

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 2022

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 30 Jun 2022 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2021 RM'000 (unaudited)	Current Year To date 30 Jun 2022 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Jun 2021 RM'000 (unaudited)
Revenue		18,833	18,970	36,199	38,934
Cost of sales		(13,675)	(13,165)	(25,976)	(26,876)
Gross profit		5,158	5,805	10,223	12,058
Other income		2,613	482	3,265	1,150
		7,771	6,287	13,488	13,208
Selling and distribution expenses		(266)	(330)	(505)	(587)
Administrative expenses		(1,611)	(1,642)	(3,034)	(3,227)
Other operating expenses		(321)	(397)	(708)	(825)
Net reversal/(impairment loss) on financial assets		(121)	(338)	422	(85)
Finance costs		(8)	(15)	(17)	(30)
Profit before taxation		5,444	3,565	9,646	8,454
Income tax expense	B6	(1,268)	(975)	(2,448)	(2,354)
Profit after taxation		4,176	2,590	7,198	6,100
Other Comprehensive Income/(Expenses)					
Currency translation difference		385	28	504	349
Total Comprehensive Income		4,561	2,618	7,702	6,449
PROFIT AFTER TAXATION ATTRIBUTABLE TO					
Owners of The Company		4,175	2,586	7,196	6,095
Non-controlling interest		1	4	2	5
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of The Company		4,560	2,614	7,700	6,444
Non-controlling interest		1	4	2	5
Earnings per share (sen):					
Basic	B11	5.30	3.30	9.14	7.79
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 2022. The unaudited Condensed Consolidated Statement of Profit or Loss and Other 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 30 June 2022

	As at end of current year quarter ended 30 Jun 2022 RM'000 (Unaudited)	Audited 31 Dec 2021 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	35,539	36,080
Investment properties	8,152	10,092
Right-of-use Assets	240	318
Other Investment	476	461
Deferred Tax Assets	4	4
	<u>44,411</u>	<u>46,955</u>
CURRENT ASSETS		
Inventories	25,533	26,799
Trade receivables	22,131	23,912
Other receivables, deposits and prepayments	2,320	2,765
Current tax assets	30	16
Short term investment	16,173	14,731
Fixed deposits with licensed banks	12,198	3,614
Cash and bank balances	4,994	4,883
	<u>83,379</u>	<u>76,720</u>
TOTAL ASSETS	<u>127,790</u>	<u>123,675</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	41,531	41,531
Treasury shares	(597)	(597)
Exchange fluctuation reserve	454	(50)
Retained profits	75,784	70,950
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>117,172</u>	<u>111,834</u>
Non-controlling interest	90	88
TOTAL EQUITY	<u>117,262</u>	<u>111,922</u>
NON-CURRENT LIABILITIES		
Lease liability	102	166
Deferred taxation	2,126	2,131
	<u>2,228</u>	<u>2,297</u>
CURRENT LIABILITIES		
Trade payables	2,317	2,737
Other payables and accruals	3,078	4,493
Amount owing to a related company	206	59
Amount owing to directors	1	97
Lease liability	142	156
Term loans	59	454
Dividend payable	-	10
Current tax liabilities	2,497	1,450
	<u>8,300</u>	<u>9,456</u>
TOTAL LIABILITIES	<u>10,528</u>	<u>11,753</u>
TOTAL EQUITY AND LIABILITIES	<u>127,790</u>	<u>123,675</u>
Net Assets per share based on number of shares in issue (RM)	<u>1.49</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 Second Quarter Ended 30 June 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>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 by the Company	-	-	-	-	(2,348)	-	(2,348)
At 30 June 2021	41,531	(740)	-	(108)	66,314	96	107,093
<u>6 months period ended 30 June 2022</u>							
At 1 January 2022	41,531	(597)	-	(50)	70,950	88	111,922
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	7,196	2	7,198
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	504	-	-	504
Total Comprehensive income	-	-	-	504	7,196	2	7,702
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid by the Company	-	-	-	-	(2,362)	-	(2,362)
At 30 June 2022	41,531	(597)	-	454	75,784	90	117,262

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 June 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 Second Quarter Ended 30 June 2022**

	Current Year Quarter 30 Jun 2022 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2021 RM'000 (unaudited)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	9,646	8,454
Adjustments for:		
Reversal of impairment loss of trade receivables	(543)	(270)
Impairment loss on trade receivables	92	355
Reversal of inventories written down	(978)	(296)
Inventories written down	786	419
Dividends received	(21)	(28)
Depreciation of property, plant and equipment	2,263	2,076
Depreciation of investment properties	116	143
Depreciation of right-of-use of assets	78	64
Gain on disposal of property, plant and equipment	(2,410)	(57)
Unrealised foreign exchange gain	(286)	(313)
Interest expense	13	26
Interest expense on lease payment	4	5
Interest income	(208)	(196)
Operating profit before working capital changes	8,552	10,382
Decrease/(Increase) in inventories	1,458	(3,360)
Decrease/(Increase) in trade & other receivables	2,963	(2,254)
(Decrease)/Increase in trade & other payables	(1,845)	116
Increase/(Decrease) in amount owing to a related company	147	(16)
Decrease in amount owing to directors	(96)	(209)
Cash inflow from operations	11,179	4,659
Interest received	208	196
Interest paid	(17)	(31)
Income tax paid	(1,420)	(912)
Net cash inflow from operating activities	9,950	3,912
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,640)	(3,202)
Proceeds from disposal of plant and equipment	4,435	58
Dividends received	21	28
Withdrawal/(Placement) of fixed deposits with tenure more than 3 months	(8,575)	497
Increase in pledged fixed deposits with licenced banks	(10)	(11)
Net cash outflow for investing activities	(5,769)	(2,630)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(2,362)	(2,348)
Repayment of term loan	(395)	(655)
Repayment in lease liability	(78)	(63)
Net cash outflow for financing activities	(2,835)	(3,066)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,346	(1,784)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	207	337
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	19,614	18,069
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	21,167	16,622
A16		

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2022. The unaudited Condensed Consolidated Statement of Cash Flows 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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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 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 beyond 30 June 2021

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.

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

PART A: EXPLANATORY NOTES PERSUANT 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.

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

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 30 June 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.

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

PART A: EXPLANATORY NOTES PERSUANT 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 2022.

A9. Segment information

Business Segment

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

	Current Year Quarter Ended 30.06.2022		Preceding Year Corresponding Quarter Ended 30.06.2021	
	(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	18,833	5,444	18,970	3,565
	<u>18,833</u>	<u>5,444</u>	<u>18,970</u>	<u>3,565</u>
	Cumulative Current Year to Date Ended 30.06.2022		Cumulative Preceding Corresponding Year to Date Ended 30.06.2021	
	(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	36,199	9,646	38,934	8,454
	<u>36,199</u>	<u>9,646</u>	<u>38,934</u>	<u>8,454</u>

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

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 30.06.2022		Preceding Year Corresponding Quarter Ended 30.06.2021	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit/(Loss) Before Taxation RM’000	Revenue RM’000	Profit/(Loss) Before Taxation RM’000
- Malaysia	18,082	5,391	17,814	3,401
- Singapore	751	(78)	1,156	53
- Vietnam	-	131	-	111
	<u>18,833</u>	<u>5,444</u>	<u>18,970</u>	<u>3,565</u>
	Cumulative Current Year to Date Ended 30.06.2022		Cumulative Preceding Corresponding Year to Date Ended 30.06.2021	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit/(Loss) Before Taxation RM’000	Revenue RM’000	Profit/(Loss) Before Taxation RM’000
- Malaysia	34,758	9,495	36,858	8,239
- Singapore	1,441	(91)	2,076	(1)
- Vietnam	-	242	-	216
	<u>36,199</u>	<u>9,646</u>	<u>38,934</u>	<u>8,454</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.

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

**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 30 June 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

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

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	3,944
Acquisition of machinery and mould	844
Acquisition of motor vehicle	540
	<hr/>
	5,328
	<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 30.06.2022 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2021 RM’000 (Unaudited)	Cumulative Current Year to Date 30.06.2022 RM’000 (Unaudited)	Cumulative Preceding Year to Date 30.06.2021 RM’000 (Unaudited)
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables reel, plug, metalware, hollow rivet, etc	142	-	142	-
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	260	101	270	523
UMSC	Sales of electrical wire	1	-	1	4

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

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

A16. Cash and cash equivalents

	At 30.06.2022	At 30.06.2021
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Short term investment	16,173	12,463
Fixed deposits with licensed banks	12,198	3,185
Cash and bank balances	4,994	4,159
	<hr/>	<hr/>
	33,365	19,807
Less: Fixed deposits pledged with licenced banks	(929)	(909)
Fixed deposits with tenure of maturity of more than 3 months	(11,269)	(2,276)
	<hr/>	<hr/>
	<u>21,167</u>	<u>16,622</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	4.4080
Singapore Dollar	3.1697

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

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

B1. Review of Performance

	Individual Quarter		Year to date	
	30.06.2022 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)	30.06.2022 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)
Revenue	18,833	18,970	36,199	38,934
Profit before taxation	5,444	3,565	9,646	8,454

The Group achieved revenue of approximately RM18.8 million and RM36.2 million for the quarter and financial period to date ended 30 June 2022. This represented a decrease of approximately 1% and 7% respectively as compared to the corresponding quarter and financial period to date in the preceding year. The drop in revenue was mainly due to the slowdown in the construction and property development sector which was affected, inter alia, by the manpower shortage in Malaysia.

Profit before tax increased for the quarter and financial period to date, mainly due to the one-off gain on disposal of a vacant leasehold land amounting to approximately RM2.1 million. The gain was recognised in the current quarter upon completion of the disposal.

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

	Individual Quarter	
	30.06.2022 RM'000 (unaudited)	31.03.2022 RM'000 (unaudited)
Revenue	18,833	17,366
Profit before taxation	5,444	4,202

The Group achieved revenue of approximately RM18.8 million for the current quarter under review as compared to almost RM17.4 million in the immediate preceding quarter, registering an increase of approximately 8% due to the improvement in the export sector, despite the challenges in the local domestic sales.

Profit before taxation of the Group for the current quarter under review increased compared to the immediate preceding quarter, mainly due to the gain on disposal of a property as explained in paragraph B1.

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

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

B3. Current Year Prospects

Despite the slight drop in revenue, profit before tax of the Group for the quarter under review was better mainly due to one-off gain on disposal for a vacant leasehold land. The outlook for the rest of the year remains challenging for the Group

The volatility and uncertainty in the global geopolitical tensions especially the Ukraine-Russia crisis, supply chain disruptions from China's Covid-19 flare-up continue to affect the market sentiments globally. In addition, the hefty interest rate hike by the US and the strengthening of the US dollar against Asian currencies may pose further pressure on input prices and global economy. For the local front, the unresolved foreign workers shortage may prolong the slowdown of the recovery in domestic economy especially in the property development and construction sector. These headwinds continue to pose challenges to 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.

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

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

B5. Profit for The Period

	Current Year Quarter 30.06.2022 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.06.2021 RM'000 (unaudited)	Cumulative Current Year to Date 30.06.2022 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2021 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables	92	352	92	355
Depreciation of property, plant and equipment	1,154	1,063	2,263	2,076
Depreciation of investment properties	53	72	116	143
Depreciation of right-of-use of assets	39	34	78	64
Interest expense on financial liabilities that are not at fair value through profit or loss	7	13	13	26
Interest expenses on lease liabilities	2	3	4	5
Inventories written down	8	379	786	419
Loss/(Gain) on foreign exchange - unrealised	(174)	(114)	(286)	(313)
- realised	(11)	67	73	162
Gain on disposal of plant and equipment	(2,140)	(50)	(2,410)	(57)
Total interest income on financial assets measured at amortised cost	(41)	(43)	(83)	(82)
Total interest income on financial assets measured at fair value through profit or loss	(74)	(55)	(125)	(114)
Reversal of inventories written down	(948)	(148)	(978)	(296)
Reversal of impairment loss of trade & other receivables	-	(14)	(543)	(270)
	<u>-</u>	<u>(14)</u>	<u>(543)</u>	<u>(270)</u>

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.

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

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

B6. Income Tax Expense

	Current Year Quarter 30.06.2022 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2021 RM'000 (Unaudited)	Cumulative Current Year to Date 30.06.2022 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2021 RM'000 (Unaudited)
Current tax Expense	1,268	975	2,448	2,354

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 lower than the statutory rate, mainly due to the gain on disposal of a property which is taxed at the rate of the real property gain tax. However, the effective tax rate for the financial year to date is slightly higher than statutory rate, mainly due to higher non-tax deductible expenses in some of the subsidiaries in Malaysia.

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	59	-	59
	59	-	59

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

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 2022 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 30.06.2022 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2021 (Unaudited)	Cumulative Current Year to Date 30.06.2022 (Unaudited)	Preceding Corresponding Year to Date 30.06.2021 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	4,175	2,586	7,196	6,095
Weighted average number of ordinary shares of RM0.50 each in issue	78,735	78,269	78,735	78,269
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	5.30	3.30	9.14	7.79

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

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 22 August 2022.