

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 First Quarter Ended 31 March 2022

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 31 Mar 2022 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2021 RM'000 (unaudited)	Current Year To date 31 Mar 2022 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Mar 2021 RM'000 (unaudited)
Revenue		17,366	19,964	17,366	19,964
Cost of sales		(12,301)	(13,711)	(12,301)	(13,711)
Gross profit		5,065	6,253	5,065	6,253
Other income		652	668	652	668
		5,717	6,921	5,717	6,921
Selling and distribution expenses		(239)	(257)	(239)	(257)
Administrative expenses		(1,423)	(1,585)	(1,423)	(1,585)
Other operating expenses		(387)	(428)	(387)	(428)
Net reversal of impairment losses on financial assets		543	253	543	253
Finance costs		(9)	(15)	(9)	(15)
Profit before taxation		4,202	4,889	4,202	4,889
Income tax expense	B6	(1,180)	(1,379)	(1,180)	(1,379)
Profit after taxation		3,022	3,510	3,022	3,510
Other Comprehensive Income					
Currency translation difference		119	321	119	321
Total Comprehensive Income		3,141	3,831	3,141	3,831
PROFIT AFTER TAXATION ATTRIBUTABLE TO					
Owners of The Company		3,021	3,509	3,021	3,509
Non-controlling interest		1	1	1	1
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of The Company		3,140	3,830	3,140	3,830
Non-controlling interest		1	1	1	1
Earnings per share (sen):					
Basic	B11	3.84	4.48	3.84	4.48
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 31 March 2022. 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 2021 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 31 March 2022

	Note	As at end of current year quarter ended 31 Mar 2022 RM'000 (Unaudited)	Audited 31 Dec 2021 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		35,758	36,080
Investment properties		10,077	10,092
Right-of-use Assets		279	318
Other Investment		465	461
Deferred Tax Assets		4	4
		<u>46,583</u>	<u>46,955</u>
CURRENT ASSETS			
Inventories		26,918	26,799
Trade receivables		21,026	23,912
Other receivables, deposits and prepayments		2,577	2,765
Current tax assets		98	16
Short term investment		16,771	14,731
Fixed deposits with licensed banks		3,650	3,614
Cash and bank balances		6,621	4,883
		<u>77,661</u>	<u>76,720</u>
TOTAL ASSETS		<u>124,244</u>	<u>123,675</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		41,531	41,531
Treasury shares		(597)	(597)
Exchange fluctuation reserve		69	(50)
Retained profits		71,609	70,950
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>112,612</u>	<u>111,834</u>
Non-controlling interest		89	88
TOTAL EQUITY		<u>112,701</u>	<u>111,922</u>
NON-CURRENT LIABILITIES			
Lease liability		123	166
Deferred taxation		2,128	2,131
		<u>2,251</u>	<u>2,297</u>
CURRENT LIABILITIES			
Trade payables		3,048	2,737
Other payables and accruals		3,940	4,493
Amount owing to a related company		7	59
Amount owing to directors		1	97
Lease liability		160	156
Term loans	B8	257	454
Dividend payable		-	10
Current tax liabilities		1,879	1,450
		<u>9,292</u>	<u>9,456</u>
TOTAL LIABILITIES		<u>11,543</u>	<u>11,753</u>
TOTAL EQUITY AND LIABILITIES		<u>124,244</u>	<u>123,675</u>
Net Assets per share based on number of shares in issue (RM)		<u>1.43</u>	<u>1.42</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 2021 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 First Quarter Ended 31 March 2022

	← Attributable to Equity Holders of the Company →						Total RM'000
	← Non-distributable			Exchange Fluctuation Reserve	Distributable Retained Profits Attributable To Owners of The Company		
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	RM'000	RM'000	Non-Controlling Interest RM'000	
<u>3 months period ended 31 March 2021</u>							
At 1 January 2021	41,531	(740)	-	(457)	62,567	91	102,992
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	3,509	1	3,510
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	321	-		321
Total Comprehensive income	-	-	-	321	3,509	1	3,831
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	(2,348)	-	(2,348)
At 31 March 2021	41,531	(740)	-	(136)	63,728	92	104,475
<u>3 months period ended 31 March 2022</u>							
At 1 January 2022	41,531	(597)	-	(50)	70,950	88	111,922
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	3,021	1	3,022
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	119	-	-	119
Total Comprehensive income	-	-	-	119	3,021	1	3,141
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid by the Company	-	-	-	-	(2,362)	-	(2,362)
At 31 March 2022	41,531	(597)	-	69	71,609	89	112,701

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 31 March 2022 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 CASH FLOWS****For The First Quarter Ended 31 March 2022**

	Current Year Quarter 31 Mar 2022 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2021 RM'000 (unaudited)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	4,202	4,889
Adjustments for:		
Reversal of impairment loss of trade receivables	(543)	(256)
Impairment loss on trade receivables	-	3
Reversal of inventories written down	(30)	(148)
Inventories written down	778	40
Depreciation of property, plant and equipment	1,109	1,013
Depreciation of investment properties	63	71
Depreciation of right-of-use of assets	39	30
Gain on disposal of property, plant and equipment	(270)	(7)
Unrealised foreign exchange loss/(gain)	(112)	(199)
Interest expense	6	13
Interest expense on lease payment	2	2
Interest income	(93)	(98)
Operating profit before working capital changes	5,151	5,353
Increase in inventories	(868)	(46)
Decrease/(Increase) in trade & other receivables	3,728	(2,891)
(Decrease)/Increase in trade & other payables	(251)	1,602
(Decrease)/Increase in amount owing to a related company	(52)	55
Decrease in amount owing to directors	(96)	(212)
Cash inflow from operations	7,612	3,861
Interest received	93	98
Interest paid	(8)	(15)
Income tax paid	(835)	(582)
Net cash inflow from operating activities	6,862	3,362
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(764)	(1,398)
Proceeds from disposal of plant and equipment	270	8
Withdrawal/(Placement) of fixed deposits with tenure more than 3 months	(28)	(73)
Increase in pledged fixed deposits with licenced banks	(8)	(5)
Net cash outflow for investing activities	(530)	(1,468)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(2,362)	(2,348)
Repayment of term loan	(197)	(245)
Repayment in lease liability	(39)	(30)
Net cash outflow for financing activities	(2,598)	(2,623)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,734	(729)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	44	310
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	19,614	18,069
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	23,392	17,650
A16		

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 March 2022. 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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

PART A: EXPLANATORY NOTES PURSUANT 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 2021. 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 2021.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2021 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 2021, 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)

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

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 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 2021 was not subject to any qualification.

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PART A: EXPLANATORY NOTES PERSUANT 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 2022	1,264,800	596,563.97
No transaction for the financial periods	-	-
At 31 March 2022	<u>1,264,800</u>	<u>596,563.97</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 PERSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)

A8. Dividend Paid

An interim single-tier dividend of 3.0 sen per ordinary share amounting to approximately RM2,362,000 in respect of the financial year ended 31 December 2021 was paid on 31 March 2022.

A9. Segment information

Business Segment

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

	Current Year Quarter Ended 31.03.2022		Preceding Year Corresponding Quarter Ended 31.03.2021	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	17,366	4,202	19,964	4,889
	<u>17,366</u>	<u>4,202</u>	<u>19,964</u>	<u>4,889</u>
	Cumulative Current Year to Date Ended 31.03.2022		Cumulative Preceding Corresponding Year to Date Ended 31.03.2021	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	17,366	4,202	19,964	4,889
	<u>17,366</u>	<u>4,202</u>	<u>19,964</u>	<u>4,889</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 31.03.2022		Preceding Year Corresponding Quarter Ended 31.03.2021	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit/(Loss) Before Taxation RM’000	Revenue RM’000	Profit/(Loss) Before Taxation RM’000
- Malaysia	16,676	4,104	19,044	4,838
- Singapore	690	(13)	920	(54)
- Vietnam	-	111	-	105
	<u>17,366</u>	<u>4,202</u>	<u>19,964</u>	<u>4,889</u>
	Cumulative Current Year to Date Ended 31.03.2022		Cumulative Preceding Corresponding Year to Date Ended 31.03.2021	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit/(Loss) Before Taxation RM’000	Revenue RM’000	Profit/(Loss) Before Taxation RM’000
- Malaysia	16,676	4,104	19,044	4,838
- Singapore	690	(13)	920	(54)
- Vietnam	-	111	-	105
	<u>17,366</u>	<u>4,202</u>	<u>19,964</u>	<u>4,889</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.

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

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

There were no significant events subsequent to 31 March 2022.

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

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

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	3,904
Acquisition of machinery and mould	719
Acquisition of IT equipment/software	170
Acquisition of motor vehicle	540
	<hr/>
	5,333
	<hr/>

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 31.03.2022 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2021 RM’000 (Unaudited)	Cumulative Current Year to Date 31.03.2022 RM’000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2021 RM’000 (Unaudited)
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	10	422	10	422
UMSC	Sales of electrical wire	-	4	-	4

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

A16. Cash and cash equivalents

	At 31.03.2022	At 31.03.2021
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Short term investment	16,771	12,158
Fixed deposits with licenced banks	3,650	3,749
Cash and bank balances	6,621	5,492
	<hr/>	<hr/>
	27,042	21,399
Less: Fixed deposits pledged with licenced banks	(927)	(904)
Fixed deposits with tenure of maturity of more than 3 months	(2,723)	(2,845)
	<hr/>	<hr/>
	<u>23,392</u>	<u>17,650</u>

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	4.2060
Singapore Dollar	3.1064

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

B1. Review of Performance

	Individual Quarter		Year to date	
	31.03.2022 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)	31.03.2022 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)
Revenue	17,366	19,964	17,366	19,964
Profit before taxation	4,202	4,889	4,202	4,889

The Group achieved revenue of RM17.4 million for the quarter and financial periods to date ended 31 March 2022. This represented a decrease of approximately 13% as compared to the corresponding quarter in the preceding year. The drop in demand was mainly due to the fulfilment of backlog order in the corresponding quarter in the preceding year. In the current quarter, it noted that sales were lower partly due to the slowdown in the construction sector arising from manpower shortage in Malaysia.

The profit margin for the quarter and financial periods to date decreased in line of lower revenue. However, it was partially mitigated by reversal of impairment loss on receivables and savings in administration cost.

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

	Individual Quarter	
	31.03.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)
Revenue	17,366	22,684
Profit before taxation	4,202	4,198

The Group achieved revenue of approximately RM17.4 million for the current quarter under review as compared to almost RM22.7 million in the immediate preceding quarter, registering a decrease of approximately 23% due to the drop in demand as explained in B1.

However, profit before taxation of the Group for the current quarter under review increased marginally compared to the immediate preceding quarter, mainly due to reversal of impairment loss on receivables offsetting the lower margin in line with lower revenue.

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

B3. Current Year Prospects

The performance for the Group under quarter review was satisfactory, despite the ravage of transmissible Omicron variant throughout the world including in Malaysia.

Challenges remain for the rest of the year due to headwinds emerging from, amongst the others, the lingering concern on Covid-19 evolution, the geopolitical issues like the escalating Ukraine-Russia crisis, increase cases of Covid-19 in China resulting in lockdowns and economic slowdown. The manpower shortages affecting the local construction industry coupled with the increase in raw material prices will continue to be a dampener for the Group.

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 31.03.2022 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.03.2021 RM'000 (unaudited)	Cumulative Current Year to Date 31.03.2022 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2021 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables	-	3	-	3
Depreciation of property, plant and equipment	1,109	1,013	1,109	1,013
Depreciation of investment properties	63	71	63	71
Depreciation of right-of-use of assets	39	30	39	30
Interest expense on financial liabilities that are not at fair value through profit or loss	6	13	6	13
Interest expenses on lease liabilities	2	2	2	2
Inventories written down	778	40	778	40
Loss/(Gain) on foreign exchange - unrealised	(112)	(199)	(112)	(199)
- realised	84	95	84	95
Gain on disposal of plant and equipment	(270)	(7)	(270)	(7)
Total interest income on financial assets measured at amortised cost	(42)	(39)	(42)	(39)
Total interest income on financial assets measured at fair value through profit or loss	(51)	(59)	(51)	(59)
Reversal of inventories written down	(30)	(148)	(30)	(148)
Reversal of impairment loss of trade & other receivables	(543)	(256)	(543)	(256)

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 31.03.2022 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2021 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2022 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2021 RM'000 (Unaudited)
Current tax Expense	1,180	1,379	1,180	1,379

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

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

B7. Status of Corporate Proposals

On 6 January 2022, the Group announced the proposed disposal of a leasehold land measuring approximately 92,558.87 square feet belonging to a subsidiary for a cash consideration of RM4.165 million. On 26 April 2022, it had been completed and resulted in a gain of approximately RM1.9 million being recorded in the results for the second quarter of 2022.

The utilisation of proceeds was set out at below:-

	Proposed RM'000	Actual RM'000	Variance RM'000	Variance %
Working Capital	165	272	(107)	(65)
Short Term Investment	4,000	3,893	107	3
Settlement of Term Loan, if any	-	-	-	-
	4,165	4,165	-	-

The variance in working capital utilisation was mainly due to the legal fee and commission payment made in relation to the disposal, upon the receipt of proceeds.

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

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	257	-	257
	<u>257</u>	<u>-</u>	<u>257</u>

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 2022 during this quarter.

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

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 31.03.2022 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2021 (Unaudited)	Cumulative Current Year to Date 31.03.2022 (Unaudited)	Preceding Corresponding Year to Date 31.03.2021 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>3,021</u>	<u>3,509</u>	<u>3,021</u>	<u>3,509</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,735</u>	<u>78,269</u>	<u>78,735</u>	<u>78,269</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>3.84</u>	<u>4.48</u>	<u>3.84</u>	<u>4.48</u>

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 first quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 23 May 2022.