

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 2024
(unaudited)

Note	3 month period ended 31 March			6 month period ended 31 March	
	2024 RM'000	2023 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
	Current quarter	Previous quarter 31.12.2023	Current quarter	6 months cumulative to date	6 months cumulative to date
Revenue	18,604	20,112	15,777	38,716	35,046
Cost of sales	(12,319)	(12,671)	(10,182)	(24,990)	(22,691)
Gross profit	6,285	7,441	5,595	13,726	12,355
Operating expenses	(5,959)	(6,038)	(5,841)	(11,997)	(11,875)
Other operating income	190	4,056	216	4,246	740
Financing costs	-	-	-	-	-
Interest income	117	113	157	230	296
Share of profit of associates	175	240	138	415	559
Profit before taxation	808	5,812	265	6,620	2,075
Tax expense	(332)	(617)	(184)	(949)	(762)
Profit for the period	476	5,195	81	5,671	1,313
Other comprehensive income net of tax	66	282	(1,018)	348	(746)
Total comprehensive income for the period	542	5,477	(937)	6,019	567
Profits attributable to:					
Owners of the Parent	474	5,187	80	5,661	1,310
Non-controlling interest	2	8	1	10	3
	476	5,195	81	5,671	1,313
Total comprehensive income attributable to:					
Owners of the Parent	540	5,469	(938)	6,009	564
Non-controlling interest	2	8	1	10	3
	542	5,477	(937)	6,019	567
Basic earnings per ordinary share (sen)	1.16	12.75	0.20	13.91	3.22
Diluted earnings per ordinary share (sen)	1.16	12.75	0.20	13.91	3.22

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 2023 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 31 March 2024
(unaudited)

	As at 31 March 2024	As at 30 September 2023
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	33,113	32,797
Prepaid lease payments	4,251	4,267
Investment Property	18,790	18,790
Investments in associates	11,732	14,245
Other investments	1,042	1,014
Goodwill on consolidation	-	-
	<u>68,928</u>	<u>71,113</u>
Current assets		
Inventories	35,581	40,941
Trade and other receivables	22,330	20,899
Tax recoverable	2,221	2,221
Fixed deposits with licensed bank	25,845	15,508
Cash & cash equivalents	24,931	24,386
	<u>110,908</u>	<u>103,955</u>
Total assets	<u>179,836</u>	<u>175,068</u>
Equity		
Share capital	42,654	42,654
Reserves	131,347	125,338
	<u>174,001</u>	<u>167,992</u>
Total equity attributable to the shareholders of the Company	174,001	167,992
Minority interest	695	685
Total equity	<u>174,696</u>	<u>168,677</u>
Non-current liabilities		
Borrowings	-	-
Deferred tax liabilities	1,025	1,020
	<u>1,025</u>	<u>1,020</u>
Current liabilities		
Trade and other payables	3,209	5,231
Dividend payable	-	-
Borrowings	-	-
Taxation	906	140
	<u>4,115</u>	<u>5,371</u>
Total equity and liabilities	<u>179,836</u>	<u>175,068</u>
Net assets per share (RM)	4.28	4.13

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 September 2023 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 6 month ended 31 March 2024
(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	Retained profits- distributable RM'000			
Balance At 1 October 2022	42,654	890	1,872	120,938	166,354	702	167,056
Profit for the year	-	-	-	4,190	4,190	8	4,198
Other comprehensive income							
Fair value change in available -for-sale financial assets	-	-	-	-	-	-	-
Exchange translation differences	-	-	703	-	703	-	703
Total other comprehensive income	-	-	703	-	703	-	703
Total comprehensive income	-	-	703	4,190	4,893	8	4,901
Transactions with owners							
Dividend for year ended 30 September 2022	-	-	-	(3,255)	(3,255)	(25)	(3,280)
Total transactions with owners	-	-	-	(3,255)	(3,255)	(25)	(3,280)
At 30 September 2023	<u>42,654</u>	<u>890</u>	<u>2,575</u>	<u>121,873</u>	<u>167,992</u>	<u>685</u>	<u>168,677</u>
At 1 October 2023	42,654	890	2,575	121,873	167,992	685	168,677
Profit for the period	-	-	-	5,661	5,661	10	5,671
Other comprehensive income							
Fair value change in available -for-sale financial assets	-	-	-	-	-	-	-
Exchange translation differences	-	-	348	-	348	-	348
Total other comprehensive income	-	-	348	-	348	-	348
Total comprehensive income	-	-	348	5,661	6,009	10	6,019
Transactions with owners							
Dividend for year ended 30 September 2023	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
At 31 March 2024	<u>42,654</u>	<u>890</u>	<u>2,923</u>	<u>127,534</u>	<u>174,001</u>	<u>695</u>	<u>174,696</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

Interim Report
UMS Holdings Berhad
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Condensed Consolidated Statement of Cashflows for the 6 month period ended 31 March 2024
(unaudited)

	For the 6 month period ended 31 March 2024 RM'000	For the 6 month period ended 31 March 2023 RM'000
Cash flows from operating activities		
Profit before taxation	6,620	2,075
Adjustment for non-cash items:		
-Non-cash items and non-operating items	(2,813)	(202)
Operating profit before changes in working capital	3,807	1,873
Changes in working capital:		
- Inventories	5,360	(3,972)
- Trade and other receivables	(1,431)	1,678
- Trade and other payables	(2,022)	(2,391)
Cash generated from operations	5,714	(2,812)
- Income taxes paid	(178)	(49)
- Capital gain tax paid	-	-
Net cash inflows/(outflows) generated from operating activities	5,536	(2,861)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,564)	(434)
Proceeds from disposal of property, plant and equipment	219	-
Proceeds from disposal of Associated Company	6,113	-
Purchase of other investment	(28)	(349)
Interest received	230	(296)
Dividend received	28	349
Net cash inflows/(outflows) from investing activities	4,998	(730)
Cash flows from financing activity		
Repayment of hire purchase liabilities	-	-
Dramndown/(Repayment) of bills payable & banker acceptance	-	-
Dividend paid	-	(3,255)
Repayment of term loan	-	-
Net cash outflows used in financing activities	-	(3,255)
Net increase/(decrease) in cash and cash equivalents	10,534	(6,846)
Cash and cash equivalents at beginning of year	39,894	33,608
Effects of changes in exchange rate	348	840
Cash and cash equivalents at 31 March	50,776	27,602

Cash and cash equivalents comprise the following balance sheet amounts:

Cash and bank balances	24,931	16,667
Bank overdraft	-	-
Fixed deposit	25,845	10,935
	50,776	27,602

The condensed consolidated statement of cashflows should be read in conjunction with the audited financial statements for the year ended 30 September 2023 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 2024

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 2023.

On 1 October 2023, the Company adopted the following Amendments to published standards mandatory for annual financial periods beginning on or after 1 October 2023:

Standards/Amendments

Amendments to MFRS 101 – Classification of Liabilities as Current and Non-current

Amendments to MFRS 101 – Disclosure of Accounting Policy

Amendments to MFRS 108 – Definition of Accounting Estimates

Amendments to MFRS 112 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

Amendments to MFRS 112 – International Tax Reform – Pillar Two Model Rules

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 2023 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 Period Ended 31 March 2024

A9 Material events subsequent to the end of the interim period

On 16 January 2024, 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 18 March 2024, 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, other than :

Disposal on investment

On 28 December 2023, a subsidiary company - Aqua Terra Union Oilfield Supply Sdn. Bhd. had disposed entire shares in associate company - M K S Sdn. Bhd. to a company in which certain directors have interest for a cash consideration of RM6,113,310 with estimated gain on disposal of RM3,618,178.

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	
	31/3/2024	31/3/2023		31/3/2024	31/3/2023	
Revenue	18,604	15,777	2,827/17.92	38,716	35,046	3,670/10.47
Profit Before Interest and Tax	691	108	583/539.81	6,390	1,779	4,611/259.19
Profit Before Tax	808	265	543/204.91	6,620	2,075	4,545/219.04
Profit After Tax	476	81	395/487.65	5,671	1,313	4,358/331.91
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	474	80	394/492.50	5,661	1,310	4,351/332.14

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 RM3,670,000 or 10.47% to RM38,716,000 from RM35,046,000 and the profit before tax has increased by RM4,545,000 or 219.04% to RM6,620,000 from RM2,075,000 mainly due to the gain on disposal of an Associated Company of RM3,618,178 and increased in revenue.

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

	For the cumulative 6 months ended 31.3.2024 RM'000	For the cumulative 6 months ended 31.3.2023 RM'000	Increase/(Decrease) RM'000 %	
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	3,473	2,947	526	17.85
Eastern	3,077	2,803	274	9.78
Central	25,435	24,625	810	3.29
East Malaysia				
Sarawak	3,302	2,924	378	12.93
Overseas				
Singapore	3,429	1,747	1,682	96.28

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

38,716
35,046
3,670
10.47

The increased in revenue by segment are mainly from the Southern and Central Regions due to increase in market demand and Singapore Region mainly due to a project sale (Vacono) in the previous quarter ended 31.3.2023 of RM1,082,000.00 as compared to RM0.00 in the current quarter ended 31.3.2024.

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 RM2,827,000 or 17.92% to RM18,604,000 from RM15,777,000 due to increase in market demand and the profit before tax has increased by RM543,000 or 204.91% to RM808,000 from RM265,000 mainly due to increase in revenue.

The revenue by segment is as follows: -

	3 months ended		Increase/(Decrease)	
	31.3.2024 RM'000	31.3.2023 RM'000	RM'000	%
Revenue by segment				
West Malaysia-Region				
Northern	0	0	0	0
Southern	1,598	1,156	442	38.24
Eastern	1,583	1,335	248	18.58
East Malaysia				
Central	12,585	11,162	1,423	12.75
Sarawak	1,576	1,445	131	9.07
Oversea				
Singapore	1,262	679	583	85.86
	18,604	15,777	2,827	17.92

The main increase in revenue by segment is from the Central Region mainly due to the increase in market demand.

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 31/3/2024	Immediate Preceding Quarter 31/12/2023	Changes (RM'000 / %)
Revenue	18,604	20,112	(1,508)/(7.50)
Profit Before Interest and Tax	691	5,699	(5,008)/(87.88)
Profit Before Tax	808	5,812	(5,004)/(86.10)
Profit After Tax	476	5,195	(4,719)/(90.84)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	474	5,187	(4,713)/(90.86)

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

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 RM1,508,000 or 7.50% to RM18,604,000 from RM20,112,000.

The profit before tax has decreased by RM5,004,000 or 86.10% to RM808,000 from RM5,812,000 mainly due to the gain on disposal of an Associated Company of RM3,618,178 in the immediate preceding quarter ended 31.12.2023 and RM0.00 in the current quarter and decreased in revenue.

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

Revenue by segment	3 months ended	3 months ended	Increase/(Decrease)	
	31.3.2024 RM'000	31.12.2023 RM'000	RM'000	%
West Malaysia-Region				
Northern	0	0	0	0
Southern	1,598	1,875	(277)	(14.77)
Eastern	1,583	1,494	89	5.96
East Malaysia				
Central	12,585	12,850	(265)	(2.06)
Sarawak	1,576	1,726	(150)	(8.69)
Oversea				
Singapore	1,262	2,167	(905)	(41.76)
	<u>18,604</u>	<u>20,112</u>	<u>(1,508)</u>	<u>(7.50)</u>

The decreased in revenue is mainly from the Singapore region mainly due to a project sale (Vacono) of RM1,082,000 in the preceding quarter ended 31.12.2023 as compare to RM0.00 in the current quarter ended 31.3.2024.

B3. Current financial year’s prospects

In their latest quarterly report in April 2024, the IMF projected the world economy to remain at 3.2 percent, same as for 2023. The outlook is still uncertain amidst increasing financial, economic, trade and geopolitical tensions in various regions of the world. An increasingly recovery in the China’s economy , the improvements of the global supply chain and the easing of energy and food supply are expected to gradually improve the global economy going forward for 2024. The US economy is expected to grow to 2.7 percent for 2024 whereas China and India will achieve growth of 4.6% and 6.8 % respectively. Global recovery will be steady but slow and differs by regions.

The Malaysian economy for 1Q2024 is estimated to have grown 3.9% from a year earlier according to official government sources driven primarily by the services sector. All main sectors of the economy achieved positive growth in this quarter driven by a 4.4% increase in the services sector. Underpinning the services sector growth are the wholesale and retail trade, transport and logistics and the business services sub sectors.

The manufacturing sector rebounded to 1.9% growth in the current quarter from a 0.3% contraction in 4Q2023 while the agriculture sector grew 1.3% year on year in the same period propelled by oil palm and livestock production.

The Bank Negara Malaysia in its March 2024 forecast expects a 5% increase in exports for 2024. Overall for the full year 2024 the government forecast the economy to achieve 4%-5% in 2024 as compared to 3.7% for 2023.

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.

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current Malaysian Tax (Under)/overprovision in prior years	(329) 0	(196) 0	(994) 0	(787) 0
Deferred taxation	(329) (3)	(196) 12	(944) (5)	(787) 25
	<u>(332)</u>	<u>(184)</u>	<u>(949)</u>	<u>(762)</u>

The current tax rates for the current period ended 31 March 2024 and 2023 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	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	(117)	(157)	(230)	(296)
Other income including				
Investment Income	(221)	(216)	(499)	(740)
Gain on disposal of property, plant and equipment	31	0	(129)	0
Gain on disposal of Associated Company	0	0	(3,618)	0
Interest expense	0	0	0	0
Depreciation and amortization	462	392	871	801
Foreign exchange (gain)/loss	(4)	(58)	(23)	(266)

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 2024.

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:

	31.3.2024 RM'000	30.9.2023 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	992	964
	<u>1,042</u>	<u>1,014</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 2024 are as follows:

	31.3.2024		30.9.2023	
	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 31.3.2024 as compared with the corresponding period in the immediate preceding year as at 31 December 2023 as tabled below:-

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

	As at 2nd quarter ended 2024					
	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 2024					
	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.

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

B12. Dividend

	31.3.2024 RM'000	30.9.2023 RM'000
Proposed:		
Single tier Final dividend of 6sen & Single tier Special dividend of 4sen	0	3,255

A final dividend of 6sen amounting to RM2,441,400 and a single tier special dividend of 4sen amounting to RM1,627,600 for the financial year ended 30.9.2023 were approved by its shareholders at its Annual General Meeting on 18.3.2024 and payable on 8.4.2024.

B13 Trade and other receivables

	31.3.2024 RM'000	30.9.2023 RM'000
Trade receivables	21,500	19,274
Loss allowance	(699)	(666)
	<u>20,801</u>	<u>18,608</u>
Other receivables, deposit & prepayment	1,529	2,291
	<u>22,330</u>	<u>20,899</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	
	31.3.2024 RM'000	30.9.2023 RM'000
Opening loss allowance as at 1 October	666	626
Provided during the period/year	39	211
Reversal	(6)	(171)
	<u>699</u>	<u>666</u>
Closing loss allowance	699	666

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.

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	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net profit attributable to Ordinary shareholders	474	80	5,661	1,310
Weighted average Number of shares In issued.	40,690	40,690	40,690	40,690
Basic earnings per Ordinary share (sen)	1.16	0.20	13.91	3.22
Diluted earnings per share (sen)	1.16	0.20	13.91	3.22