

UMS-NEIKEN GROUP BERHAD (Company No: 200401011970 (650473-V))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Second Quarter Ended 30 June 2021**

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 30 Jun 2021 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2020 RM'000 (unaudited)	Current Year To date 30 Jun 2021 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Jun 2020 RM'000 (unaudited)
Revenue		18,970	10,696	38,934	24,450
Cost of sales		(13,165)	(9,224)	(26,876)	(19,824)
Gross profit		5,805	1,472	12,058	4,626
Other income		482	752	1,150	1,237
		6,287	2,224	13,208	5,863
Selling and distribution expenses		(330)	(157)	(587)	(335)
Administrative expenses		(1,642)	(1,459)	(3,227)	(2,866)
Other operating expenses		(397)	(250)	(825)	(652)
Net (impairment loss)/reversal on financial assets		(338)	627	(85)	584
Finance costs		(15)	(23)	(30)	(50)
Profit before taxation		3,565	962	8,454	2,544
Income tax expense	B6	(975)	(246)	(2,354)	(684)
Profit after taxation		2,590	716	6,100	1,860
Other Comprehensive Income/(Expenses)					
Currency translation difference		28	197	349	278
Total Comprehensive Income		2,618	913	6,449	2,138
PROFIT AFTER TAXATION ATTRIBUTABLE TO					
Owners of The Company		2,586	717	6,095	1,857
Non-controlling interest		4	(1)	5	3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of The Company		2,614	914	6,444	2,135
Non-controlling interest		4	(1)	5	3
Earnings per share (sen):					
Basic	B11	3.30	0.91	7.79	2.36
Diluted		N/A	N/A	N/A	N/A

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2021. The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD (Company No: 200401011970 (650473-V))
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	As at end of current year quarter ended 30 Jun 2021 RM'000 (Unaudited)	Audited 31 Dec 2020 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	36,869	35,870
Investment properties	10,224	10,241
Right-of-use Assets	368	182
Deferred Tax Assets	4	4
Other Investment	1,651	1,642
	<u>49,116</u>	<u>47,939</u>
CURRENT ASSETS		
Inventories	23,295	20,059
Trade receivables	24,238	21,469
Other receivables, deposits and prepayments	2,408	2,695
Amount owing by a related company	-	1
Current tax assets	7	5
Short term investment	12,463	14,235
Fixed deposits with licensed banks	3,185	3,671
Cash and bank balances	4,159	3,834
	<u>69,755</u>	<u>65,969</u>
TOTAL ASSETS	<u>118,871</u>	<u>113,908</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	41,531	41,531
Treasury shares	(740)	(740)
Exchange fluctuation reserve	(108)	(457)
Retained profits	66,314	62,567
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>106,997</u>	<u>102,901</u>
Non-controlling interest	96	91
TOTAL EQUITY	<u>107,093</u>	<u>102,992</u>
NON-CURRENT LIABILITIES		
Lease liability	216	122
Term loans	65	496
Deferred taxation	2,136	2,141
	<u>2,417</u>	<u>2,759</u>
CURRENT LIABILITIES		
Trade payables	3,172	2,492
Other payables and accruals	2,717	3,281
Amount owing to directors	4	213
Amount owing to a related company	99	116
Lease liability	158	65
Term loans	776	1,000
Current tax liabilities	2,435	990
	<u>9,361</u>	<u>8,157</u>
TOTAL LIABILITIES	<u>11,778</u>	<u>10,916</u>
TOTAL EQUITY AND LIABILITIES	<u>118,871</u>	<u>113,908</u>
Net Assets per share based on number of shares in issue (RM)	<u>1.37</u>	<u>1.32</u>

Note:

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD (Company No: 200401011970 (650473-V))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Second Quarter Ended 30 June 2021

	← Attributable to Equity Holders of the Company →						Total RM'000
	← Non-distributable			→ Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits Attributable To Owners of The Company RM'000	Non-Controlling Interest RM'000	
<u>6 months period ended 30 June 2020</u>							
At 1 January 2020	41,531	(511)	-	(384)	58,886	88	99,610
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	1,857	3	1,860
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	278	-	-	278
Total Comprehensive income	-	-	-	278	1,857	3	2,138
<u>Contribution by and distributions to owners of the Company</u>							
- Purchase of company shares	-	(26)	-	-	-	-	(26)
- Dividend paid	-	-	-	-	(2,357)	-	(2,357)
At 30 June 2020	41,531	(537)	-	(106)	58,386	91	99,365
<u>6 months period ended 30 June 2021</u>							
At 1 January 2021	41,531	(740)	-	(457)	62,567	91	102,992
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	6,095	5	6,100
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	349	-	-	349
Total Comprehensive income	-	-	-	349	6,095	5	6,449
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	(2,348)	-	(2,348)
At 30 June 2021	41,531	(740)	-	(108)	66,314	96	107,093

The unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD (Company No: 200401011970 (650473-V))

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Second Quarter Ended 30 June 2021

	Current Year Quarter 30 Jun 2021 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2020 RM'000 (unaudited)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	8,454	2,544
Adjustments for:		
Reversal of impairment loss of trade receivables	(270)	(651)
Impairment loss on trade receivables	355	68
Reversal of inventories written down	(296)	(125)
Inventories written down	419	615
Bad debts written off	-	15
Dividends received	(28)	-
Depreciation of property, plant and equipment	2,076	1,814
Depreciation of an investment properties	143	149
Depreciation of right-of-use of assets	64	56
Gain on disposal of property, plant and equipment	(57)	-
Unrealised foreign exchange gain	(313)	(210)
Interest expense	26	46
Interest expense on lease payment	5	4
Interest income	(196)	(259)
Operating profit before working capital changes	<u>10,382</u>	<u>4,066</u>
Increase in inventories	(3,360)	(818)
(Increase)/Decrease in trade & other receivables	(2,254)	1,563
Increase/(Decrease) in trade & other payables	116	(1,228)
Decrease in amount owing to a related company	(16)	(34)
Decrease in amount owing to directors	(209)	(205)
Cash inflow from operations	<u>4,659</u>	<u>3,344</u>
Interest received	196	259
Interest paid	(31)	(50)
Income tax paid	(912)	(568)
Net cash inflow from operating activities	<u>3,912</u>	<u>2,985</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,202)	(2,014)
Proceeds from disposal of plant and equipment	58	-
Dividends received	28	-
Purchase of quoted shares	-	(1,290)
Treasury shares buy-back	-	(26)
Withdrawal/(Placement) of fixed deposits with tenure more than 3 months	497	(804)
Increase in pledged fixed deposits with licenced banks	(11)	(15)
Net cash outflow for investing activities	<u>(2,630)</u>	<u>(4,149)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(2,348)	(2,357)
Repayment of term loan	(655)	(473)
Repayment in lease liability	(63)	(36)
Net cash outflow for financing activities	<u>(3,066)</u>	<u>(2,866)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,784)	(4,030)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	337	268
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	18,069	21,557
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	<u>16,622</u>	<u>17,795</u>
	A16	

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2021. The unaudited Condensed Statement of Cash Flow should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

PART A: EXPLANATORY NOTES PERSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134 - Interim Financial Reporting, IAS 34 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2020 were prepared in accordance with MFRS. The significant accounting policies adopted in preparing these Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2020, except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRSs”), Amendment to MFRSs and IC Interpretation.

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2
Amendment to MFRS 16: Covid -19 – Related Rent Concessions
Amendment to MFRS 16: Covid -19 – Related Rent Concessions beyond 30 June 2021

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)

A2. Changes in Accounting Policies (cont’d)

MFRSs and/or IC Interpretations (Including The Consequential Amendments) (Cont’d)

At date of authorisation of these interim financial statements, the following MFRSs, Amendment to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Status of audit qualifications

The auditors’ report on the financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)

A4. Seasonal and Cyclical Factors

The Group’s business operations were not materially affected by any major seasonal or cyclical factors.

A5. Nature and Amount of Exceptional and Extraordinary Items

There were no items of unusual nature and/or amount affecting assets, liabilities, equity, net income or cash flow during the current quarter under review.

A6. Changes in Estimates

There was no material changes in estimates used for the preparation of this interim financial report.

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the financial quarter under review. Details of the treasury shares held are set out below:-

	No of shares purchased	Total consideration paid (RM)
At 1 January 2021	1,731,300	739,590.82
Share Buyback for the financial periods	-	-
At 30 June 2021	<u>1,731,300</u>	<u>739,590.82</u>

The purchases were financed by internally generated funds. The shares purchased are being held as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act 2016.

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)

A8. Dividend Paid

There was no dividend paid during the 3 months period ended 30 June 2021.

A9. Segment information

Business Segment

The Group’s financial information analysed by business segment is as follows:

	Current Year Quarter Ended 30.06.2021 (Unaudited)		Preceding Year Corresponding Quarter Ended 30.06.2020 (Unaudited)	
	Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	18,970	3,565	10,696	962
	<u>18,970</u>	<u>3,565</u>	<u>10,696</u>	<u>962</u>
	Cumulative Current Year to Date Ended 30.06.2021 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 30.06.2020 (Unaudited)	
	Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	38,934	8,454	24,450	2,544
	<u>38,934</u>	<u>8,454</u>	<u>24,450</u>	<u>2,544</u>

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)

A9. Segment information (Cont’d)

Geographical Segment

In determining the geographical segments of the Group, segment revenue is based on the country of operations.

The Group’s financial information analysed by geographical segment is as follows:

	Current Year Quarter Ended 30.06.2021		Preceding Year Corresponding Quarter Ended 30.06.2020	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	17,814	3,401	9,906	796
- Singapore	1,156	53	790	60
- Vietnam	-	111	-	106
	<u>18,970</u>	<u>3,565</u>	<u>10,696</u>	<u>962</u>
	Cumulative Current Year to Date Ended 30.06.2021		Cumulative Preceding Corresponding Year to Date Ended 30.06.2020	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	36,858	8,239	22,748	2,310
- Singapore	2,076	(1)	1,702	35
- Vietnam	-	216	-	199
	<u>38,934</u>	<u>8,454</u>	<u>24,450</u>	<u>2,544</u>

A10. Revaluation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

There was no revaluation of property, plant and equipment during the financial quarter under review.

A11. Significant Events Subsequent to the End of the Financial Period

There were no significant events subsequent to 30 June 2021.

UMS-NEIKEN GROUP BERHAD
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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)

A12. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A13. Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets as of the end of the financial period to date, save as disclosed below,

	RM’000
Corporate guarantee given to licenced banks for credit facilities granted to subsidiaries	28,000

A14. Commitments

The Group has not obtained any foreign exchange contract from a financial institution or capital commitment under quarter review, save as disclosed below.

	RM’000
<u>Capital Commitment:-</u>	
Capital injection to new subsidiary	3,811
Acquisition of machinery	588
Acquisition of IT equipment/software	170

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**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD 134 (“MFRS 134”) (CONT’D)**

A15. Significant Related Party Transactions

Details of the recurrent related party transactions (“RRPT”), which had been entered into in the ordinary course of business and have been established under terms that were mutually agreed between the parties, are as follows:

Transaction parties	Nature of transaction	Current Year Quarter 30.06.2021 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2020 RM’000 (Unaudited)	Cumulative Current Year to Date 30.06.2021 RM’000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2020 RM’000 (Unaudited)
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	50	-	50
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	101	73	523	216
UMSC	Sales of electrical wire	-	-	4	35

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)

A16. Cash and cash equivalents

	At 30.06.2021	At 30.06.2020
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Short term investment	12,463	13,486
Fixed deposits with licenced banks	3,185	3,378
Cash and bank balances	4,159	4,309
	<hr/>	<hr/>
	19,807	21,173
Less: Fixed Deposits pledged with licenced banks	(909)	(888)
Fixed deposit with tenure of more than 3 months	(2,276)	(2,490)
	<hr/>	<hr/>
	16,622	17,795
	<hr/>	<hr/>

A17. Translation of Foreign Currency Financial Statements

For consolidation purposes, all foreign currency monetary assets and liabilities and the financial statements of the Group’s foreign subsidiaries, Neiken Switchgear (VN) Co. Ltd and Neiken Electric (S) Pte Ltd have been translated at the exchange rates ruling at the reporting date.

The applicable closing foreign exchange rates used (expressed on the basis on one unit of foreign currency to Ringgit Malaysia equivalent) in the translation of foreign currency monetary assets and liabilities and the financial statements of the foreign subsidiaries are as follows:-

	RM
United States Dollar	4.1520
Singapore Dollar	3.0873

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

	Individual Quarter		Year to date	
	30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)
Revenue	18,970	10,696	38,934	24,450
Profit before taxation	3,565	962	8,454	2,544

The Group achieved revenue of approximately RM19.0 million and RM38.9 million for the quarter and financial periods ended 30 June 2021. This represents an increase of approximately 77% and 59% respectively as compared to the corresponding quarter and financial period to date in the preceding year. It was mainly due to the overall improvement in sales demand despite the dramatic resurgence of Covid-19 and reintroduction of the Movement Control Order (“MCO”) lockdown nationwide since early June 2021.

Profit before taxation increased significantly for the current quarter and financial period to date as compared to 2020. This was in line with higher revenue achieved and better margin from the improved productivity with insignificant impact on operational overhead being incurred during lockdown period.

B2. Comment on Material Changes in the Profit Before Taxation for the Quarter Reported on as Compared With Immediate Preceding Quarter

	Individual Quarter	
	30.06.2021 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)
Revenue	18,970	19,964
Profit before taxation	3,565	4,889

The Group achieved revenue of approximately RM19.0 million for the current quarter under review as compared to RM20.0 million in the immediate preceding quarter, registering a decrease which mainly due to the demand being affected by the MCO lockdown imposed in June 2021.

Profit before taxation of the Group for the current quarter under review decreased compared to the immediate preceding quarter, mainly due to the lower profit margin in line of lower revenue, the impairment loss incurred on trade receivables and inventories written down.

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (CONT'D)

B3. Current Year Prospects

The Group performance for the quarter remained resilient despite the challenges in the underlying local and regional economies, and operational restriction in manufacturing sector since June 2021 due to the MCO lockdown.

There are continuing uncertainties facing the Group. The improvement seen during the previous quarter has been dampened by the resurgence and increase of Covid-19 cases in Malaysia and the region. These have resulted in various lockdown measures being taken by governments which can have a negative impact on the local and regional economies. The Group has taken various initiatives to enable the Group to meet the challenges posed by the uncertainties. This include the registration under PIKAS to expedite the vaccine inoculation for the staff of the Group in Malaysia so that the Group is able to restore and operate at optimum capacity as and when allowed by the government.

B4. Variance of Actual Profit and Forecast Profit of the Group

The disclosure requirements for explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (CONT'D)

B5. Profit for The Period

	Current Year Quarter 30.06.2021 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.06.2020 RM'000 (unaudited)	Cumulative Current Year to Date 30.06.2021 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2020 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables	352	4	355	68
Bad debts written off	-	15	-	15
Depreciation of property, plant and equipment	1,063	928	2,076	1,814
Depreciation of investment properties	72	78	143	149
Depreciation of right-of-use of assets	34	22	64	56
Interest expense on financial liabilities that are not at fair value through profit or loss	13	21	26	46
Interest expenses on lease liabilities	3	3	5	4
Inventories written down	379	112	419	615
Loss/(Gain) on foreign exchange - unrealised	(114)	(39)	(313)	(210)
- realised	67	(101)	162	(24)
Gain on disposal of plant and equipment	(50)	-	(57)	-
Total interest income on financial assets measured at amortised cost	(43)	(46)	(82)	(78)
Total interest income on financial assets measured at fair value through profit or loss	(55)	(63)	(114)	(181)
Reversal of inventories written down	(148)	(104)	(296)	(125)
Reversal of impairment loss of trade & other receivables	(14)	(631)	(270)	(651)

Saved as disclosed above and note 6 of Part A, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing requirement are not applicable.

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (CONT'D)

B6. Income Tax Expense

	Current Year Quarter 30.06.2021 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2020 RM'000 (Unaudited)	Cumulative Current Year to Date 30.06.2021 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2020 RM'000 (Unaudited)
Current tax Expense	975	246	2,354	684

The tax expense is derived based on management's best estimate of the tax rate for the year.

The Group's effective tax rate under current quarter review and for the year to date higher than the statutory rate, mainly due to higher non-tax deductible expenses.

B7. Status of Corporate Proposals

There were no corporate proposals announced during the financial quarter under review.

B8. Group borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Ringgit Malaysia</u>			
Term loan - short term	776	-	776
Term loan - long term	65	-	65
	841	-	841

UMS-NEIKEN GROUP BERHAD
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (CONT'D)

B9. Material litigation

Neither UMSN nor any of its subsidiary companies are engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B10. Dividends

The Board does not recommend any interim dividend in respect of the financial year ending 31 December 2021 during this quarter.

B11. Basic earnings per share

The basic earnings per share for the current quarter and cumulative year to date are computed as follow:-

	Current Year Quarter 30.06.2021 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2020 (Unaudited)	Cumulative Current Year to Date 30.06.2021 (Unaudited)	Preceding Corresponding Year to Date 30.06.2020 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>2,586</u>	<u>717</u>	<u>6,095</u>	<u>1,857</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,269</u>	<u>78,562</u>	<u>78,269</u>	<u>78,562</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>3.30</u>	<u>0.91</u>	<u>7.79</u>	<u>2.36</u>

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (CONT'D)

B12. Disclosure In Relation To Any Agreement, Arrangement, Joint Venture Or Collaboration For The Purpose Of Bidding For Or Securing A Project Or Contract

There were no agreements, arrangement, joint venture or collaboration for the purpose of bidding for or securing a project or contract entered by the Company during the financial period under review.

B13. Authorisation for issue

The second quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 26 August 2021.