

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

Condensed Consolidated Statement of Comprehensive Income for the 6 month period ended 31 March 2023
(unaudited)

Note	3 month period ended 31 March			6 month period ended 31 March	
	2023	2022	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
		Previous			
	Current quarter	31.12.2022	Current quarter	6 months cumulative to date	6 months cumulative to date
Revenue	15,777	19,269	17,345	35,046	34,967
Cost of sales	(10,182)	(12,509)	(11,306)	(22,691)	(22,875)
Gross profit	5,595	6,760	6,039	12,355	12,092
Operating expenses	(5,841)	(6,034)	(5,315)	(11,875)	(10,715)
Other operating income	216	524	355	740	944
Financing costs	-	-	-	-	-
Interest income	157	139	110	296	211
Share of profit of associates	138	421	141	559	533
Profit before taxation	265	1,810	1,330	2,075	3,065
Tax expense	B5 (184)	(578)	(386)	(762)	(728)
Profit for the period	81	1,232	944	1,313	2,337
Other comprehensive income net of tax	(1,018)	272	37	(746)	37
Total comprehensive income for the period	(937)	1,504	981	567	2,374
Profits attributable to:					
Owners of the Parent	80	1,230	939	1,310	2,326
Non-controlling interest	1	2	5	3	11
	81	1,232	944	1,313	2,337
Total comprehensive income attributable to:					
Owners of the Parent	(938)	1,502	976	564	2,363
Non-controlling interest	1	2	5	3	11
	(937)	1,504	981	567	2,374
Basic earnings per ordinary share (sen)	B13 0.20	3.02	2.31	3.22	5.72
Diluted earnings per ordinary share (sen)	0.20	3.02	2.31	3.22	5.72

N/A - Not applicable

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 September 2022 and the accompanying explanatory notes attached to the interim financial statements.

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

Condensed Consolidated Statement of Financial Position as at 31 March 2023
(unaudited)

	As at 31 March 2023	As at 30 September 2022
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	31,306	32,522
Prepaid lease payments	4,257	4,370
Investment Property	18,660	18,660
Investments in associates	17,331	16,989
Other investments	10,533	10,200
Goodwill on consolidation	-	-
	<u>82,087</u>	<u>82,741</u>
Current assets		
Inventories	35,783	31,811
Trade and other receivables	20,601	22,279
Fixed deposits with licensed bank	10,935	19,883
Cash & cash equivalents	16,667	13,725
	<u>83,986</u>	<u>87,698</u>
Total assets	<u>166,073</u>	<u>170,439</u>
Equity		
Share capital	42,654	42,654
Reserves	121,008	123,699
	<u>163,662</u>	<u>166,353</u>
Total equity attributable to the shareholders of the Company	163,662	166,353
Minority interest	705	702
Total equity	<u>164,367</u>	<u>167,055</u>
Non-current liabilities		
Borrowings	-	-
Deferred tax liabilities	986	1,011
	<u>986</u>	<u>1,011</u>
Current liabilities		
Trade and other payables	3,154	5,545
Dividend payable	-	-
Borrowings	-	-
Taxation	(2,434)	(3,172)
	<u>720</u>	<u>2,373</u>
Total equity and liabilities	<u>166,073</u>	<u>170,439</u>
Net assets per share (RM)	4.02	4.09

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 September 2022 and the accompanying explanatory notes attached to the interim financial statements.

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

Condensed Consolidated Statement of Changes in Equity for the 6 month ended 31 March 2023
(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 2021	42,654	890	1,290	479	119,028	164,341	723	165,064
Prior year adjustment								
The prior year adjustment arises from changes in basis of measurement of other investments from fair value through other comprehensive income to fair value through profit or loss				(479)	479	-	-	-
	42,654	890	-	-	119,507	164,341	723	165,064
Profit for the year	-	-	-	-	3,872	3,872	29	3,901
Other comprehensive income								
Fair value change in available -for-sale financial assets	-	-	-	-	-	-	-	-
Exchange translation differences	-	-	581	-	-	581	-	581
Total other comprehensive income	-	-	581	-	-	581	-	581
Total comprehensive income	-	-	581	-	3,872	4,453	29	4,482
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)
At 30 September 2022	42,654	890	1,871	-	120,938	166,353	702	167,055
At 1 October 2022	42,654	890	1,871	-	120,938	166,353	702	167,055
Profit for the period	-	-	-	-	1,310	1,310	3	1,313
Other comprehensive income								
Fair value change in available -for-sale financial assets	-	-	-	-	-	-	-	-
Exchange translation differences	-	-	(746)	-	-	(746)	-	(746)
Total other comprehensive income	-	-	(746)	-	-	(746)	-	(746)
Total comprehensive income	-	-	(746)	-	1,310	564	3	567
Transactions with owners								
Dividend for year ended 30 September 2022	-	-	-	-	(3,255)	(3,255)	-	(3,255)
Total transactions with owners	-	-	-	-	(3,255)	(3,255)	-	(3,255)
At 31 March 2023	42,654	890	1,125	-	118,993	163,662	705	164,367

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 September 2022 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 6 month period ended 31 March 2023
(unaudited)

	For the 6 month period ended 31 March 2023 RM'000	For the 6 month period ended 31 March 2022 RM'000
Cash flows from operating activities		
Profit before taxation	2,075	3,065
Adjustment for non-cash items:		
- Non-cash items and non-operating items	(202)	239
Operating profit before changes in working capital	1,873	3,304
Changes in working capital:		
- Inventories	(3,972)	3,156
- Trade and other receivables	1,678	(5,285)
- Trade and other payables	(2,391)	4
Cash generated from operations	(2,812)	1,179
- Income taxes paid	(49)	(259)
- Capital gain tax paid	-	-
Net cash inflows generated from operating activities	(2,861)	920
Cash flows from investing activities		
Purchase of property, plant and equipment	(434)	(526)
Proceeds from disposal of property, plant and equipment	-	232
Purchase of other investment	(349)	(277)
Interest received	(296)	(211)
Dividend received	349	277
Net cash outflows from investing activities	(730)	(505)
Cash flows from financing activity		
Repayment of hire purchase liabilities	-	-
Dramndown/(Repayment) of bills payable & banker acceptance	-	-
Dividend paid	(3,255)	(2,441)
Repayment of term loan	-	-
Net cash outflows used in financing activities	(3,255)	(2,441)
Net decrease in cash and cash equivalents	(6,846)	(2,026)
Cash and cash equivalents at beginning of year	33,608	36,591
Effects of changes in exchange rate	840	410
Cash and cash equivalents at 31 March	27,602	34,975

Cash and cash equivalents comprise the following balance sheet amounts:

Cash and bank balances	16,667	14,946
Bank overdraft	-	-
Fixed deposit	10,935	20,029
	27,602	34,975

The condensed consolidated statement of cashflows should be read in conjunction with the audited financial statements for the year ended 30 September 2022 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 March 2023

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 2022.

On 1 October 2022, the Company adopted the following Amendments to published standards mandatory for annual financial periods beginning on or after 1 October 2022:

Standards/Amendments

Amendments to MFRS 116 –Proceeds Before Intended Use

Annual Improvements to MFRS Standards 2018 – 2020 Cycle:

Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 137 – Onerous Contracts Cost of Fulfilling a Contract

References to Conceptual Framework (Amendments to MFRS 3 – Business Combinations)

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 2022 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.

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

A. Notes to Interim Financial Report on Consolidated Results For the Period Ended 31 March 2023

A9 Material events subsequent to the end of the interim period

On 11 January 2023, 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 6 March 2023, 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.

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 (2nd 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	
	31/3/2023	31/3/2022		31/3/2023	31/3/2022	
Revenue	15,777	17,345	(1,568)/(9.04)	35,046	34,967	79/0.23
Profit Before Interest and Tax	108	1,220	(1,112)/(91.15)	1,779	2,854	(1,075)/(37.67)
Profit Before Tax	265	1,330	(1,065)/(80.08)	2,075	3,065	(990)/(32.30)
Profit After Tax	81	944	(863)/(91.42)	1,313	2,337	(1,024)/(43.82)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	80	939	(859)/(91.48)	1,310	2,326	(1,016)/(43.68)

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 RM79,000 or 0.23% to RM35,046,000 from RM34,967,000 and the profit before tax has decreased by RM990,000 or 32.30% to RM2,075,000 from RM3,065,000 mainly to increase in operating expenses.

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

	For the cumulative 6 months ended 31.3.2023 RM'000	For the cumulative 6 months ended 31.3.2022 RM'000	Increase/(Decrease) RM'000 %	
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	2,947	3,028	(81)	(2.68)
Eastern	2,803	2,403	400	16.65
Central	24,625	24,456	169	0.69
East Malaysia				
Sarawak	2,924	2,908	16	0.55
Overseas				
Singapore	1,747	2,172	(425)	(19.57)
	<u>35,046</u>	<u>34,967</u>	<u>79</u>	<u>0.23</u>

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

The increased in revenue by segment are mainly from the Eastern and Central Region.

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 decreased by RM1,568,000 or 9.04% to RM15,777,000 from RM17,345,000 and the profit before tax has decreased by RM1,065,000 or 80.08% to RM265,000 from RM1,330,000 mainly due to decrease in revenue and increased in operating expenses.

The revenue by segment is as follows:-

	3 months ended 31.3.2023 RM'000	3 months ended 31.3.2022 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	1,156	1,433	(277)	(19.33)
Eastern	1,335	1,092	243	22.25
East Malaysia				
Central	11,162	12,865	(1,703)	(13.24)
Sarawak	1,445	1,303	142	10.90
Oversea				
Singapore	679	652	27	4.14
	<u>15,777</u>	<u>17,345</u>	<u>(1,568)</u>	<u>(9.04)</u>

The main decreased in revenue by segment is from the Central Region mainly due to a project sale of RM1,351,195 for the correspondence quarter ended 31.3.2022 and compared to RM0 for the current quarter ended 31.3.2023.

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 31/3/2023	Immediate Preceding Quarter 31/12/2022	Changes (RM'000 / %)
Revenue	15,777	19,269	(3,492)/(18.12)
Profit Before Interest and Tax	108	1,671	(1,563)/(93.54)
Profit Before Tax	265	1,810	(1,545)/(85.36)
Profit After Tax	81	1,232	(1,151)/(93.43)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	80	1,230	(1,150)/(93.50)

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 RM3,492,000 or 18.12% to RM15,777,000 from RM19,269,000.

The profit before tax has decreased by RM1,545,000 or 85.36% to RM265,000 from RM1,810,000 mainly due to decrease in revenue and share of associated profit.

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

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

Revenue by segment	3 months ended	3 months ended	Increase/(Decrease)	
	31.3.2023 RM'000	31.12.2022 RM'000	RM'000	%
West Malaysia-Region				
Northern	0	0	0	0
Southern	1,156	1,791	(635)	(35.46)
Eastern	1,335	1,468	(133)	(9.06)
East Malaysia				
Central	11,162	13,463	(2,301)	(17.09)
Sarawak	1,445	1,479	(34)	(2.30)
Oversea				
Singapore	679	1,068	(389)	(36.42)
	<u>15,777</u>	<u>19,269</u>	<u>(3,492)</u>	<u>(18.12)</u>

The decreased in revenue is mainly from the Central region mainly due to overall market conditions.

B3. Current financial year’s prospects

In their latest quarterly report in April 2023, the IMF projected the world economy to drop from 3.4 percent in 2022 to 2.8 percent for 2023. Following through from 2022, the outlook is still uncertain amidst financial sector turmoil, lingering high inflation, negative impacts of the Ukraine war and the past three years of the COVID pandemic. A strong rebound from the re-opening of China’s economy in end April 2023, the unwinding of the global supply chain disruptions and the easing of energy and food supply are expected to drive the gradual improvement in the global economy going forward in 2023 and 2024.

The spillovers effects from the Chinese economic recovery invigorating the RCEP economic region is expected to stimulate Malaysia’s exports of agro resources such as palm oil, electrical and electronic goods and the tourism industry. The manufacturing sector is expected to sustain a moderate recovery in the coming period in addition to a more vigorous and active domestic demand. Construction activities continued to be underpinned by multiyear infrastructural ongoing projects as well as new projects earmarked in Budget 2023. The demand for the Group’s goods and services in the various sectors of the economy will be positively sustained going forward.

The Malaysian government don’t foresee the economy slipping into a recession, albeit a slower growth, with inflation and living costs weighing on a slower domestic spending. The quarterly growth for the period 1st Jan-31st March 2023 is expected at 4.5-5.0 percent .An annualized growth of 4.5 percent for Malaysia was projected by the IMF.

Against global geopolitical uncertainties and risks such as potential hot wars, unabated inflation, financial turmoil, environmental disasters, the risks to this outlook are tilted to the downside. However against these challenging headwinds, the Group is cautiously optimistic of maintaining a profitable outcome for the quarters going forward.

B4. Variance of actual profit from profit forecast

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

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

B5. Taxation

Taxation consists of the following :

	Individual quarter		Accumulated quarter	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current Malaysian Tax (Under)/overprovision in prior years	(196) 0	(437) 0	(787) 0	(830) 0
Deferred taxation	(196) 12	(437) 51	(787) 25	(830) 102
	<u>(184)</u>	<u>(386)</u>	<u>(762)</u>	<u>(728)</u>

The current tax rates for the current period ended 31 March 2023 and 2022 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	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	(157)	(110)	(296)	(211)
Other income including				
Investment Income	(216)	(268)	(740)	(769)
Gain on disposal of property, plant and equipment	0	(87)	0	(175)
Interest expense	0	0	0	0
Depreciation and amortization	392	620	801	843
Foreign exchange (gain)/loss	(58)	(53)	(266)	12

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 March 2023.

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:

	31.3.2023 RM'000	30.9.2022 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	10,483	10,150
	<u>10,533</u>	<u>10,200</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 March 2023 are as follows:

	31.3.2023		30.9.2022	
	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 31.3.2023 as compared with the corresponding period in the immediate preceding year as at 31 December 2022 as tabled below:-

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

	As at 2nd quarter ended 2023					
	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 quarter ended 2023					
	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

	31.3.2023 RM'000	30.9.2022 RM'000
Proposed:		
Single tier Final dividend of 6se	0	3,255

A final dividend of 6sen amounting to RM2,441,400 and a single tier special dividend of 2sen amounting to RM813,800 for the financial year ended 30.9.2022 was paid on 29.3.2023.

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

B13 Trade and other receivables

	31.3.2023	30.9.2022
	RM'000	RM'000
Trade receivables	18,972	21,355
Loss allowance	(750)	(626)
	<u>18,222</u>	<u>20,729</u>
Other receivables, deposit & prepayment	2,379	1,550
	<u>20,601</u>	<u>22,279</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 31.3.2023	
30.9.2022	RM'000	RM'000
Opening loss allowance as at 1 October	626	731
Provided during the period/year	126	138
Reversal	(2)	(243)
	<u>750</u>	<u>626</u>
Closing loss allowance		

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	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to				
Ordinary shareholders	80	939	1,310	2,326
Weighted average				
Number of shares				
In issued.	40,690	40,690	40,690	40,690
Basic earnings per				
Ordinary share (sen)	0.20	2.31	3.22	5.72
Diluted earnings per share (sen)	0.20	2.31	3.22	5.72

UMS Holdings Berhad

Company No. 74125 – V
(Incorporated in Malaysia)

Interim Financial Report
31 March 2023