Operating profit</b>	224	(1,567)	1,010	1,321	3,473
Financing costs	-	-	-	-	-
Interest income	22	15	31	88	136
Share of profit of associates	314	(80)	371	541	672
<b>Profit before taxation</b>	560	(1,632)	1,412	1,950	4,281
Tax expense	<b>B5, B1f</b> (360)	427	(884)	(567)	(2,139)
<b>Profit for the period</b>	<b>B15</b> 200	(1,205)	528	1,383	2,142
Other comprehensive income net of tax	997	(524)	1,022	34	519
<b>Total comprehensive income for the year</b>	<b>1,197</b>	<b>(1,729)</b>	<b>1,550</b>	<b>1,417</b>	<b>2,661</b>
<b>Profit attributable to:</b>					
Owners of the Parent	192	(1,214)	525	1,362	2,126
Non-controlling interest	8	9	3	21	16
	200	(1,205)	528	1,383	2,142
<b>Total comprehensive income attributable to:</b>					
Owners of the Parent	1,189	(1,738)	1,547	1,396	2,645
Non-controlling interest	8	9	3	21	16
	1,197	(1,729)	1,550	1,417	2,661
Basic earnings per ordinary share (sen)	<b>B13</b> 0.47	(2.98)	1.29	3.35	5.22
Diluted earnings per ordinary share (sen)	0.47	(2.98)	1.29	3.35	5.22

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 September 2019 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Report**  
**UMS Holdings Berhad**  
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**Condensed Consolidated Statement of Financial Position as at 30 September 2020**  
(unaudited)

	<b>As at 30 September 2020</b>	<b>(Restated) As at 30 September 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	34,248	35,571
Prepaid lease payments	4,645	4,677
Investment Property	18,554	29,584
Investments in associates	12,545	12,653
Other investments	9,435	14,089
Goodwill on consolidation	1,046	1,046
	<u>80,473</u>	<u>97,620</u>
<b>Current assets</b>		
Inventories	30,884	34,191
Trade and other receivables	17,131	19,408
Tax recoverable	-	-
Fixed deposits with licensed bank	1,834	1,825
Cash & cash equivalents	21,493	14,796
	<u>71,342</u>	<u>70,220</u>
Non current assets held for sales	<u>10,500</u>	<u>-</u>
<b>Total assets</b>	<u>162,315</u>	<u>167,840</u>
<b>Equity</b>		
Share capital	42,654	42,654
Reserves <b>B15</b>	116,450	119,123
	<u>159,104</u>	<u>161,777</u>
Total equity attributable to the shareholders of the Company	159,104	161,777
Minority interest	751	780
Total equity	<u>159,855</u>	<u>162,557</u>
<b>Non-current liabilities</b>		
Borrowings <b>B9</b>	-	-
Deferred tax liabilities <b>B15</b>	2,110	2,328
	<u>2,110</u>	<u>2,328</u>
<b>Current liabilities</b>		
Trade and other payables	4,507	6,616
Dividend payable	-	-
Borrowings <b>B9</b>	-	-
Taxation	(4,157)	(3,661)
	<u>350</u>	<u>2,955</u>
<b>Total equity and liabilities</b>	<u>162,315</u>	<u>167,840</u>
Net assets per share (RM)	3.91	3.98

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 September 2019 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 2020**  
(unaudited)

	Attributable to owners of the Parent						Non-controlling interest	Total
	Share capital	Revaluation reserve-non distributable	Exchange translation reserve-non distributable	Fair value adjustment reserve-non distributable	Retained profits-distributable	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2018 as previously reported	42,654	3,528	1,112	827	115,269	163,390	816	164,206
Adjustment from adoption of MFRS 9					(189)	(189)	(2)	(191)
	42,654	3,528	1,112	827	115,080	163,201	814	164,015
Profit for the period	-	-	-	-	3,015	3,015	16	3,031
B15	-	-	-	-	(889)	(889)	-	(889)
	-	-	-	-	2,126	2,126	16	2,142
Other comprehensive income								
Fair value change in available -for-sale financial assets	-	-	-	511	-	511	-	511
Exchange translation differences	-	-	8	-	-	8	-	8
Total other comprehensive income	-	-	8	511	-	519	-	519
Total comprehensive income	-	-	8	511	2,126	2,645	16	2,661
Transactions with owners								
Dividend for year ended 30 September 2018	-	-	-	-	(4,069)	(4,069)	(50)	(4,119)
Total transactions with owners	-	-	-	-	(4,069)	(4,069)	(50)	(4,119)
<b>At 30 September 2019</b>	<b>42,654</b>	<b>3,528</b>	<b>1,120</b>	<b>1,338</b>	<b>113,137</b>	<b>161,777</b>	<b>780</b>	<b>162,557</b>
At 1 October 2019 as previously reported	42,654	3,528	1,120	1,338	114,026	162,666	780	163,446
Prior year adjustments					(889)	(889)	-	(889)
B15	42,654	3,528	1,120	1,338	113,137	161,777	780	162,557
Profit for the year	-	-	-	-	1,362	1,362	21	1,383
Other comprehensive income								
Fair value change in available -for-sale financial assets	-	-	-	12	-	12	-	12
Transfer fair value reserve of financial assets designated at fair value through other comprehensive income	-	-	-	(479)	479	-	-	-
Exchange translation differences	-	-	22	-	-	22	-	22
Surplus on revaluation	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	22	(467)	479	34	-	34
Total comprehensive income	-	-	22	(467)	1,841	1,396	21	1,417
Transactions with owners								
Dividend for year ended 30 September 2019	-	-	-	-	(4,069)	(4,069)	(50)	(4,119)
Total transactions with owners	-	-	-	-	(4,069)	(4,069)	(50)	(4,119)
<b>At 30 September 2020</b>	<b>42,654</b>	<b>3,528</b>	<b>1,142</b>	<b>871</b>	<b>110,909</b>	<b>159,104</b>	<b>751</b>	<b>159,855</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 September 2019 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 2020**  
(unaudited)

	For the 12 month period ended 30 September 2020 RM'000	For the 12 month period ended 30 September 2019 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	1,950	4,281
<b>Adjustment for non-cash items:</b>		
- Non-cash items and non-operating items	2,184	326
<b>Operating profit before changes in working capital</b>	4,134	4,607
<b>Changes in working capital:</b>		
- Inventories	3,307	(526)
- Trade and other receivables	2,277	4,306
- Trade and other payables	(2,109)	(1,830)
<b>Cash generated from operations</b>	7,609	6,557
- Income taxes paid	(1,281)	(3,826)
- Income taxes refund	-	23
- Interest paid	-	-
- Interest received	88	136
<b>Net cash flow generated from operating activities</b>	6,416	2,890
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(790)	(2,579)
Proceeds from disposal of property, plant and equipment	47	208
Proceeds from disposal of other investment	4,998	-
Purchase of other investment	(558)	(523)
Purchase of prepaid land lease	-	-
Dividend received	558	739
<b>Net decrease in cash flow used in investing activities</b>	4,255	(2,155)
<b>Cash flows from financing activity</b>		
Repayment of hire purchase liabilities	-	-
Bills payable & banker acceptance	-	-
Dividend paid	(4,069)	(4,069)
Dividend paid non controlling interest	(50)	(50)
Repayment of term loan	-	-
<b>Net cash flow used in financing activities</b>	(4,119)	(4,119)
Net increase/(decrease) in cash and cash equivalents	6,552	(3,384)
<b>Cash and cash equivalents at beginning of year</b>	16,621	20,002
<b>Effects of changes in exchange rate</b>	154	3
<b>Cash and cash equivalents at 30 September</b>	23,327	16,621

Cash and cash equivalents comprise the following balance sheet amounts:

Cash and bank balances	21,493	14,796
Fixed deposit	1,834	1,825
	23,327	16,621

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 September 2019 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 2020**

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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 2019.

On 1 October 2019, the Company adopted the following Amendments to published standards mandatory for annual financial periods beginning on or after 1 October 2019:

**Standards/Amendments**

MFRS 16 – Leases

IC Interpretation 23 – Uncertainty over Income Tax Treatments

Amendments to MFRS 9 – Prepayment Features with Negative Compensation

Annual Improvements to MFRS Standards 2015 – 2018 Cycle:

- Amendments to MFRS 3 – Business Combinations
- Amendments to MFRS 112 – Income Taxes
- Amendments to MFRS 128 – Long Term Interest in Associates and Joint Ventures

Amendments to MFRS 119 – Plan Amendment, Curtailment or Settlement

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

The auditors' report on the financial statements for the year ended 30 September 2019 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.



**A Notes to Interim Financial Report on Consolidated Results For the Year Ended 30 September 2020**

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**A9 Significant events during the interim period**

On 18 August 2020, UMS Corporation Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a Sale and Purchase Agreement with Adabi Consumer Industries Sdn Bhd to dispose of all that piece of freehold land measuring approximately 6,750 sq. meters in area held under Geran 205525, Lot No. 18990, Seksyen 20, Bandar Rawang, District of Gombak, State of Selangor with the postal address of Lot 18, Lingkaran Taman Industri Integrasi Rawang 2, Taman Industri Integrasi Rawang, 48000 Rawang Selangor together with a single-storey detached factory with an annexed double-storey office building and with outbuilding inclusive of a guard house and a pump house for a cash consideration of RM14.25 million. This property been reclassified as non-current assets held for sale.

**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.

## Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement

### B1. Financial review for current quarter and financial year to date

The financial review of the group for current quarter and financial year to date is tabled below:-

	Individual Period (4th quarter)(RM'000)		Changes (Amount(RM'000)/%)	Cumulative Period(RM'000)		Changes (RM'000/%)
	Current Year Quarter	Preceding Corresponding Quarter (Restate)		Current Year To- date	Preceding Year Corresponding Period (restate)	
	30/9/2020	30/9/2019		30/9/2020	30/9/2019	
Revenue	14,874	16,460	(1,586)/(9.64)	56,788	68,007	(11,219)/(16.50)
Operating Profit	224	1,010	(786)/(77.82)	1,321	3,473	(2,152)/(61.96)
Profit Before Interest and Tax	538	1,381	(843)/(61.04)	1,862	4,145	(2,283)/(55.08)
Profit Before Tax	560	1,412	(852)/(60.34)	1,950	4,281	(2,331)/(54.45)
Profit After Tax	200	528	(328)/(62.12)	1,383	2,142	(759)/(35.43)
Profit Attributable to Ordinary Equity Holders of the Parent	192	525	(333)/(63.43)	1,362	2,126	(764)/(35.94)

a) The group's performance for the year-to-date 30 September 2020 against the corresponding year-to-date 30 September 2019 is as follows:

The revenue for the group has decreased by RM11,219,000 or 16.50% to RM56,788,000 from RM68,007,000 mainly due to the slowdown in the world economy and the negative economic impact of the MCOs implementation by the government to mitigate the Covid 19 pandemic since 18.3.2020.

The profit before tax has decrease by RM2,331,000 or 54.45% to RM1,950,000 from RM4,281,000 mainly due to decreased in revenue.

The group's revenue by segment is as follows:-

	For the cumulative 12 months ended 30.9.2020 RM'000	For the cumulative 12 months ended 30.9.2019 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	4,509	6,156	(1,647)	(26.75)
Eastern	4,710	6,525	(1,815)	(27.82)
Central	36,496	44,932	(8,436)	(18.78)



## Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement

### East Malaysia

Sarawak	6,183	6,688	(505)	(7.55)
Overseas				
Singapore	4,890	3,706	1,184	31.95
	<u>56,788</u>	<u>68,007</u>	<u>(11,219)</u>	<u>(16.50)</u>

The main decrease in revenue by segment is from the Central Region with reasons as mentioned above.

b)The group’s performance for the quarter under review against the corresponding quarter of the previous financial period is tabled below:-

Revenue by segment	For the quarter Ended 30.9.2020	For the quarter Ended 30.9.2019	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
West Malaysia-Region				
Northern	0	0	0	0
Southern	1,167	1,679	(512)	(30.49)
Eastern	1,354	1,980	(626)	(31.62)
Central	9,811	9,925	(114)	(1.15)
East Malaysia				
Sarawak	2,040	1,507	533	35.37
Singapore	502	1,369	(867)	(63.33)
	<u>14,874</u>	<u>16,460</u>	<u>(1,586)</u>	<u>(9.64)</u>

The revenue for the group has decreased from RM16,460,000 to RM14,849,000, a drop of RM1,586,000 or 9.64% mainly due to the slowdown on world economy and the negative impact of the MCOs implementation by the government due to Covid 19 since 18.3.2020.

The profit before tax has decrease by RM852,000 or 60.34% to RM560,000 from RM1,412,000 mainly due to the decrease in revenue.

## Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement

### B2. Financial review for current quarter compared with immediate preceding quarter

The financial review for the current quarter compared with immediate preceding quarter is tabled as below:-

	Current Quarter 30/9/2020 (RM'000)	Immediate Preceding Quarter 30/6/2020(RM'000)	Changes (RM'000 / %)
Revenue	14,874	9,590	5,284/55.10
Operating Profit/(Loss)	224	(1,567)	1,791 /114.29
Profit/(Loss) Before Interest and Tax	538	(1,647)	2,185 /132.67
Profit/(Loss) Before Tax	560	(1,632)	2,192/134.31
Profit/(Loss) After Tax	200	(1,205)	1,405/116.60
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	192	(1,214)	1,406/115.82

c)The group’s performance for the quarter under review against the preceding quarter of the year is as follows:-

The revenue for the group has increased by RM5,284,000 or 55.10% to RM14,877,000 from RM9,590,000 mainly due to no business activities were carried out from 18.3.2020 to 3.5.2020 due to the total lockdown of the MCOs implementation by the government due to Covid 19 thereby affecting the revenue of the preceding quarter from 1.3.2020 to 30.6.2020.

The profit before tax has increased by RM2,192,000 or 134.31% to RM560,000.00 from -RM1,632,000 mainly due the increased in revenue,

The group’s revenue by segment is as follows:-

	3 months ended 30.9.2020	3 months ended 30.6.2020	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	1,167	812	355	43.72
Eastern	1,354	956	398	41.63
East Malaysia				
Central	9,811	5,947	3,864	64.97
Sarawak	2,040	1,236	804	65.05
Oversea				
Singapore	502	639	(137)	(21.44)
	<u>14,874</u>	<u>9,590</u>	<u>5,284</u>	<u>55.10</u>

The main increase in revenue by segment are from the Central region as mentioned above.

### B3. Current financial year’s prospects

The IMF in their October 2020 World Economic Outlook (WEO), commented that the global economy will be facing a long, uncertain and uneven recovery within the near term. The COVID-19 pandemic remain unabated and had already claimed over a million lives globally. Towards the end of the first half of 2020, the easing of lockdowns and the implementation of policy support at an unprecedented scale by the central banks and government of the world, has managed to claw back the global economy from the brink of collapse.

## **Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement**

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The IMF commented that the COVID-19 pandemic is an unprecedented crisis, the worst since the Great Depression of the 1930s and every government must adopt innovative and policy initiatives at both the national and international levels to overcome this calamity. In its latest World Economic Outlook (WEO) the IMF forecast a deep global recession with a negative growth of 4.4% for 2020 with recovery to a positive 5.2% in 2021.

With the exception of China, output in both the advanced economies and the emerging market and developing economies are projected to remain below 2019 levels in 2020 and even possibly for 2021.

For 2020, the GDP of US is anticipated to shrink by 4.3% (2019:2.2%) owing to lethargic private consumption and weak external demand. The federal deficit continued to deteriorate due to spending for the stimulus packages and the presidential election in November. Exports are dwindling amidst the ongoing trade war exacerbated further by the COVID-19 pandemic.

Growth in the Euro Area is projected to shrink by 8.3% in 2020(2019:1.3%) mainly affected by weak household consumption and business investment. Uncertainties in employment and income prospects negatively drive consumer sentiments as a result of closure of shops, restaurants and other related consumer services during the lockdown period from March to June 2020. It is hopeful that in 2021, the Euro area GDP will recover to 5.2% as estimated by IMF in Oct 2020.

Countries that are reliant on contact-intensive services for example tourism and oil exporters will encounter slower and weaker recoveries compared to manufacturing-led economies going forward.

The IMF forecast for the economic growth of the advanced economies for 2020 is -5.8% followed by a rebound of 3.9% in 2021. The growth of the emerging market and developing economies (excluding China) is downgraded to -5.7% in 2020 and a recovery to 5.0% in 2021.

The Chinese economy will experience a positive growth of 1.9% for the year 2020 and 8.2% for 2021 being attributable to effective containment measures that led to an earlier reactivation of its economic engine and subsequent recovery of its manufacturing sectors after its lockdown in early 2020.

Regionally, the economic growth of the ASEAN-5 group (Indonesia, Malaysia, Philippines, Thailand and Vietnam) is expected to be -3.4% in 2020 and is anticipated to rebound to 6.2% in 2021.

Meanwhile, the IMF revised its Malaysia 2020 GDP forecast to -6.0% year on year from its previous estimate of -3.8%. The Malaysia GDP is expected to recover to 7.8% in 2021 underpinned by strong economic fundamentals and a diversified economy. This recovery in 2021 is premised upon an effective containment of the COVID-19 pandemic and a sustained recovery of external demand.

Consequently, the highly open economy of Malaysia is not spared and its GDP will be adversely impacted to an estimated negative growth of -6% for the year 2020.

Towards the end of the period spanning Mar 2020 to October 2020, the COVID-19 pandemic has evolved into its third wave upon the onset of the cold season in the Northern Hemisphere. As a result rapid increasing daily infections are afflicting these countries.

Beginning from the onset of this pandemic between March 2020 to October 2020, the Malaysian government has embarked on a three prong strategy to safeguard lives and livelihood, support businesses and strengthen the economy. As an immediate measure, various iterations of Movement Control Order (MCO) were implemented since Mar 2020 to curb transmission of COVID-19 virus, flatten the infection curve and save lives. Underlying the strategy of saving jobs and the economy, a slew of economic stimulus packages (comprising fiscal and non-fiscal measures) totaling RM305 billion was unveiled within this period.

These stimulus packages were the Economic Stimulus Package Prihatin Rakyat (PRIHATIN) totaling RM250 billion announced in March 2020; followed by PRIHATIN SME+ (RM10 billion) in April; a Short-Term Economic Recovery Plan (PENJANA)(RM35 billion) in June; and lastly an additional PRIHATIN Supplementary Initiative Package (KITA PRIHATIN) (RM10 billion) in September 2020.

These packages were designed to support the objectives underlying the government three prong strategy to weather through this pandemic and its economic ramifications for 2020.

The PRIHATIN financial packages were designed to address and ease the cash flow burden of the people and businesses. These include employment retention support, moratorium or restructuring of loan repayments as well as provision of credit

## Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement

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facilities. Allocations were also provided for wage subsidy, special grants to micro-companies and assistance to lower and middle income households and individuals under the KITA PRIHATIN package.

The PRIHATIN SME+ was created to provide a lifeline to SMEs to ensure their survival and viability.

Funds from this package were also used to procure more medical equipment, enhance testing capacity and developing software applications for contact tracing.

In order to allow the reopening of the economy and businesses to resume their operations, the PENJANA (Short Term Economic Recovery Plan) was utilized to help the economy to operate in the new normal era

Going forward to 2021, a new Malaysian Budget 2021 was tabled on 6<sup>th</sup> November 2020 to address the economic challenges confronting the nation ahead. An unprecedented budget allocation of RM322.5 billion was set aside to comprehensively enhance the amount for the existing iterations of COVID-19 mitigation programs such as the PRIHATIN and PENJANA initiatives and to drive the economy in a new paradigm and post pandemic era. Funds for infrastructural developments were also provided for projects such as the Pan Borneo Highway, continuation of the High Speed Rail in Klang Valley. Other major projects within the regional economic corridors such as the Rapid Transit System from Johor Bahru to Woodlands Singapore, MRT 3 in Klang Valley, and Gemas Johor Bahru electrified double tracking rail projects to name a few were also allocated for. Various incentives to rejuvenate the manufacturing and small and medium industries will be provided in the form of special tax rates like relocation of manufacturing operations to Malaysia, and support of domestic supply chain development. Funds for the maritime development schemes, logistics, sustainable development financing schemes, tourism infrastructure schemes, and public transport funds will be extended to Dec 31 2023 with additional funds provided for in this budget.

The new budget will be an enormous economic stimulus initiative to enable Malaysia to weather the anticipated challenges ahead. This budget will ensure Malaysia achieve a positive growth in 2021 as well as balance our healthcare capacity needs and build better resilience for the future in the post pandemic world.

In addition, this Budget will introduce policies for new growth opportunities arising from the new normal environment such as healthcare, digitization of businesses, education and society at large.

With the COVID-19 pandemic riding on its third wave across the western and emerging economies, the outlook for fourth quarter of 2020 remains uncertain.

In Malaysia, the third wave of COVID-19 outbreak erupted on 13 October in Sabah and on 14<sup>th</sup> October in Selangor, Federal Territories of Kuala Lumpur and Putrajaya and 17 October in Labuan. To re-flatten the curve a 14 day CMCO was re-imposed on these affected areas.

The global socio-economic impact of the pandemic is expected to prevail in 2021 and probably up to early 2022 until a clinically approved vaccine can be found.

The major risks to a possible stabilization of the world economy in last quarter 2020 and 2021 going forward are listed below.

- No improvement in the reduction of infections in major advanced economies, especially in the USA.
- The current third wave of infections seems aggressive and shows no signs of slowing down.
- There is no clinically approved, affordable vaccine available in the immediate future.
- Uncertainties surrounding Brexit and a successful negotiation of trade agreement between the UK and the EU.
- Any unexpected global climatic changes leading to major natural disasters.
- Increased geopolitical tensions between the US-led group of allies and China in the trade, technology and ideology leading to a new cold war and the decoupling of global supply chains.
- The jostling for geopolitical and strategic advantages between the world 2 biggest economies in the Indian Ocean, South China Sea, Pacific Ocean and the Taiwan issue potentially erupting into a military conflict.
- Low oil prices of USD35 per barrel will be detrimental to the recovery of oil producing nations and the global economy.
- Continuation of low prices and weak demand for Malaysian crude palm oil and other resource based commodities.
- Failure of business organizations to change and re-strategize their business model to respond to challenges arising from the new normal era.

Meanwhile the Group and its Board must stay alert and remain vigilant to respond proactively to any developments that may inflict systemic risks to the group and affecting its viability.

The business environment in the fourth quarter 2020 and 2021 going forward remains challenging, uncertain and unpredictable. Meanwhile, keeping a healthy balance sheet is a priority to insulate the Group in these turbulent times. The group should constantly look for new opportunities, stay focused to increase productivity and trim unnecessary expenditure.

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

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

## Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement

### B5. Taxation

Taxation consists of the following :

	Individual quarter		Accumulated quarter	
	2020	2019 (restate)	2020	2019 (restate)
	RM'000	RM'000	RM'000	RM'000
Current Malaysian Tax	(345)	212	(677)	(1,155)
(Under)/overprovision in prior years	(108)	(157)	(108)	(157)
	<u>(453)</u>	<u>55</u>	<u>(707)</u>	<u>(1,312)</u>
Deferred taxation	93	(939)	218	(827)
	<u>(360)</u>	<u>(884)</u>	<u>(567)</u>	<u>(2,139)</u>
	=====	=====	=====	=====

The current tax rates for the current year ended 30 September 2020 and 2019 were 24% and 24%.

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

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

	3 months ended		Cumulative months ended	
	30.9.2020	30.9.2019	30.9.2020	30.9.2019
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	(22)	(31)	(88)	(136)
Other income including investment				
Income	514	(1,654)	(1,576)	(2,962)
Gain on disposal of property, plant				
and equipment	(2)	(50)	(20)	(88)
Interest expense	0	0	0	0
Depreciation and amortization	361	737	1,891	2,221
Foreign exchange (gain)/loss	110	(14)	51	59
Loss on disposal of Wholesale				
Funds	225	-	225	-

Other than the above, there were no gain or loss on disposal of unquoted investments and derivatives and exceptional items included in the results for the current year ended 30 September 2020.

### 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:

	30.9.2020	30.9.2019
	RM'000	RM'000
Financial assets at fair value through profit and loss (FVTPL)		
Unquoted shares at cost	50	50

Financial assets at fair value through

**Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement**

other comprehensive income(FVTPL)		
Wholesale Funds	9,385	14,039
	<u>9,435</u>	<u>14,089</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 2020 are as follows:

	30.9.2020		30.9.2019	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Long term loan	0	0	0	0
Hire purchase creditors	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</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 payables	0	0	0	0
Bank overdraft	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	=====	=====	=====	=====

There is no material changes to the Group’s borrowings as at the current year-to-date at 30.9.2020 as compared with the corresponding period in the immediate preceding year as at 30 June 2020 as tabled below:-

	As at 4 <sup>th</sup> quarter ended 2020					
	Long Term		Short Term		Total borrowings	
	S\$'000 denomination	RM'000 denomination	S\$'000 denomination	RM'000 denomination	S\$'000 denomination	RM'000 denomination
<b>Secured</b>	0	0	0	0	0	0
<b>Unsecured</b>	0	0	0	0	0	0
	As at 3 <sup>rd</sup> quarter ended 2020					
	Long Term		Short Term		Total borrowings	

**Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement**

	S\$'000 denomination	RM'000 denomination	S\$'000 denomination	RM'000 denomination	S\$'000 denomination	RM'000 denomination
<b>Secured</b>	0	0	0	0	0	0
<b>Unsecured</b>	0	0	0	0	0	0

**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**

	30.9.2020 RM'000	30.9.2019 RM'000
Proposed:		
Single tier Final dividend of 6 sen & Single tier Special dividend of 4 sen	0	0

A single tier final dividend of 6 sen amounting to RM2,441,000 and a special dividend of 4 sen amounting to RM1,627,000 for the financial year ended 30.9.2019 was paid on 27.3.2020.

At the forthcoming Annual General Meeting, a single tier final dividend of 6 sen amounting to RM2,441,000 for the financial year ended 30.9.2020 will be proposed for shareholders approval.

**B13 Trade and other receivables**

	30.9.2020	30.9.2019
	RM'000	RM'000
Trade receivables	16,649	18,852
Loss allowance	(529)	(524)
	<u>16,120</u>	<u>18,328</u>
Other receivables, deposit & prepayment	1,011	1,080
	<u>17,131</u>	<u>19,408</u>

Trade receivables are non-interest bearing and generally are on 30 to 120 days for current period and previous year.

## Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement

The Group’s trade receivables loss allowance at the reporting date and the movement of loss allowance is as follows:

	Group	
	30.9.2020 RM'000	30.9.2019 RM'000
Opening loss allowance as at 30 September 2018-MFRS 139	0	510
Amount restated through opening retained profits	0	191
Opening loss allowance as at 1 October 2019/ 2018-MFRS 9	524	701
Provided during the period/year	358	204
Reversal	(353)	(381)
Closing loss allowance	529	524

Loss allowance provided individually on trade receivables at the reporting date relates to those that are in significant financial difficulties and have defaulted on payments.

### B14. 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	
	(restate)		(restate)	
	30.9.2020	30.9.2019	30.9.2020	30.9.2019
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to Ordinary shareholders	192	525	1,362	2,126
Weighted average Number of shares In issued.	40,690	40,690	40,690	40,690
Basic earnings per Ordinary share(sen)	0.47	1.29	3.35	5.22
Diluted earnings per share (sen)	0.47	1.29	3.35	5.22



## Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirement

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### B15. Prior year adjustment

Prior year adjustments arise from changes in tax rate on deferred tax liability in relation to investment properties.

STATEMENT OF COMPREHENSIVE INCOME	1/10/2018 to 30/9/2019 (RM'000)	Adjustments (RM'000)	(Revised) 1/10/2018 to 30/9/2019 (RM'000)
Taxation	(1,250)	(889)	(2,139)
Profit for the period	3,031	(889)	(2,142)

  

STATEMENT OF FINANCIAL POSITION	30 September 2019 (RM'000)	Adjustments (RM'000)	(Revised) 30 September 2019 (RM'000)
Deferred tax liabilities	(1,439)	(889)	(2,328)
Reserves	120,012	(889)	119,123

# **UMS Holdings Berhad**

Company No. 74125 – V  
(Incorporated in Malaysia)

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