

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 2021
(unaudited)

Note	3 month period ended 30 September			12 month period ended 30 September	
	2021	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
	Current quarter	Previous Quarter ended 30.6.2021	Current quarter	12 months cumulative to date	12 months cumulative to date
Revenue	14,352	13,937	15,400	63,857	57,314
Cost of sales	(8,906)	(9,254)	(9,822)	(41,539)	(37,118)
Gross profit	5,446	4,683	5,578	22,318	20,196
Operating expenses	(6,471)	(5,975)	(6,099)	(23,526)	(21,732)
Other operating income	408	174	743	5,717	2,855
Financing costs	-	-	-	-	-
Interest income	91	93	22	259	88
Share of profit of associates	185	250	314	790	541
Profit before taxation	(341)	(775)	558	5,558	1,948
Tax expense	B5 628	89	(360)	(1,133)	(567)
Profit for the period	287	(686)	198	4,425	1,381
Other comprehensive income net of tax	(1)	(108)	997	(40)	34
Total comprehensive income for the year	286	(794)	1,195	4,385	1,415
Profit attributable to:					
Owners of the Parent	294	(696)	190	4,403	1,360
Non-controlling interest	(7)	10	8	22	21
	287	(686)	198	4,425	1,381
Total comprehensive income attributable to:					
Owners of the Parent	293	(804)	1,187	4,363	1,394
Non-controlling interest	(7)	10	8	22	21
	286	(794)	1,195	4,385	1,415
Basic earnings per ordinary share (sen)	B13 0.72	-1.71	0.47	10.82	3.34
Diluted earnings per ordinary share (sen)	0.72	-1.71	0.47	10.82	3.34

The condensed consolidated income statement 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)
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Condensed Consolidated Statement of Financial Position as at 30 September 2021
(unaudited)

	As at 30 September 2021	As at 30 September 2020
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	32,988	34,317
Prepaid lease payments	4,448	4,575
Investment Property	18,099	18,554
Investments in associates	16,254	16,114
Other investments	9,325	9,435
Goodwill on consolidation	1,046	1,046
	<u>82,160</u>	<u>84,041</u>
Current assets		
Inventories	31,711	30,884
Trade and other receivables	16,156	18,914
Tax recoverable	-	-
Fixed deposits with licensed bank	19,860	1,834
Cash & cash equivalents	16,837	21,493
	<u>84,564</u>	<u>73,125</u>
Non current assets held for sales	<u>-</u>	<u>10,500</u>
Total assets	<u>166,724</u>	<u>167,666</u>
Equity		
Share capital	42,654	42,654
Reserves	121,939	120,017
	<u>164,593</u>	<u>162,671</u>
Total equity attributable to the shareholders of the Company	164,593	162,671
Minority interest	723	751
Total equity	<u>165,316</u>	<u>163,422</u>
Non-current liabilities		
Borrowings	-	-
Deferred tax liabilities	961	2,110
	<u>961</u>	<u>2,110</u>
Current liabilities		
Trade and other payables	5,012	6,290
Dividend payable	-	-
Borrowings	-	-
Taxation	(4,565)	(4,156)
	<u>447</u>	<u>2,134</u>
Total equity and liabilities	<u>166,724</u>	<u>167,666</u>
Net assets per share (RM)	4.05	4.00

The condensed consolidated balance sheet 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 12 month ended 30 September 2021
(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 2019								
as previously reported	42,654	890	1,120	1,338	116,664	162,666	780	163,446
Prior year adjustment								
-Share of profits of associate companies	-	-	-	-	3,569	3,569	-	3,569
-Deferred taxation	-	-	-	-	(889)	(889)	-	(889)
	<u>42,654</u>	<u>890</u>	<u>1,120</u>	<u>1,338</u>	<u>119,344</u>	<u>165,346</u>	<u>780</u>	<u>166,126</u>
Profit for the period	-	-	-	-	1,360	1,360	21	1,381
Other comprehensive income								
Fair value changes in financial assets at fair value through other comprehensive income	-	-	-	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	-	-	0	(479)	479	-	-	-
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)
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 year	-	-	-	-	4,403	4,403	22	4,425
Other comprehensive income								
Fair value change in available-for-sale financial assets	-	-	-	(392)	-	(392)	-	(392)
Transfer cumulative gains on realised financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Exchange translation differences	-	-	352	-	-	352	-	352
Surplus on revaluation	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	352	(392)	-	(40)	-	(40)
Total comprehensive income	-	-	352	(392)	4,403	4,363	22	4,385
Transactions with owners								
Dividend for year ended 30 September 2020	-	-	-	-	(2,441)	(2,441)	(50)	(2,491)
Total transactions with owners	-	-	-	-	(2,441)	(2,441)	(50)	(2,491)
At 30 September 2021	<u>42,654</u>	<u>890</u>	<u>1,494</u>	<u>479</u>	<u>119,076</u>	<u>164,593</u>	<u>723</u>	<u>165,316</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)
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Condensed Consolidated Statement of Cashflows for the 12 month period ended 30 September 2021
(unaudited)

	For the 12 month period ended 30 September 2021 RM'000	For the 12 month period ended 30 September 2020 RM'000
Cash flows from operating activities		
Profit before taxation	5,558	1,948
Adjustment for non-cash items:		
- Non-cash items and non-operating items	(1,969)	1,873
Operating profit before changes in working capital	3,589	3,821
Changes in working capital:		
- Inventories	(827)	3,097
- Trade and other receivables	2,758	467
- Trade and other payables	(1,278)	(332)
Cash generated from operations	4,242	7,053
- Income taxes paid	(1,585)	(2,732)
-Income taxes refund	-	1,451
-Low value leases paid	(2)	(36)
-Short term leases paid	(204)	(61)
- Real Property gain tax paid	(1,106)	-
-Interest received	221	88
Net cash flow generated from operating activities	1,566	5,763
Cash flows from investing activities		
Purchase of property, plant and equipment	(277)	(640)
Proceeds from disposal of property, plant and equipment	135	47
Proceeds from disposal of non-current asset held for sale	14,250	-
Proceeds from disposal of other investment	-	4,998
Purchase of other investment	(282)	(558)
Purchase of prepaid land lease	-	-
Dividend received	282	1,208
Net increase in cash flow used in investing activities	14,108	5,055
Cash flows from financing activity		
Repayment of hire purchase liabilities	-	-
Bills payable & banker acceptance	-	-
Dividend paid	(2,441)	(4,069)
Dividend paid non controlling interest	(50)	(50)
Repayment of term loan	-	-
Net cash flow used in financing activities	(2,491)	(4,119)
Net increase/(decrease) in cash and cash equivalents	13,183	6,699
Cash and cash equivalents at beginning of year	23,327	16,621
Effects of changes in exchange rate	187	7
Cash and cash equivalents at 30 September	36,697	23,327

Cash and cash equivalents comprise the following balance sheet amounts:

Cash and bank balances	16,837	21,493
Fixed deposit	19,860	1,834
	36,697	23,327

The condensed consolidated cash flow statement 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.

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A Notes to Interim Financial Report on Consolidated Results For the Year Ended 30 September 2021

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 MFRSs 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 and MFRS 139
– Interest Rate Benchmark Reform

There is no material impact to the financial statements.

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.

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A Notes to Interim Financial Report on Consolidated Results For the Year Ended 30 September 2021

A9 Material events subsequent to the end of the interim period

There were no material event subsequent to the end of the interim period.

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 (3rd 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	
	30/9/2021	30/9/2020		30/9/2021	30/9/2020	
Revenue	14,352	15,400	(1,048)/(6.81)	63,857	57,314	6,543/11.42
(Loss)/Profit Before Interest and Tax	(432)	536	(968)/(180.60)	5,299	1,860	3,439/184.89
(Loss) /Profit Before Tax	(341)	558	(899)/(161.11)	5,558	1,948	3,610/185.32
Profit After Tax	287	198	89/44.95	4,425	1,381	3,044/220.42
Profit Attributable to Ordinary Equity Holders of the Parent	294	190	104/54.73	4,403	1,360	3,043/223.75

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 RM6,543,000 or 11.42% to RM63,857,000 from RM57,314,000 and the profit before tax has increase by RM3,610,000 or 185.32% to RM5,558,000 from RM1,948,000 mainly to increase in other income arising from gain on sale of property of RM3,750,000 and increase in revenue.

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

	For the cumulative 12 months ended 30.9.2021 R M'000	For the cumulative 12months ended 30.9.2020 RM'000	Increase/(Decrease) RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	5,273	4,509	764	16.94
Eastern	5,200	4,710	490	10.40
Central	42,466	36,492	5,974	16.37

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

East Malaysia	6,007	6,183	(176)	(2.85)
Sarawak				
Overseas				
Singapore	4,911	5,420	(509)	(9.39)
	<u>63,857</u>	<u>57,314</u>	<u>6,543</u>	11.42

The main increase in revenue by segment is from the Central Region due to a project sale of RM2,186,000 for the year ended 30.9.2021 as compared to RM0 for the year ended 30.9.2020. Furthermore due to the total MCO lockdown by the government from 18.3.2020 to 4.5.2020, sales for the corresponding year ended 30.9.2020 was impacted as compared to the MCO 3 which begin on 12.5.2021 whereby the group was able to operate under essential industry approved by MITI. The decrease in revenue from Singapore Region is due to sales of Vacono Oil Tank products amounting to RM1,414,000 for the current year ended 30.9.2021 as compared to RM1,610,000 for the corresponding ended 30.9.2020.

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

The revenue for the quarter under review has decrease by RM1,048,000 or 6.81% to RM14,352,000 from RM15,400,000 and the profit before tax has decrease by RM899,000 or 161.11% to -RM341,000 from RM558,000 mainly due to decrease in revenue and increase in operating expenses arising mainly due to impairment of investment property of RM454,000 and receivable of RM480,000.

The revenue by segment is as follows:-

	3 months ended 30.9.2021	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	1,300	1,167	133	11.40
Eastern	1,125	1,354	(229)	(16.91)
Central	8,510	9,807	(1,297)	(13.23)
East Malaysia				
Sarawak	1,225	2,040	(815)	(39.95)
Oversea				
Singapore	2,192	1,032	1,160	112.40
	<u>14,352</u>	<u>15,400</u>	<u>(1,048)</u>	(6.81)

The main decrease in revenue by segment is from the Central Region due to market conditions. The increase in revenue from Singapore Region is due to sales of Vacono Oil Tank products amounting to RM786,000 and China Railway project amounting to RM827,000 for the current quarter ended 30.9.2021 as compared to RM70,000 and RM0.00 for the corresponding quarter ended 30.9.2020.

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 30/9/2021	Immediate Preceding Quarter 30/6/2021	Changes (RM'000 / %)
Revenue	14,352	13,937	415/2.98
Loss Before Interest and Tax	(432)	(868)	436/50.23
Loss Before Tax	(341)	(775)	434/56.00
Profit/(Loss) After Tax	287	(686)	973/141.84
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	294	(696)	990/142.24

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 RM415 ,000 or 2.98% to RM14,352,000 from RM13,937,000 and profit before tax has increase by RM434,000 or 56.00% to -RM341,000.00 from –RM775,000 mainly due increase in revenue and improvement in gross profit.

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

	3 months ended 30.9.2021	3 months ended 30.6.2021	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	1,300	1,098	202	18.40
Eastern	1,125	1,261	(136)	(10.79)
Central	8,510	9,192	(682)	(7.42)
East Malaysia				
Sarawak	1,225	1,513	(288)	(19.04)
Oversea				
Singapore	2,192	873	1,319	151.09
	<u>14,352</u>	<u>13,937</u>	<u>415</u>	<u>2.98</u>

The main increase in revenue is from Singapore Region is due to sales of Vacono Oil Tank products amounting to RM786,000 and China Railway project amounting to RM827,000 for the current quarter ended 30.9.2021 as compared to RM310,000 and RM0.00 for the preceding quarter ended 30.6.2021.

B3. Current financial year’s prospects

According to IMF’s WEO review in October 2021, the momentum of the ongoing global recovery is weakened by a resurging COVID-19 pandemic. The emergence of the virulent Delta+ variants has exacerbated the crisis and increased the global death toll to the 5 million mark, amidst continuing health risks and hindering a return to normalcy.

During this period, there were disruptions to the critical links of the global supply chains. This has resulted in longer lead times and lower output of goods and possibly triggering inflation in affected economies. Overall, these unwelcome situations have undermined global recovery prospects and complicated many government’s handling of their policy trade-offs in addressing their economies.

The gaps and divergence between performances of advanced and low income nations afflicted by COVID-19 during 2021 are expected to have a medium term scarring effect on their economies going forward into 2022.

Extensive vaccinations have proven effective in mitigating the adverse impacts of COVID-19 such as hospitalization, intensive care and deaths. However, unequal access to vaccines, hesitancy to vaccinate and higher infectivity will continue to fuel its spread. Accessibility to vaccines and early proactive policy support are pertinent and critical drivers to address these discrepancies.

The rapid spread of Delta and other concerning variants further complicated pandemic control measures and open up multidimensional challenges to policy makers in tackling issues such as low employment growth; rising inflation; food insecurity; declining human capital and climate change.

Against their forecast in July 2021, the IMF projection of global growth for 2021 was revised downwards marginally at 5.9% and unchanged at 4.9% for 2022.

These projections however, masked large downgrades even for some advanced nations affected supply constraints as well as for low income developing nations impacted by a worsening pandemic. For commodity exporting emerging and developing economies (EMDE), their economic performance was revised upwards due to the positive impact of rising demand and commodity prices.

The key underlying basis and rationale of IMF’s growth forecasts for all countries under review are vaccine rollout, policy support and continuing financial support policies.

For the current year 2021, the advanced economy grouping is expected to grow at 5.2% and 4.9% in 2022 going forward.

For the year 2021, the US economy is forecasted at 6.0% growth followed by 5.2% in 2022. Underlying this projection is the expected incorporation of an infrastructure bill and the legislation of a social safety net bill totaling USD4 trillion of stimulus to pump prime the economy over the next 10 years.

Similarly, with the expected European Union (EU) grants and loans for EU member countries, the forecast for the EU grouping is 5.0% and 4.3% respectively for 2021 and 2022.

For the Emerging and Developing Economies (EMDE), the outlook for 2021 was revised upwards as compared to WEO report in July 2021. The growth for EMDE is expected to be 6.4% and 5.1% in 2021 and 2022 respectively.

Topping this group, the subgroup of Emerging and Developing Asia will grow at 7.2% and 6.4% respectively for 2021 and 2022. The Chinese economy is expected to grow at 8.0% in 2021 and 5.6% in 2022. The factors driving the growth in 2021 are an earlier activation of its manufacturing industry and domestic economy due to the effective control of the spread of COVID-19 pandemic with stringent containment measures and widespread vaccinations. China’s GDP expanded 4.9% in the third quarter of 2021 down from previous quarters due to economic challenges from a power crunch as well as bottlenecks in global supply chain and a lower base effect.

The economy of the Asian region will be primarily driven by the growth of China which is expected to be 8.3% for the full year 2021.

The ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam) is expected to achieve growth of 2.9% in 2021 and 5.8% in 2022 on the back of robust domestic consumption, higher investments and a conducive trade environment. The Indonesian economy, the largest amongst the ASEAN-5 is projected to grow at 3.2% and 5.9% in 2021 and 2022 respectively; propelled by its export oriented and labour intensive industries of palm oil cultivation, automotive, construction and mining as well as major infrastructure projects (such as airports, toll roads mass rapid transit and ports) in 2022.

The IMF and the Malaysian government downgraded their GDP forecasts for Malaysia to 3%-4% in 2021 and 5.5%-6.5% in 2022 going forward. These forecasts were premised upon the country’s ability to weather headwinds with its strong fundamentals and further reopening of the economic and social sectors. Increasing external demand for the country’s exports of resource commodities, electrical and electronic (E&E) goods and other manufactured goods are other factors considered in these forecasts.

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

Recovery in domestic demand in late 2021 and carried forward into 2022 will drive the growth momentum. Also, this trajectory will be anchored by private consumption and improving consumer sentiments, vaccination rate targeted in excess of 80% of the population leading to reopening of the economy and borders, and lastly improvement of private investments spurred by greater public expenditure.

Other positive drivers include higher commodity prices, improving labour market conditions, transition to digitalization of the economy, and the pending implementation of infrastructural projects under the proposed 2022 Budget.

For the past 19 months since the outbreak of the pandemic in 2020, the government’s vaccination program in conjunction with an iteration of proactive and substantial fiscal initiatives had managed to curb unemployment, keep afloat businesses, save lives and livelihood and help the needy. In the midst of the pandemic with a virus morphing into Delta and other concerning strains, the implementation of a comprehensive National Recovery Plan (NRP) guided by scientific data has yielded encouraging results. This had enabled various states to open up more economic and social activities in a gradual and measured manner.

Also during 2021, the Malaysian government’s slew of four financial assistance and stimulus packages (fiscal and non-fiscal measures amounting to RM225 billion or 14.8% of GDP) mitigated the devastating impact of COVID-19 pandemic and helped to save lives, livelihood, and businesses.

These tools were packaged under programs named PERMAI, PEMERKASA, PEMERKASA+ and PEMULIH.

With the concerted efforts of all stakeholders, public and private, the first half of 2021 showed glimmers of recovery with growth of 7.1% as compared to a contraction of 8.4% in the first half of 2020.

During this period, total trade increased by 26% to more than RM1.0 trillion in exports and imports with major markets. Moving forward to the second half of 2021, the outlook remains positive, underpinned by a gradual and phased reopening of economic and social sectors in the relevant states implementing the NRP guidelines.

The GDP forecast for the Malaysian economy is revised to 3%-4% growth for the full year 2021 and 5.5%-6.5% in 2022.

Generally, the outlook for the global economy will remain uncertain in 2022. As part of the plan to manage headwinds in the global environment, the Malaysian government will propose an expansionary 2022 Budget. This Budget with an allocation of RM332.1 billion will be the largest to date.

The three key elements of the budget will address the people’s well-being, ensuring businesses are resilient and cultivating a prosperous and sustainable economy.

On the people’s well-being, the lives and livelihood of the people will be protected and enhanced in the relevant targeted economic sectors impacted by the pandemic. Gradual reopening of businesses from MCO3 will be expedited according to guidelines under the NRP umbrella.

To promote a resilient business community, allocations are made in the 2022 budget to rebuild and improve the public healthcare system, propel digitalization of businesses and other technological ecosystems in order to enhance innovation and creativity skills.

The third element of the government’s budget strategy of a sustainable, inclusive, competitive and prosperous economy for Malaysia involves the setting up of a roadmap to achieve Sustainable Development Goals (SDGs) objectives of the 12 Malaysian Plan (2021-2025) and Shared Prosperity Vision 2030.

The various budgetary allocations in the proposed October 2022 Budget were structured to address these key themes. Some key takeaways and salient features of this budget are listed below.

- Total Budget allocation of RM332.1 billion (20.3% of GDP) covering RM233.5 for operating expenditure and RM75.6 billion for development and the balance of RM23 billion for the COVID-19 fund.
- The government also introduced a new initiative called Bantuan Keluarga Malaysia amounting to RM8.2 billion to benefit 9.6 million recipients.
- RM32.4 billion will be set aside for Health ministry with RM2 billion for vaccination expenses and RM 2 billion for supplies.
- The Education Ministry has the highest allocation of RM52.6 billion in this budget whilst the Ministry of Higher education receives RM14.5 billion.

The focus of the development expenditure of RM75.6 billion will be earmarked for programs and projects that generates higher multiplier effect, stimulate economic growth, provide a more conducive investment climate and create better well-being for the people.

RM66.9 billion of RM75.6 billion will be allocated to 5,575 ongoing projects whilst the remaining RM8.7 billion will be utilized for 1,180 new projects.

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

Priorities for these allocations will be given to projects related to transport, trade and industry as well as energy and public utilities subsectors.

The key major infrastructure projects allocated with funds in 2022 are The Gemas-Johor Bahru Electrified Double Track project, Rapid Transit System Link, Pan Borneo Highway, upgrading of the Jalan Marabahai Spur at Tuaran Sabah, replacing of bridges at Sik and Baling in Kedah and a study on an alternative route for Jalan Seremban-Kuala Pilah, Seremban.

The global economy is expected to rebound in 2nd half of 2021 owing to comprehensive, wide-ranging measures undertaken by various governments to mitigate the pandemic crisis. The momentum of this rebound is expected to spill into 2022 underpinned by the unleashing of pent up demand, improving investment and trade activities and the expansion of digital transformation.

In tandem with this global macroeconomic scenario, Malaysia’s growth is projected to expand by 3%-4% alongside with the expected gradual improvement in the advanced economies and the emerging and developing market economies (EMDE).

This growth is anticipated to be further enhanced to 5.5%-6.5% in 2022 driven by proactive mitigating measures (instituted since 2021) against the COVID-19 pandemic such as normalization in most economic activities upon achieving a high nationwide vaccination rate, resumption of high multiplier projects/programs with an expansionary 2022 Budget and finally a recovering external demand for its electronic and electrical(E&E) products, crude palm oil, rubber and latex products, oil & gas and petrochemical products.

Meanwhile these official forecasts will be subjected to the risks (upside and downside) assessment of the following factors.

- The differential growth rates between advanced and developing economies in 2021 having uneven and varying degree of scarring effects carried forward into 2022.
- Negative impact resulting from a prolonged and resurgent COVID-19 outbreak and the emergence of new and more virulent strains such DELTA +, vaccine hesitancy, low vaccination rate as well as unequal vaccine access in low income nations.
- The ratification of RCEP with implementation in 2022 enables the world biggest trade block spearheaded by China to provide impetus to and stimulate the Asian and global economy. The impact from a slowdown in China economy will affect its trading partners (especially ASEAN) growth forecasts.
- Positive impact on Malaysia’s GDP from improving prices and demand for Malaysia’s main commodities such as crude oil at above USD60 per barrel and crude palm oil RM4000-4700.
- Any increase in geopolitical and geo-economic tensions between the big powers will not augur well for global economic recovery and stability. The South China Sea and Taiwan Straits are examples of flashpoints potentially leading to arm conflicts between US and China.
- Global climatic changes, natural disasters as well as outbreak of new diseases will also present additional challenges to the global community.
- Potential disruptions and negative sentiments arising from the Malaysian political landscape -the 15th general election.

The Board will constantly monitor and assess domestic and international risks that may impact the country’s economy and the group’s performance.

In facing uncertainties and challenges, the Board will remain alert and ensure efforts to strengthen the group’s fundamentals and is prepared to respond to any contingencies. Simultaneously we will work hard to produce a profitable outcome for the group as well as to protect and preserve shareholders’ value and interests.

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	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current Malaysian Tax (Under)/overprovision in prior years	43 (402)	(423) (108)	(774) (402)	(677) (108)
	(359)	(531)	(1,176)	(785)
Real property gain tax	0	0	(1,106)	0
Deferred taxation	987	171	1,149	218
	628	(360)	(1,133)	(567)
	=====	=====	=====	=====

The current tax rates for the current period ended 30 September 2021 and 2020 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	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	(91)	(22)	(259)	(88)
Other income including investment Income	(408)	(745)	(1,860)	(2,835)
(Gain)/Loss on disposal of property, Plant and equipment	0	2	(107)	(20)
(Gain)/Loss on disposal of non- current asset held for sale	0	0	(3,750)	0
Interest expense	0	0	0	0
Depreciation and amortization	448	362	1,871	1,892
Foreign exchange (gain)/loss	106	(110)	57	51

Other than the above, there were 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 30 September 2021.

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

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:

	30.9.2021 RM'000	30.9.2020 RM'000
Financial assets at fair value through profit and loss (FVTPL)		
Unquoted shares at cost	50	50
Financial assets at fair value through other comprehensive income(FVTPL)		
Wholesale Funds	9,275	9,385
	<u>9,325</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 30 September 2021 are as follows:

	30.9.2021		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 30.9.2021 as compared with the corresponding period in the immediate preceding year as at 30 June 2021 as tabled below:-

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

	As at 4th 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 3rd 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

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

	30.9.2021 RM'000	30.9.2020 RM'000
Proposed:		
Single tier Final dividend of 6sen	0	2,441

A final dividend of 6sen amounting to RM2,441,000 for the financial year ended 30.9.2020 was paid on 29.3.2021.. At the forthcoming Annual General Meeting, a single tier final dividend of 6 sen amounting to RM2,441,000 for the financial year ended 30.9.2021 will be proposed for shareholders' approval.

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

B13 Trade and other receivables

	30.9.2021	30.9.2020
	RM'000	RM'000
Trade receivables	16,356	17,015
Loss allowance	(731)	(528)
	<u>15,625</u>	<u>16,487</u>
Other receivables, deposit & prepayment	723	2,427
	<u>16,348</u>	<u>18,914</u>

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

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

	Group	
	30.9.2021	30.9.2020
	RM'000	RM'000
Opening loss allowance as at 1 October	528	524
Provided during the period/year	723	358
Reversal	(520)	(354)
	<u>731</u>	<u>528</u>
Closing loss allowance	731	528

The Group apply the simplified approach which requires expected lifetime credit losses to be recognised from initial recognition of trade receivables. To measure the expected credit losses, the Group have categorised the customers into five types and the Group have established the expected credit loss rate by taking into consideration of the days past due, the historical payment profiles and adjusted to reflect current and forward looking information on factors affecting the ability of the trade receivables to settle the receivables.

- i) Category A – Receivables with debts not due and debts up to 90 days past due not impaired;
- ii) Category B – Receivables with debts more than 90 up to 180 days past due are impaired at 5%;
- iii) Category C – Receivables with debts more than 180 days up to 365 days past due are impaired at 10%;
- iv) Category D – Receivables with debts more than 365 days past due are impaired at 20%
- v) Category E – Receivables having significant financial difficulties and having defaulted on payments are individually impaired.

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

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	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to Ordinary shareholders	294	190	4,403	1,360
Weighted average Number of shares In issued.	40,690	40,690	40,690	40,690
Basic earnings per Ordinary share(sen)	0.72	0.47	10.82	3.34
Diluted earnings per share (sen)	0.72	0.47	10.82	3.34

UMS Holdings Berhad

Company No. 74125 – V
(Incorporated in Malaysia)

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