

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

Condensed Consolidated Statement of Comprehensive Income for the 3 month period ended 31 December 2020
(unaudited)

Note	3 month period ended 31 December			3 month period ended 31 December	
	2020 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
	Current quarter	Previous Quarter ended 30.9.2020	Current quarter	3 months cumulative to date	3 months cumulative to date
Revenue	18,991	15,400	18,620	18,991	18,620
Cost of sales	(12,394)	(9,822)	(12,714)	(12,394)	(12,714)
Gross profit	6,597	5,578	5,906	6,597	5,906
Operating expenses	(5,139)	(6,099)	(5,295)	(5,139)	(5,295)
Other operating income	324	743	938	324	938
Operating profit	1,782	222	1,549	1,782	1,549
Financing costs	-	-	-	-	-
Interest income	7	22	25	7	25
Share of profit of associates	124	314	104	124	104
Profit before taxation	1,913	558	1,678	1,913	1,678
Tax expense	(476)	(360)	(311)	(476)	(311)
Profit for the period	1,437	198	1,367	1,437	1,367
Other comprehensive income for the period	103	997	(306)	103	(306)
Total comprehensive income for the year	1,540	1,195	1,061	1,540	1,061
Profits attributable to:					
Owners of the Parent	1,426	190	1,363	1,426	1,363
Non-controlling interest	11	8	4	11	4
	1,437	198	1,367	1,437	1,367
Total comprehensive income attributable to:					
Owners of the Parent	1,529	1,187	1,057	1,529	1,057
Non-controlling interest	11	8	4	11	4
	1,540	1,195	1,061	1,540	1,061
Basic earnings per ordinary share (sen)	B14	3.50	0.47	3.35	3.50
Diluted earnings per ordinary share (sen)	B14	3.50	0.47	3.35	3.50

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 September 2020 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 31 December 2020
(unaudited)

	Note	As at 31 December 2020	As at 30 September 2020
		RM'000	RM'000
Non-current assets			
Property, plant and equipment		34,157	34,317
Right-of-use assets		4,574	4,575
Investment Property		18,554	18,554
Investments in associates		16,021	16,114
Other investments		9,159	9,435
Goodwill on consolidation		1,046	1,046
		83,511	84,041
Current assets			
Inventories		30,060	30,884
Trade and other receivables		20,878	18,914
Fixed deposits with licensed bank		5,334	1,834
Cash & cash equivalents		21,858	21,493
		78,130	73,125
Non-current asset held for sale		10,500	10,500
Total assets		172,141	167,666
Equity			
Share capital		42,654	42,654
Reserves		121,546	120,017
Total equity attributable to the owners of the Parent		164,200	162,671
Non-controlling interest		762	751
Total equity		164,962	163,422
Non-current liabilities			
Borrowings	B9	-	-
Deferred tax liabilities		2,056	2,110
		2,056	2,110
Current liabilities			
Trade and other payables		9,104	6,290
Borrowings	B9	-	-
Taxation		(3,981)	(4,156)
		5,123	2,134
Total equity and liabilities		172,141	167,666
Net assets per share attributable to ordinary owners of tr		4.04	4.00

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 September 2020 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 3 month ended 31 December 2020
(unaudited)

	Attributable to owners of the Parent					Total RM'000	Non-controlling interest RM'000	Total RM'000
	Share capital 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			
Balance At 1 October 2019 as previously reported	42,654	890	1,120	1,338	116,664	162,666	780	163,446
Prior year adjustments								
-Share of profits of associate companies	-	-	-	-	3,569	3,569	-	3,569
-Deferred taxation	-	-	-	-	(889)	(889)	-	(889)
	42,654	890	1,120	1,338	119,344	165,346	780	166,126
Profit for the year	-	-	-	-	1,360	1,360	21	1,381
Other comprehensive income								
Fair value change in available -for-sale financial assets	-	-	-	12	-	12	-	12
Exchange translation differences	-	-	22	-	-	22	-	22
Total other comprehensive income	-	-	22	12	-	34	-	34
Total comprehensive income	-	-	22	12	1,360	1,394	21	1,415
Transfer fair value adjustment reserve of financial assets designated at fair value through other comprehensive income	-	-	-	(479)	479	-	-	-
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)
At 30 September 2020	<u>42,654</u>	<u>890</u>	<u>1,142</u>	<u>871</u>	<u>117,114</u>	<u>162,671</u>	<u>751</u>	<u>163,422</u>
At 1 October 2020	42,654	890	1,142	871	117,114	162,671	751	163,422
Profit for the period	-	-	-	-	1,426	1,426	11	1,437
Other comprehensive income								
Fair value change in available -for-sale financial assets	-	-	-	(276)	-	(276)	-	(276)
Exchange translation differences	-	-	379	-	-	379	-	379
Total other comprehensive income	-	-	379	(276)	-	103	-	103
Total comprehensive income	-	-	379	(276)	1,426	1,529	11	1,540
Transactions with owners								
Dividend for year ended 30 September 2019	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
At 31 December 2020	<u>42,654</u>	<u>890</u>	<u>1,521</u>	<u>595</u>	<u>118,540</u>	<u>164,200</u>	<u>762</u>	<u>164,962</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 2020 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 3 month period ended 31 December 2020
 (unaudited)

	For the period ended 31 December 2020 RM'000	For the period ended 31 December 2019 RM'000
Cash flows from operating activities		
Profit before taxation	1,913	1,678
Adjustment for non-cash items:		
- Non-cash items and non-operating items	529	(96)
Operating profit before changes in working capital	2,442	1,582
Changes in working capital:		
- Inventories	824	1,224
- Trade and other receivables	(1,964)	(93)
- Trade and other payables	2,814	1,529
Cash inflows/(outflows) from operations	4,116	4,242
- Income taxes refund/(paid)	(355)	542
Net cash inflows/(outflows) from operating activities	3,761	4,784
Cash flows from investing activities		
Purchase of property, plant and equipment	(6)	(340)
Proceeds from disposal of property, plant and equipment	-	38
Purchase of other investment	-	(558)
Dividend received	-	558
Interest received	7	25
Net cash outflows from investing activities	1	(277)
Net increase/(decrease) in cash and cash equivalents	3,762	4,507
Cash and cash equivalents at beginning of year	23,327	16,621
Effects of changes in exchange rate	103	138
Cash and cash equivalents at 31 December	27,192	21,266

Cash and cash equivalents comprise the following balance sheet amounts:

Cash and bank balances	21,858	19,441
Bank overdraft	-	-
Fixed deposit	5,334	1,825
	27,192	21,266

The condensed consolidated statement cash flows should be read in conjunction with the audited financial statements for the year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

A Notes to Interim Financial Report on Consolidated Results For the Period Ended 31 December 2020

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 2020.

On 1 October 2020, the Company adopted the following Amendments to published standards mandatory for annual financial periods beginning on or after 1 October 2020:

Standards/Amendments

Amendments to MFRS 3 – Definition of Business

Amendments to MFRS 101 – Definition of Material

Amendments to MFRS 108 – Definition of Material

Amendments to MFRS 137 – Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 7, MFRS 9, MFRS 16 and MFRS 139
– Interest Rate Benchmark Reform

Amendments to MFRS 16 – Covid-19 Related Rent Concessions

A2 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2020 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

A Notes to Interim Financial Report on Consolidated Results For the Period Ended 31 December 2020

A9 Material events subsequent to the end of the interim period

On 11 January 2021, the Board of Directors announced that the Company intends to seek the approval of its Shareholders in the coming Annual General Meeting to be held on 8 March 2021, 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 the Companies Act, 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.

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 (1st quarter)(RM'000)		Changes (Amount(RM,000)/%)	Cumulative Period(RM'000)		Changes (RM'000/%)
	Current Year Quarter	Preceding Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	31/12/2020	31/12/2019		31/12/2020	31/12/2019	
Revenue	18,991	18,620	371/1.99	18,991	18,620	371/1.99
Operating Profit	1,782	1,549	233/15.04	1,782	1,549	233/15.04
Profit Before Interest and Tax	1,906	1,653	253/15.31	1,906	1,653	253/15.31
Profit Before Tax	1,913	1,678	235/14.00	1,913	1,678	235/14.00
Profit After Tax	1,437	1,367	70/5.12	1,437	1,367	70/5.12
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,426	1,363	63/4.62	1,426	1,363	63/4.62

a) The group’s performance for the period-to-date against the corresponding period-to-date is as follows:

The revenue for the group has increase by RM371,000 or 1.99% to RM18,991,000 from RM18,620,000 and the profit before tax has increase by RM235,000 or 14.00% to RM1,913,000 from RM1,678,000..

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

	For the cumulative 3 months ended 31.12.2020 RM'000	For the cumulative 3 months ended 31.12.2019 RM'000	Increase/(Decrease) RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	1,739	1,347	392	29.10
Eastern	1,420	1,368	52	3.80
Central	13,424	11,670	1,754	15.03
East Malaysia				
Sarawak	1,688	1,477	211	14.29

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

Overseas				
Singapore	720	2,758	(2,038)	(73.89)
	<u>18,991</u>	<u>18,620</u>	<u>371</u>	1.99

The main increase in revenue by segment is from the Central Region due to a project sale of RM2,186,000 for the quarter ended 31.12.2020 as compared to RM0 for the quarter ended 31.12.2019. The decrease in revenue from Singapore Region is due to sales of Vacono Oil Tank products amounting to RM0 for the current quarter ended 31.12.2020 as compared to RM1,372,000 for the corresponding quarter ended 31.12.2019..

b)The group’s performance for the quarter under review against the corresponding quarter of the preceding year is as mentioned in (a) above since this is the first quarter report of the company.

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 31/12/2020	Immediate Preceding Quarter 30/9/2020	Changes (RM'000 / %)
Revenue	18,991	15,400	3,591 /23.32
Operating Profit	1,782	222	1,560/702.70
Profit Before Interest and Tax	1,906	536	1,370/255.60
Profit Before Tax	1,913	558	1,355/242.83
Profit After Tax	1,437	198	1,239/625.76
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	1,426	190	1,236/650.53

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 increase by RM3,591 ,000 or 23.19% to RM18,991,000 from RM15,400,000 mainly due to contribution from Central Region arising from a project sale amounting to RM2,186,000 in the quarter ended 31.12.2020 and RM0 for the preceding quarter ended 30.9.2020.

The profit before tax has increase by RM1,355,000 or 242.83% to RM1,913,000.00 from RM558,000 mainly due to increase in revenue.

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

	3 months ended 31.12.2020	3 months ended 30.9.2020	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	1,739	1,167	572	49.01
Eastern	1,420	1,354	66	4.87
Central	13,424	9,807	3,617	36.88
East Malaysia				
Sarawak	1,688	2,040	(352)	(17.25)
Oversea				
Singapore	720	1,032	(312)	(30.23)

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

18,991	15,400	3,591	23.32
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The main increase in revenue by segment is from the Central region as mentioned above.

B3. Current financial year’s prospects

Towards the end of 2020, there was hope of a turnaround in the trajectory of the Covid19 pandemic but lately with the resurgence of new waves of infection and mutated variants of the virus, this expectation seems remote.

The outlook for the global economy is anticipated to be exceptionally uncertain and the IMF in their January 2021 World Economic Outlook (WEO), projected global growth to be negative at -3.5% in 2020, 5.5% for 2021 and 4.2% for 2022. These projections were premised on the global rollouts of vaccines by beginning of 2021 and end of 2022 which hopefully will resuscitate economic activities; also augmented by stimulus and policy support by governments of major economies.

By end of 2020, with multiple vaccines approvals and launching of vaccinations in some nations, there are signs of economic activities adapting to the new normal of subdued contact-intensive interactions.

The additional policy measures undertaken by major economies, notably USA and Japan in the second half of 2020, enhanced support for global economic growth in 2021 and 2022 going forward.

For the year 2020, output for the advanced economies are projected to register a negative growth of --4.9% and recover to 4.3% and 3.1% in 2021 and 2022 respectively. The US economy, as a result of the disastrous effect of the Covid19 pandemic will suffer a negative economic growth of -3.4% in 2020 before bouncing back to 5.1% in 2021 and 2.5% in 2022.

With a large stimulus package of USD1.9 trillion to be implemented by the new administration, the US federal deficit is expected to deteriorate for 2021.

With the resurgence of new waves of infections towards end 2020, economic growth in the Euro Area was severely impacted and projected to shrink to -7.2%. With new vaccination programs coming on stream in many Euro nations, it is hopeful that economic growth will recover to 4.2% and 3.6% in 2021 and 2022 going forward.

For the year 2020, Germany, France, Italy and Spain are estimated to achieve negative growths of -5.4%, -9.0%, -9.2% and -11.1% respectively.

In 2021 these economies are projected to recover with Germany 3.5%, France 5.5%, Italy 3.0%, and Spain 5.9%

During 2020, owing to the severe outbreak of Covid19 pandemic and BREXIT uncertainties, the UK economy plunged to an estimated negative growth of -10.0% and is projected to recover to 4.5% in 2021.

Japan was not spared from the ravages of this pandemic which impacted its economic growth in 2020 to an estimate of -5.1% before expecting to bounce back to 3.1% in 2021.

Throughout the advanced economies particularly in the Euro area, new waves of infections triggered lockdowns and business closures, income loss and poor consumer sentiments.

According to its latest outlook, the IMF projection for the Emerging Market and Developing Economies (EMDE) is at -2.4% for 2020 and 6.3% in 2021. The only exception of positive growth for a major economy is China. The Chinese economy is expected to achieve a growth of 2.3% in 2020, 8.1% in 2021 and 5.6% in 2022. The rationale for this achievement was due to early and effective containment measures by the Chinese government; thereby triggering a faster restart of its economic engine and manufacturing industries.

The Indian economy was quite severely impacted with the pandemic throughout 2020. Thus, the Indian economy is estimated to perform negatively at -8.0% for 2020 before recovering to a projected 11.5% in 2021.

The regional grouping of the ASEAN-5 nations of Indonesia, Malaysia, Philippines, Thailand and Vietnam is estimated to have a negative growth of -3.7% in 2020, 5.2% in 2021 and 6.0% in 2022.

In November 2020, Bank Negara Malaysia revised the 2020 GDP growth of Malaysia to -4.5% before recovering to 6.5%-7.5%

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

in 2021. This projection is premised upon the country’s underlying strong economic fundamentals and a diversified economy. Other rationale to this forecast for 2021 are an expected earlier containment of this pandemic and a sustained recovery of demand for our exports from the ASEAN region and China. Geo-economic factors such as the formation of RCEP trade block, recovery of the US economy, improvement in demand and prices for our commodities in 2021 are additional considerations to this projected outlook for the Malaysian economy.

Towards the last quarter of 2020 (October 2020 –December 2020), there was some improvement in some sectors of the Malaysian economy. There was a smaller contraction in the second half of the year as compared to the first half. However, towards the end of December 2020 there were signs of a fourth wave of the virus infections afflicting across the US, Europe and some parts of Asia especially after the Xmas holiday season. This resurgence will dampen any economic recovery in 2021 going forward if the new global wave of infections is not flattened and controlled. Availability of approved vaccines to all countries followed by accelerated vaccination of communities are vital to global recovery and health safety.

During the last quarter of 2020, economic activities in Malaysia improved moderately. Noticeably, growth contracted at a slower rate during this period due to lower expenditure, improving domestic consumption whilst exports rebounded.

On the supply side, the manufacturing sector turned positive with the increased in production of E&E goods, rubber and pharmaceutical products due to an improving export environment. Growth in the manufacturing sector in 2020 is expected to be -3.0% and rebound to 7.0% in 2021.

Owing to the slowdown of construction and building activities during the MCO period in the first half of 2020, negative growth was registered in the construction related products sector. However this situation improved partially as containment measures was eased. Growth in the construction sector will be down at -18.7% in 2020, before recovering to 13.9% in 2021 with the implementation and restart of the projects earmarked in the 2021 Malaysian Budget.

The service sector contracted at a lower rate compared to the preceding quarters. The wholesale and retail sector improved slightly; contributed by increase in auto sales resulting from exemption of sale and service tax (SST) as well as improved demand for consumer goods. However, the tourism industry and its subsectors of food & beverage and accommodation remain weak owing to MCO restrictions on cross border travel. These subsectors are anticipated to have negative growth of -3.7% in 2020 and 7.0% in 2021 when containment measures are eased gradually and roll outs of vaccination programs.

The agriculture sector recovered moderately towards the last quarter of 2020 with improved palm oil exports and CPO prices trending RM3000+ per metric ton. Earlier on, during the first half of 2020, growth was weak due to labor shortages resulting in low harvest yields.

For 2020 the agriculture sector is expected to register a negative growth of -1.2% and recovering to +4.7% in 2021.

In the mining sector, towards the last quarter of the year, crude oil and natural gas production rebounded, driven by a gradual recovery of external demand and improving crude oil prices at around USD 50-55 per barrel. Likewise for 2020, the mining and quarrying sector is anticipated to record a -7.8% growth and recovering to 4.1% in 2021.

From the onset of the current Covid19 pandemic in March 2020, the government has embarked on a multi-pronged mitigation strategy to safeguard Malaysian lives and livelihood, support and guide businesses to weather through the turbulent times ahead.

To curb the transmission of the Covid19 virus, a slew of Movement Control Orders (MCOs) was devised with relevant Standard Operating Procedures (SOPs) to guide Malaysians and businesses.

During this period beginning Mar 2020, various stimulus packages amounting to RM305 billion were approved to lend support to and protect the well-being and livelihood of Malaysians, small and medium businesses as well as corporations. Among the stimulus packages formulated are namely Prihatin, Prihatin SME, Kita Prihatin, and Penjana.

Furthermore, on 6th November 2020 the Malaysian Budget 2021 was announced with an allocation of RM322.5 billion to

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

support the various iterations of the Covid19 stimulus packages.

Funds are also allocated for new priority infrastructural projects such as the Pan Borneo Highway and Gemas-Johor Baru electrified double tracking rail project. Funding for previously approved projects will be rebalanced pending new priority objectives.

The Malaysian Budget 2021 provided various incentives to the manufacturing and the small and medium industries (SMEs) in the form of special tax rate for relocation of manufacturing to Malaysia as well as support of domestic supply chain development.

The deadline for funds allocated for maritime development, logistics, sustainable development financing schemes, tourism infrastructures, and public transport was extended to Dec 31 2023. Additional funds was also added to this scheme.

The Budget was crafted to drive the economy to achieve the targeted growth of 6.5%-7.5% in 2021; as well as cater for our healthcare needs and create a better resilience against future challenges. In addition, the Budget also introduced new policies to leverage on any opportunities arising from the post Covid19 pandemic era such as healthcare, the digitization of businesses and education, and society at large.

Going forward to 2021, the road ahead remains murky, uncertain and challenging. The rate of infections at the end of Dec 2020 remains unabated with discoveries of new mutant strains appearing in UK and South Africa. More vaccines are being developed and approved; and hopefully more developing nations are able to access these vaccines through the WHO COVAX platform. Predicting the direction of the global economy will be a challenging task for all governments, businesses and any unintended consequences arising from this pandemic will be anyone’s guess.

There are risks as well as opportunities confronting the Group. The Board will attempt to identify them based on assessment of the dynamics and outlook of the country, regional and international eco-political environment in 2021.

1. The recent formation of RCEP, the world largest trade block in Nov 2020 between the ASEAN countries and China, Japan, South Korea, Australia and New Zealand . With a combined population of 2.3 billion people and with China as the main economic engine, there are opportunities for member nations to tap from this huge market. These are as follows:-

2. The signing of a Bilateral Investment Treaty between China and European Union on 30th Dec 2020 will indirectly present opportunities for RCEP members (especially ASEAN) through China being the common denominator of the two geo-economic entities.

3. The official exit of UK from the EU at end of 2020 will reconfigure new economic and geopolitical alliances that may affect ASEAN.

4. The recent outbreak of new waves of infections in US, Europe and Asia with new strains may trigger lockdowns and hamper economic recovery in 2021 going forward.

5. Availability of more approved vaccines and subsequent global roll out of vaccination to all countries through the WHO COVAX platform. This hopefully will help to arrest the tide of infection and restore normalcy and recovery to the global economy.

6. The recovery of crude oil to USD 50 per barrel and crude palm oil to RM3000+ per metric ton augurs well for Malaysia in 2021.

7. Finally, with a new administration in the US, it is hopeful the current trade, technology, financial, geopolitical and ideology war with China will not escalate or deteriorate any further in 2021 and beyond.

8. Any other geopolitical crises and natural calamities that may arise.

The Board continues to remain vigilant and proactive to any changes and will strive to achieve a profitable outcome for the Group going forward.

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

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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current Malaysian Tax (Under)/overprovision in prior years	(530) 0	(326) 0	(530) 0	(326) 0
	<u>(530)</u>	<u>(326)</u>	<u>(530)</u>	<u>(326)</u>
Deferred taxation	54	15	54	15
	<u>(476)</u>	<u>(311)</u>	<u>(476)</u>	<u>(311)</u>

The current tax rates for the current period ended 31 December 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	
	31.12.2020 (RM'000)	31.12.2019 (RM'000)	31.12.2020 (RM'000)	31.12.2019 (RM'000)
Interest income	(7)	(25)	(7)	(25)
Other income including investment Income	(324)	(926)	(324)	(926)
Gain on disposal of property, plant and equipment	0	0	0	(12)
Interest expense	0	0	0	0
Depreciation and amortization	353	427	353	427
Foreign exchange (gain)/loss	33	(2)	33	(2)

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 period ended 31 December 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:

	31.12.2020 RM'000	30.9.2020 RM'000
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Financial assets at fair value through
profit and loss (FVTPL)

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

Unquoted shares at cost	50	50
Financial assets at fair value through other comprehensive income(FVTPL) Wholesale Funds	9,109	9,385
	<u>9,159</u>	<u>9,435</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 31 December 2020 are as follows:

	31.12.2020		30.9.2020	
	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 31.12.2020 as compared with the corresponding period in the immediate preceding year as at 31 December 2019 as tabled below:-

	As at 1st quarter ended 2021					
	Long Term		Short Term		Total borrowings	
	S\$’000 denomination	RM’000 denomination	S\$’000 denomination	RM’000 denomination	S\$’000 denomination	RM’000 denomination
Secured	0	0	0	0	0	0
Unsecured	0	0	0	0	0	0
	As at 1st					

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

	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
Secured	0	0	0	0	0	0
Unsecured	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

	31.12.2020 RM'000	31.12.2019 RM'000
Proposed: Single tier Final dividend of 6% & Single tier Special dividend of 4%	0	0

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

B13 Trade and other receivables

	31.12.2020	30.9.2020
	RM'000	RM'000
Trade receivables	18,862	17,015
Loss allowance	(364)	(528)
	18,498	16,487
Other receivables, deposit & prepayment	2,380	2,427
	20,878	18,914

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	
	31.12.2020 RM'000	30.9.2020 RM'000
Opening loss allowance as at 1 October	528	524
Provided during the period/year	0	358
Reversal	(164)	(354)
	364	528
Closing loss allowance	364	528

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to Ordinary shareholders	1,426	1,363	1,426	1,363
Weighted average Number of shares In issued.	40,690	40,690	40,690	40,690
Basic earnings per Ordinary share(sen)	3.50	3.35	3.50	3.35
Diluted earnings per share (sen)	3.50	3.35	3.50	3.35

UMS Holdings Berhad

Company No. 74125 – V
(Incorporated in Malaysia)

Interim Financial Report
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