

**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 2022**  
 (unaudited)

Note	3 month period ended 30 September			12 month period ended 30 September	
	2022	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
	Current quarter	Previous Quarter ended 30.6.2022	Current quarter	12 months cumulative to date	12 months cumulative to date
Revenue	19,292	19,821	14,278	74,080	63,783
Cost of sales	(11,531)	(13,828)	(8,871)	(48,234)	(41,504)
Gross profit	7,761	5,993	5,407	25,846	22,279
Operating expenses	(7,697)	(5,238)	(6,448)	(23,650)	(23,503)
Other operating income	781	335	394	2,060	5,703
Financing costs	-	-	-	-	-
Interest income	143	94	91	448	259
Share of profit of associates	304	417	164	1,254	769
<b>Profit before taxation</b>	1,292	1,601	(392)	5,958	5,507
Tax expense	B5 (900)	(301)	632	(1,929)	(1,129)
<b>Profit for the period</b>	392	1,300	240	4,029	4,378
Other comprehensive income net of tax	304	(74)	(206)	267	(245)
<b>Total comprehensive income for the year</b>	696	1,226	34	4,296	4,133
<b>Profit attributable to:</b>					
Owners of the Parent	401	1,290	246	4,001	4,355
Non-controlling interest	(9)	10	(6)	28	23
	392	1,300	240	4,029	4,378
<b>Total comprehensive income attributable to:</b>					
Owners of the Parent	705	1,216	40	4,268	4,110
Non-controlling interest	(9)	10	(6)	28	23
	696	1,226	34	4,296	4,133
Basic earnings per ordinary share (sen)	B14 0.99	3.17	0.60	9.83	10.70
Diluted earnings per ordinary share (sen)	0.99	3.17	0.60	9.83	10.70

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 September 2021 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Report**  
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**Condensed Consolidated Statement of Financial Position as at 30 September 2022**  
 (unaudited)

	As at 30 September 2022	As at 30 September 2021
	RM'000	RM'000
<b>Non-current assets</b>		
Property, plant and equipment	32,557	32,869
Prepaid lease payments	4,357	4,472
Investment Property	18,660	18,100
Investments in associates	16,837	16,234
Other investments	10,201	9,325
Goodwill on consolidation	-	1,046
	<u>82,612</u>	<u>82,046</u>
<b>Current assets</b>		
Inventories	31,634	31,702
Trade and other receivables	22,152	16,183
Tax recoverable	-	-
Fixed deposits with licensed bank	-	340
Cash & cash equivalents	33,688	36,251
	<u>87,474</u>	<u>84,476</u>
<b>Total assets</b>	<u>170,086</u>	<u>166,522</u>
<b>Equity</b>		
Share capital	42,654	42,654
Reserves	123,514	121,687
	<u>166,168</u>	<u>164,341</u>
Total equity attributable to the shareholders of the Company	166,168	164,341
Minority interest	702	724
Total equity	<u>166,870</u>	<u>165,065</u>
<b>Non-current liabilities</b>		
Borrowings	-	-
Deferred tax liabilities	823	961
	<u>823</u>	<u>961</u>
<b>Current liabilities</b>		
Trade and other payables	5,244	5,064
Dividend payable	-	-
Borrowings	-	-
Taxation	(2,851)	(4,568)
	<u>2,393</u>	<u>496</u>
<b>Total equity and liabilities</b>	<u>170,086</u>	<u>166,522</u>
Net assets per share (RM)	4.08	4.04

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 September 2021 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 2022**  
(unaudited)

	Attributable to owners of the Parent					Total	Non-controlling interest	Total
	Share capital	Revaluation reserve-non distributable	Exchange translation reserve-non distributable	Fair value adjustment reserve-non distributable	Retained profits-distributable			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance At 1 October 2020	42,654	890	1,142	871	117,114	162,671	751	163,422
Profit for the period	-	-	-	-	4,355	4,355	23	4,378
Other comprehensive income								
Fair value changes in financial assets at fair value through other comprehensive income	-	-	-	(392)	-	(392)	-	(392)
Exchange translation differences	-	-	148	-	-	148	-	148
Total other comprehensive income	-	-	148	(392)	-	(244)	-	(244)
Total comprehensive income	-	-	148	(392)	4,355	4,111	23	4,134
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)
<b>At 30 September 2021</b>	<b>42,654</b>	<b>890</b>	<b>1,290</b>	<b>479</b>	<b>119,028</b>	<b>164,341</b>	<b>724</b>	<b>165,065</b>
At 1 October 2021	42,654	890	1,290	479	119,028	164,341	724	165,065
Profit for the year	-	-	-	-	4,001	4,001	28	4,029
Other comprehensive income								
Fair value change in available -for-sale financial assets	-	-	-	(410)	-	(410)	-	(410)
Transfer cumulative gains on realised financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Exchange translation differences	-	-	677	-	-	677	-	677
Total other comprehensive income	-	-	677	(410)	-	267	-	267
Total comprehensive income	-	-	677	(410)	4,001	4,268	28	4,296
Transactions with owners								
Dividend for year ended 30 September 2021	-	-	-	-	(2,441)	(2,441)	(50)	(2,491)
Total transactions with owners	-	-	-	-	(2,441)	(2,441)	(50)	(2,491)
<b>At 30 September 2022</b>	<b>42,654</b>	<b>890</b>	<b>1,967</b>	<b>69</b>	<b>120,588</b>	<b>166,168</b>	<b>702</b>	<b>166,870</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Report**  
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**Condensed Consolidated Statement of Cashflows for the 12 month period ended 30 September 2022**  
(unaudited)

	For the 12 month period ended 30 September 2022 RM'000	For the 12 month period ended 30 September 2021 RM'000
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	5,958	5,507
<b>Adjustment for non-cash items:</b>		
- Non-cash items and non-operating items	456	(2,186)
<b>Operating profit before changes in working capital</b>	6,414	3,321
<b>Changes in working capital:</b>		
- Inventories	68	(1,063)
- Trade and other receivables	(5,969)	2,406
- Trade and other payables	180	(1,235)
<b>Cash generated from operations</b>	693	3,429
- Income taxes paid	(350)	(1,694)
-Income taxes refund	-	110
-Low value leases paid	-	(2)
-Short term leases paid	-	(63)
- Real Property gain tax paid	-	(1,106)
-Fixed Deposit withdrawal	340	-
-Interest received	338	259
<b>Net cash flow generated from operating activities</b>	1,021	933
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,021)	(277)
Proceeds from disposal of property, plant and equipment	286	135
Proceeds from disposal of non-current asset held for sale	-	14,250
Proceeds from disposal of other investment	-	-
Purchase of other investment	(1,286)	(282)
Placement of fixed deposits with licensed bank	-	(5)
Dividend received	286	932
<b>Net increase in cash flow used in investing activities</b>	(1,735)	14,753
<b>Cash flows from financing activity</b>		
Repayment of hire purchase liabilities	-	-
Bills payable & banker acceptance	-	-
Dividend paid	(2,441)	(2,441)
Dividend paid non controlling interest	(50)	(50)
Repayment of term loan	-	-
<b>Net cash flow used in financing activities</b>	(2,491)	(2,491)
Net increase/(decrease) in cash and cash equivalents	(3,205)	13,195
<b>Cash and cash equivalents at beginning of year</b>	36,251	22,992
<b>Effects of changes in exchange rate</b>	642	64
<b>Cash and cash equivalents at 30 September</b>	33,688	36,251

Cash and cash equivalents comprise the following balance sheet amounts:

Cash and bank balances	13,772	16,746
Fixed deposit	19,916	19,505
	33,688	36,251

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 September 2021 and the accompanying explanatory notes attached to the interim financial statements.

**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 2021.

On 1 October 2021, the Company adopted the following Amendments to published standards mandatory for annual financial periods beginning on or after 1 October 2021:

**Standards/Amendments**

Amendments to MFRS 7, MFRS 9, MFRS 16 and MFRS 139 –  
Interest Rate Benchmark Reform, Phase 2

Amendments to MFRS 16 – Covid-19 Related Rent Concessions  
beyond 30 June 2021

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 2021 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 cyclical.

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

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

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

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

**A6 Debts and equity securities**

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

**A7 Dividends**

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

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**A : Notes to Interim Financial Report on Consolidated Results For the Year Ended 30 September 2022**

**A8 Segmental reporting**

The segmental analysis for the Group for the financial year ended September 30, 2022 are as follows:

	WEST MALAYSIA				EAST MALAYSIA	SINGAPORE	TOTAL
	Northern RM'000	Southern RM'000	Eastern RM'000	Central RM'000	Sarawak RM'000	RM'000	RM'000
Segment Revenue	0	6,272	5,115	68,675	6,310	3,847	90,219
Elimination							(16,139)
Consolidated Revenue							<u>74,080</u>
Profit/(Loss) before Taxation and Minority Interest	(8)	503	54	9,979	396	(527)	10,397
Elimination							(5,693)
Share of profit Of associated Companies							1,254
							<u>5,958</u>
Total assets	1,491	7,767	6,270	174,074	7,464	12,102	209,168
Elimination							(39,082)
							<u>170,086</u>
Total Liabilities	(11)	320	433	33,260	445	476	34,923
Elimination							(31,707)
							<u>3,216</u>

**A9 Material events subsequent to the end of the interim period**

On 20 January 2022, 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 7 March 2022, 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. This proposal was approved by its shareholders in its Annual General Meeting.

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**A : Notes to Interim Financial Report on Consolidated Results For the Year Ended 30 September 2022**

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**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		Current Year To- date	Preceding Year Corresponding Period	
	30/9/2022	30/9/2021		30/9/2022	30/9/2021	
Revenue	19,292	14,278	5,014 /35.12	74,080	63,783	10,297/16.14
Profit/(Loss) Before Interest and Tax	1,149	(483)	1,632/337.89	5,510	5,248	262/4.99
Profit/(Loss) Before Tax	1,292	(392)	1,684/429.59	5,958	5,507	451/8.19
Profit After Tax	392	240	152/63.33	4,029	4,378	(349)/(7.97)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	401	246	155/63.01	4,001	4,355	(354)/(8.13)

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 increased by RM10,297,000 or 16.14% to RM74,080,000 from RM63,783,000. However, the profit before tax has only increased by RM451,000 or 8.19% to RM5,958,000 from RM5,507,000 mainly due to impairment of goodwill of RM1,046,000 during the year ended 30.9.2022 and there was a gain on sale of factory of RM3,750,000 included in the profit in the profit before tax for the year ended 30.9.2021 and nil for the current year ended 30.9.2022.

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

	For the cumulative 12 months ended 30.9.2022 RM'000	For the cumulative 12 months ended 30.9.2021 RM'000	Increase/(Decrease) RM'000          %	
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	6,272	5,273	999	18.95
Eastern	5,115	5,200	(85)	(1.63)
Central	52,536	42,392	10,144	23.93



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

East Malaysia				
- Sarawak	6,310	6,007	303	5.04
Overseas				
- Singapore	3,847	4,911	(1,064)	(21.67)
	<u>74,080</u>	<u>63,783</u>	<u>10,297</u>	16.14

The main increase in revenue by segment is from the Central Region which is due to the overall improvement in the market conditions as compare to previous year ended 30.9.2021 which is still under the MCO regime.

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 increased by RM5,014,000 or 35.12% to RM19,292,000 from RM14,278,000 and the profit before tax has increased by RM1,684,000 or 429.59% to RM1,292,000 from – RM392,000 mainly due to increase in revenue.

The revenue by segment is as follows:-

Revenue by segment	3 months ended 30.9.2022		3 months ended 30.9.2021		Increase/(Decrease)	
	RM'000	RM'000	RM'000	RM'000	RM'000	%
West Malaysia-Region						
Northern	0	0	0	0	0	0
Southern	1,789	1,300	489	37.62		
Eastern	1,351	1,125	226	20.09		
Central	13,479	8,436	5,043	59.78		
East Malaysia						
Sarawak	1,530	1,225	305	24.90		
Overseas						
Singapore	1,143	2,192	(1,049)	(47.86)		
	<u>19,292</u>	<u>14,278</u>	<u>5,014</u>	35.12		

The main increase in revenue by segment is from the Central Region mainly due to overall improvement in the market conditions as compare to previous quarter ended 30.9.2021 which is still under the MCO regime.

## 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 30/9/2022	Immediate Preceding Quarter 30/6/2022	Changes (RM'000 / %)
Revenue	19,292	19,821	(529)/(2.67)
Profit Before Interest and Tax	1,149	1,507	(358)/(23.76)
Profit Before Tax	1,292	1,601	(309)/(19.30)
Profit After Tax	392	1,300	(908)/(69.85)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	401	1,290	(889)/(68.91)

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 decreased by RM529,000 or 2.67% to RM19,292,000 from RM19,821,000.

The profit before tax has decreased by RM309,000 or 19.30% to RM1,292,000.00 from RM1,601,000 mainly due to impairment of goodwill of RM1,046,000 in the quarter ended 30.9.2022.

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

	3 months ended 30.9.2022		3 months ended 30.6.2022		Increase/(Decrease)	
	RM'000		RM'000		RM'000	%
Revenue by segment						
West Malaysia-Region						
Northern	0		0		0	0
Southern	1,789		1,455		334	22.96
Eastern	1,351		1,361		(10)	(0.73)
Central	13,479		14,601		(1,122)	(7.68)
East Malaysia						
Sarawak	1,530		1,872		(342)	(18.27)
Oversea						
Singapore	1,143		532		611	114.85
	<u>19,292</u>		<u>19,821</u>		<u>(529)</u>	<u>(2.67)</u>

The main decreased in revenue in the Central region mainly due to a project sales in the quarter ended 30.6.2022.

### B3. Current financial year's prospects

The IMF (WEO-World Economic Outlook) reported on 14<sup>th</sup> Oct 2022 the global economy is undergoing a broad-based and steeper-than-anticipated slowdown with higher inflation not experienced since several decades ago. A plethora of issues such as cost-of-living crisis and aggravating financial conditions in many regions; war between Russia and Ukraine as well as the lingering COVID-19 pandemic will have a negative impact on the outlook for 2022 and 2023 going forward.

The IMF commented there is a greater risk of the global economy heading for a recession in 2023. However, this risk is not immediate and the current forecast for the global economic growth is maintained at 3.2 percent in 2022

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

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(6.0 percent: 2021) and 2.7 percent in 2023. The issues that continue to haunt the global economic performance moving into 2023 are a slowdown in China economic activities, global supply chain disruptions and an increasing geo-economic/geopolitical tensions.

The Advanced Economies will experience a collective growth of 2.4 percent in 2022 and 1.1 percent in 2023. For 2022, the Euro Area will grow at 3.1 percent and trend down to 0.5 percent in 2023. There is a possibility of a negative growth of -0.3 percent for Germany and -0.2 percent for Italy in 2023. The US economy will shrink from 1.6 percent in 2022 to 1.0 percent in 2023.

The IMF maintained its growth estimates for the Emerging Market and Developing Economies for 2022 and 2023 to be 3.7 percent each. In 2023 Asia will drive most of this growth at 4.9 percent with China at 4.4 percent up from 3.2 percent in 2022, India at 6.1 percent (6.8 percent: 2022) and ASEAN 5 at 4.9 percent (5.3 percent: 2022).

Global inflation is expected to escalate from 4.7 percent in 2021 to 8.8 percent in 2022 (the highest in the past 40 years), before declining to 6.5 percent in 2023 and 4.1 percent in 2024.

To address existing global economic challenges, central banks of most countries raised their interest rates which led to a sharp rise of the US dollar. This resulted in a global economic contraction and spiraling inflation for many vulnerable countries. According to the WEO, all parties must ensure a steadfast monetary policy to restore price stability. Furthermore, fiscal policy must be able to address and alleviate cost-of-living pressures.

Every government should implement structural reforms to improve productivity and ease supply constraints in its battle against inflation. To fast track towards green energy transition, multilateral cooperation amongst all nations is necessary and vital.

### MALAYSIAN ECONOMY

Against challenging global headwinds, the Malaysian economy maintained its growth momentum in 1H2022. During this period, the economy clocked a growth of 6.9 percent underpinned by implemented initiatives incorporated in Budget 2022; a transition to endemic status, and the reopening of international borders. Growth for 2H2022 is expected to be 6.1 percent driven by a robust private sector domestic demand, an active tourism market revival and strong trade performances in the services and manufacturing sectors as well as improvement in labor market conditions.

For the year 2022, the government predicted the Malaysian economy to grow between 6.5 to 7.0 percent. Going forward into 2023, the Malaysian economy is forecasted to achieve a growth of 4.0 to 5.0 percent.

### Sectoral Performance

The service sector is expected to grow at 7.4 percent in 2H2022 after achieving a 9.2 percent increase in 1H2022. Overall, this sector will remain the main driver for sustained growth and is expected to grow at 8.2 percent for 2022. This sector growth was supported and driven by its subsectors such as an active wholesale and retail trade; transportation and storage; food & beverage and accommodation; real estate and business services as well as information and communication. The performances of these sub sectors are attributed to the improvement in tourism related activities; an upsurge of consumer spending due to cash assistance from EPF withdrawals and special Hari Raya Aidilfitri cash handouts. The increase in volume of online transactions also contributed to the positive performance of these subsector.

For 2023 the government predicted growth will trend down towards 5.0 percent underpinned by sustained domestic demand amidst a moderate global economy. Driving this growth as in 2022 will be the wholesale and retail trade; real estate and business services; information and communication; transportation and storage; and food & beverages and accommodation sub sectors.

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

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During 1H2022, the manufacturing sector expanded by 7.9 percent, underpinned by both the export and domestic oriented industries. The export-oriented sector grew by 7.1 percent whilst the domestic oriented industries increased by 9.7 percent.

This sector is expected to expand by 4.9 percent in 2H2022 propelled by higher output across a broad spectrum of industries such as the E&E, transport equipment and metal-related subsectors. Strong demand for semiconductors will drive the continuing export growth of the E&E industry.

Overall, the manufacturing sector is forecast to grow by 6.3 percent in 2022.

In 2023 the manufacturing sector growth is anticipated at 3.9 percent supported by the expansion of all its subsectors. The export oriented industries spearheaded by the E&E subsector will continue to propel growth in this sector, albeit a softer global market.

The output of rubber-based products subsector is expected to increase due to the upsurge of tyres production on the back of a buoyant global automotive market.

Other domestic oriented industries, to name a few, such as manufacturers of food and food related products; construction related items are also expected to have improved performance.

The agriculture sector contracted by 1.2 percent during 1H2022 as a result of lower output in most of its subsectors primarily owing to prolonged labor shortage. Nevertheless a recovery in the oil palm subsector in the second half of the year will drive growth to 1.3 percent. The recovery in this subsector was augmented by an improvement in crude palm oil (CPO) production from increase in fruits harvests from mature plants and availability of labor.

Other subsectors that contributed to this reversal in 2H2022 period are a rise of livestock production, higher yields in the fisheries industry and improved performances in other agricultural subsectors.

However, the forecast growth for the rubber subsector remained negative due to reduced tapping from unfavorable weather conditions and lower demand for natural rubber from China.

For 2022 a growth of 0.1 percent is forecasted for the agriculture sector which should turnaround in 2023 with a growth of 2.3 percent with improvement in labor supply.

In 2023, the oil palm subsector is expected to increase its CPO outputs with higher harvest of fresh fruit bunch and better oil extraction yields. The establishment of Mechanization and Automation Research Consortium of Oil Palm (MARCOP), a government initiative to promote adoption of mechanization and automation is expected to improve productivity and increase harvests yields. The CPO price is projected to average RM4300 per tonne compared to RM5000 per tonne in 2021.

Unlike 2022, in the following year the rubber subsector is forecasted to rebound on the back of increased tapping, a higher sustained price generated by a stronger automotive industry especially in China. The SMR20 rubber price is anticipated to average RM6.50 per kg in 2023.

Although the mining sector declined by 0.8 percent in 1H2022 due to lower crude oil production from some plants maintenance shutdown, it is expected to recover in the 2H2022 to register a growth of 5.1 percent. This reversal was driven mainly by a higher natural gas output from existing and new fields. A resumption of production from improved oil fields in Sabah supported this recovery.

With a higher forecast for global energy prices, Brent crude is expected to average at USD100 per barrel in 2022. The shortages of energy commodities (particularly natural gas) as a result of sanctions against Russia pushed energy prices and demand higher for 2022 and 2023 going forward.

For the year 2022 the mining sector is expected to grow at of 2.1 percent.

Growth of 1.1 percent for the mining sector is estimated for 2023. This is premised upon higher natural gas output from new pipelines in Sarawak during the second half of 2023, higher external demand of natural gas from our customers such as Japan, new demand from domestic industrial and petrochemical industries will further propelled natural gas production during 2023. Output of crude oil and condensates will be lower due to declining production rate from existing wells in Peninsular Malaysia. The anticipated softening of the global economy in 2023 will dampen demand for energy and will lead to lower world crude oil prices. In line with OPEC’s forecast,

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

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Brent Crude oil is expected to average USD90 per barrel in 2023.

The construction sector contracted by 2.1 percent in 1H2022 as a result of subdued construction activities in the civil engineering and residential buildings sub sectors. Other sub sectors such as non-residential buildings and specialized construction activities sub sectors grew during this half year in tandem with recovery in business activities. A turnaround of 6.9 percent growth is expected in 2H2022 underpinned by improvements in all subsectors; an increase in private investments and a strong revitalization of domestic economic activities. These in turn will generate an increase in demand for industrial and non-residential buildings. The government’s implementation and continuation of infrastructural and affordable housing projects earmarked under the Budget 2022 will further drive this growth. In 2022 the construction sector is expected to rebound to 2.3 percent.

### Inflation

The WEO report predicted global inflation for the year will reach 8.8 percent in 2022, the highest in 40 years before declining to 6.5 percent in 2023.

With an open economy, the domestic front will not be spared from the contagion impact of global inflationary pressures.

For the first eight months of 2022, the Consumer Price Index (CPI) reached 3.1 percent mainly attributed to price increases of certain fresh food items. The food and non-alcoholic beverages inflation component registered 5.1 percent within this period as compared to 1.4 percent for the corresponding period in 2021. This trend of escalating food prices is expected to prevail for the 2H2022 period due to higher retail prices of standard chicken and eggs as well as the withdrawal of subsidy of bottled cooking oil from July 2022. Furthermore, there was also the removal of electricity discount for domestic users (provided for the period since July to September 2021). A spike in headline inflation in the third quarter of 2022 is therefore anticipated. The government’s forecast of inflation for 2022 is 3.3 percent.

The Producer Price Index (PPI) by domestic production increased by 10.2 percent for the period January–July 2022, due to higher prices of commodities such as crude oil and natural gas. Subsequently, this had impacted the following industries with significant increases: mining (at 21.1 percent), agricultural, forestry and fishing (at 14.1 percent) and manufacturing (at 9.1 percent).

For 2022 the PPI is expected to remain stable at 10.2 percent (7.70 percent: 2021) after these increases of input costs are being normalized.

### Environmental Social and Governance.

The government is committed to strengthen Malaysia’s development and economy based on prosperity, sustainability and inclusivity.

Hence, in line with a global agenda of climate change and sustainability, the Malaysian government encourages all businesses to input environmental, social and governance (ESG) principles in their strategic policies and practices in order to minimize untoward impact on the environment and the local communities.

The company is currently working at formulating an ESG policy. This will entail reviewing its Standard Operating Procedures (SOPs) in compliance with official guidelines on sustainability disclosure and transparency. Mechanisms to be adopted will entail tackling issues such as reduction of carbon emissions and usage of renewable energy; in particular the usage of electric vehicle systems in the conduct of the Group’s business.

The Group is studying measures for a sustainability agenda in line with Bursa Malaysia’s guidelines and aspiration of a planned Voluntary Carbon Market (VCM) platform within the international framework of Sustainable Developments Goals (SDG) and a net zero Green House Gas (GHG) emissions in 2050 as enshrined in the Paris Agreement.

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### SUMMARY

The risks factors (downside and upside) to be monitored that may influence the baseline macroeconomic and domestic outlook for 2022 and 2023 are:

- The worsening of the Ukraine war, the real risk of a probable global recession in 2023, a spiraling inflation globally and a potential humanitarian crisis in the winter season in the Euro area.
- A resurgence of global and local outbreaks of Covid-19 with new variants stifling recovery. Slower growth in China in 2023 with further lockdowns with their zero Covid policy and causing supply chain disruptions.
- Aggravating geopolitical and geo-economic conflicts in the South China Sea, the Taiwan Straits, North East Asia and elsewhere between Russia-China block and USA and its collective West causing global instability and potential wars.
- Multilateral trade activities within RCEP in 2023 will underpin economic growth in the Asian region. A major slowdown in the Chinese economy will affect the economic performance of its major trading partners’ (especially ASEAN)
- Healthy demand and prices of Malaysia export commodities (for example crude oil at USD 90 per barrel and refined palm oil at RM4300 per ton) will continue to provide the revenue stream to finance and implement projects earmarked in Budget 2023 and the 12th Malaysian Plan.
- The result of the 15<sup>th</sup> General Election on 19<sup>th</sup> November 2022 may possibly cause political instability with negative impacts on foreign investments and domestic consumption.
- Any major climate changes, emergence of natural disasters and epidemic will result in human and economic losses.

Recognising the global environment for the period going forward remains formidable, unpredictable and challenging, the Board’s prime objective is to mitigate any challenges the Group faces and ensure it remains profitable with shareholders’ value and interests protected.

#### 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current Malaysian Tax	(860)	47	(2,042)	(770)
(Under)/overprovision in prior years	(25)	(402)	(25)	(402)
	<u>(885)</u>	<u>(355)</u>	<u>(2,067)</u>	<u>(1,172)</u>
Real property gain tax	0	0	0	(1,106)
Deferred taxation	(15)	987	138	1,149
	<u>(900)</u>	<u>632</u>	<u>(1,929)</u>	<u>(1,129)</u>
	=====	=====	=====	=====

The current tax rates for the current year ended 30 September 2022 and 2021 were 24% and 24%.

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

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

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

	3 months ended		Cumulative months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	(143)	(91)	(448)	(259)
Other income including investment				
Income	(781)	(394)	(1,835)	(1,846)
Gain on disposal of property, plant				
and equipment	0	0	(225)	( 3,857)
Interest expense	0	0	0	0
Depreciation and amortization	456	443	1,708	1,866
Impairment of goodwill	1,046	0	1,046	0
Foreign exchange (gain)/loss	359	106	266	57

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 other assets and exceptional items included in the results for the current period ended 30 September 2022.

**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:

	30.9.2022	30.9.2021
	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 other comprehensive income(FVTPL)		
Wholesale Funds	10,151	9,275
	<u>10,201</u>	<u>9,325</u>
	=====	=====

**B8. Status of corporate proposals**

To date, there are no corporate proposals announcement.

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

**B9. Group borrowings and debt securities**

The Group’s borrowings as at 30 September 2022 are as follows:

	30.9.2022		30.9.2021	
	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 30.9.2022 as compared with the corresponding period in the immediate preceding year as at 30.6. 2022 as tabled below:-

	As at 4th quarter ended 2022					
	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 3rd quarter ended 2022					
	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



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

### 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

	30.9.2022 RM'000	30.9.2021 RM'000
Proposed:		
Single tier Final dividend of 6 sen & Single tier Special dividend of 2 sen	0 0	2,441 0

A final dividend of 6sen amounting to RM2,441,400 for the financial year ended 30.9.2021 was paid on 29.3.2022. At the forthcoming Annual General Meeting, a single tier final dividend of 6 sen amounting to RM2,441,400 and a special single tier of 2 sen amounting to RM813,800 for the financial year ended 30.9.2022 will be proposed for the shareholders' approval.

### B13 Trade and other receivables

	30.9.2022 RM'000	30.9.2021 RM'000
Trade receivables	21,246	16,176
Loss allowance	(626)	(731)
	<u>20,620</u>	<u>15,445</u>
Other receivables, deposit & prepayment	1,532	738
	<u>22,152</u>	<u>16,183</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	
	30.9.2022 RM’000	30.9.2021 RM’000
Opening loss allowance as at 1 October	731	528
Provided during the period/year	138	723
Reversal	(243)	(520)
	<hr/>	<hr/>
Closing loss allowance	626	731
	<hr/>	<hr/>

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	
	30.9.2022 (RM’000)	30.9.2021 (RM’000)	30.9.2022 (RM’000)	30.9.2021 (RM’000)
Net profit attributable to				
Ordinary shareholders	401	246	4,001	4,355
Weighted average				
Number of shares				
In issued.	40,690	40,690	40,690	40,690
Basic earnings per				
Ordinary share(sen)	0.99	0.60	9.83	10.70
Diluted earnings per share (sen)	0.99	0.60	9.83	10.70

# **UMS Holdings Berhad**

Company No. 74125 – V  
(Incorporated in Malaysia)

Interim Financial Report  
30 September 2022