

**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 Third Quarter Ended 30 September 2022**

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 30 Sep 2022 RM'000 (unaudited)	Preceding Year Corresponding 30 Sep 2021 RM'000 (unaudited)	Current Year To date 30 Sep 2022 RM'000 (unaudited)	Preceding Year Corresponding 30 Sep 2021 RM'000 (unaudited)
Revenue		15,995	13,610	52,194	52,544
Cost of sales		(11,578)	(11,147)	(37,554)	(38,023)
Gross profit		4,417	2,463	14,640	14,521
Other income		795	630	4,060	1,780
		5,212	3,093	18,700	16,301
Selling and distribution expenses		(298)	(203)	(803)	(790)
Administrative expenses		(1,918)	(2,074)	(4,952)	(5,301)
Other operating expenses		(491)	(345)	(1,199)	(1,170)
Net reversal/(impairment loss) on financial assets		(1,181)	162	(759)	77
Finance costs		(5)	(12)	(22)	(42)
<b>Profit before taxation</b>		1,319	621	10,965	9,075
Income tax expense	B6	258	401	(2,190)	(1,953)
<b>Profit after taxation</b>		1,577	1,022	8,775	7,122
<b>Other Comprehensive Income/(Expenses)</b>					
Currency translation difference		394	30	898	379
<b>Total Comprehensive Income</b>		1,971	1,052	9,673	7,501
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO					
Owners of The Company		1,566	1,021	8,762	7,116
Non-controlling interest		11	1	13	6
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of The Company		1,960	1,051	9,660	7,495
Non-controlling interest		11	1	13	6
<b>Earnings per share (sen):</b>					
Basic	B11	1.99	1.30	11.13	9.04
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 September 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 September 2022**

	Note	As at end of current year quarter ended 30 Sep 2022 RM'000 (Unaudited)	Audited 31 Dec 2021 RM'000 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		35,437	36,080
Investment properties		8,260	10,092
Right-of-use Assets		286	318
Other Investment		489	461
Deferred Tax Assets		5	4
		<u>44,477</u>	<u>46,955</u>
<b>CURRENT ASSETS</b>			
Inventories		24,576	26,799
Trade receivables		18,081	23,912
Other receivables, deposits and prepayments		2,034	2,765
Current tax assets		20	16
Short term investment		3,717	14,731
Fixed deposits with licensed banks		28,199	3,614
Cash and bank balances		6,465	4,883
		<u>83,092</u>	<u>76,720</u>
<b>TOTAL ASSETS</b>		<u>127,569</u>	<u>123,675</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		41,531	41,531
Treasury shares		(597)	(597)
Exchange fluctuation reserve		848	(50)
Retained profits		77,350	70,950
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<u>119,132</u>	<u>111,834</u>
Non-controlling interest		101	88
<b>TOTAL EQUITY</b>		<u>119,233</u>	<u>111,922</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		147	166
Deferred taxation		2,124	2,131
		<u>2,271</u>	<u>2,297</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		1,863	2,737
Other payables and accruals		2,563	4,493
Amount owing to a related company		156	59
Amount owing to directors		16	97
Lease liability		145	156
Term loans	B8	-	454
Dividend payable		-	10
Current tax liabilities		1,322	1,450
		<u>6,065</u>	<u>9,456</u>
<b>TOTAL LIABILITIES</b>		<u>8,336</u>	<u>11,753</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>127,569</u>	<u>123,675</u>
Net Assets per share based on number of shares in issue (RM)		<u>1.51</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 Third Quarter Ended 30 September 2022**

	← 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	
<b><u>9 months period ended 30 September 2021</u></b>							
At 1 January 2021	41,531	(740)	-	(457)	62,567	91	102,992
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	7,116	6	7,122
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	379	-		379
Total Comprehensive income	-	-	-	379	7,116	6	7,501
<u>Contribution by and distributions to owners of the Company</u>							
- Sales of company shares	-	143	-	-	464		607
- Dividend paid	-	-	-	-	(2,348)	-	(2,348)
At 30 September 2021	41,531	(597)	-	(78)	67,799	97	108,752
<b><u>9 months period ended 30 September 2022</u></b>							
At 1 January 2022	41,531	(597)	-	(50)	70,950	88	111,922
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	8,762	13	8,775
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	898	-	-	898
Total Comprehensive income	-	-	-	898	8,762	13	9,673
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid by the Company	-	-	-	-	(2,362)	-	(2,362)
At 30 September 2022	41,531	(597)	-	848	77,350	101	119,233

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 September 2022 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 Third Quarter Ended 30 September 2022**

	Note	Current Year Quarter 30 Sep 2022 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2021 RM'000 (unaudited)
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>			
Profit before taxation		10,965	9,075
Adjustments for:			
Reversal of impairment loss of trade receivables		(573)	(432)
Impairment loss on trade receivables		1,254	355
Reversal of inventories written down		(978)	(620)
Inventories written down		976	419
Other receivable written off		129	-
Dividends received		(37)	(28)
Depreciation of property, plant and equipment		3,426	3,157
Depreciation of investment properties		170	212
Depreciation of right-of-use of assets		125	102
Impairment losses on plant and equipment		28	-
Impairment loss on other receivables		50	-
Gain on disposal of property, plant and equipment		(2,446)	(48)
Gain on disposal of quoted shares		-	(353)
Unrealised foreign exchange gain		(545)	(359)
Interest expense		16	35
Interest expense on lease payment		7	7
Interest income		(395)	(283)
Operating profit before working capital changes		12,172	11,239
Decrease/(Increase) in inventories		2,225	(5,755)
Decrease in trade & other receivables		6,247	2,426
Decrease in trade & other payables		(2,813)	(589)
Increase in amount owing to a related company		97	160
Decrease in amount owing to directors		(81)	(204)
Cash inflow from operations		17,847	7,277
Interest received		395	283
Interest paid		(23)	(42)
Income tax paid		(2,329)	(1,264)
Net cash inflow from operating activities		15,890	6,254
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,628)	(3,965)
Proceeds from disposal of plant and equipment		4,442	213
Dividends received		37	28
Proceeds from disposal of quoted shares		-	1,643
(Placement)/withdrawal of fixed deposits with tenure more than 3 months		(24,571)	520
Increase in pledged fixed deposits with licenced banks		(14)	(15)
Net cash outflow for investing activities		(22,734)	(1,576)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>			
Dividends paid		(2,362)	(2,348)
Repayment of term loan		(454)	(848)
Proceeds from sales of treasury shares		-	607
Repayment in lease liability		(124)	(99)
Net cash outflow for financing activities		(2,940)	(2,688)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(9,784)	1,990
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>		352	371
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>		19,614	18,069
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	A16	10,182	20,430

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 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**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPT 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.

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**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:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
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 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:-

	<b>No of shares purchased</b>	<b>Total consideration paid (RM)</b>
At 1 January 2022	1,264,800	596,563.97
No transaction for the financial periods	-	-
At 30 September 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 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 September 2022.

**A9. Segment information**

Business Segment

Segmental information by the Group for the financial periods ended 30 September 2022 is as follows:-

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	The Group RM'000
<b>Revenue</b>				
External revenue	49,990	-	2,204	52,194
<b>Results</b>				
Segment profit	11,220	384	(144)	11,460
Finance costs				(22)
Consolidation adjustments				(473)
Consolidated profit before taxation				10,965
<b>Assets</b>				
Segment assets	162,739	4,441	14,186	181,366
Unallocated assets:				
- deferred tax assets				5
- current tax assets				20
Consolidation adjustments				(53,822)
Consolidated total assets				127,569
Additions to non-current assets other than financial instruments are:				
Property, plant and equipment	2,628	-	-	2,628
Right-of-use assets	93	-	-	93
<b>Liabilities</b>				
Segment liabilities	6,422	232	518	7,172
Unallocated liabilities:				
- deferred tax liabilities				2,124
- lease liabilities				292
- current tax liabilities				1,322
Consolidation adjustments				(2,575)
Consolidated total liabilities				8,335



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

**A9. Segment information (Cont’d)**

Segmental information by the Group for the financial periods ended 30 September 2021 is as follows:-

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	The Group RM'000
<b>2021</b>				
<b>Revenue</b>				
External revenue	49,595	-	2,949	52,544
<b>Results</b>				
Segment profit	8,934	315	(8)	9,241
Finance costs				(42)
Consolidation adjustments				(124)
Consolidated profit before taxation				9,075
<b>Assets</b>				
Segment assets	155,413	4,512	13,781	173,706
Unallocated assets:				
- deferred tax assets				4
- current tax assets				29
Consolidation adjustments				(54,662)
Consolidated total assets				119,077
Additions to non-current assets other than financial instruments are:				
Property, plant and equipment	3,923	-	42	3,965
Right-of-use assets	395	-	-	395
<b>Liabilities</b>				
Segment liabilities	8,948	150	661	9,759
Unallocated liabilities:				
- deferred tax liabilities				2,133
- lease liabilities				364
- current tax liabilities				1,711
- term loans				648
Consolidation adjustments				(4,291)
Consolidated total liabilities				10,324

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

**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 September 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,

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

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**PART A: EXPLANATORY NOTES PERSUANT 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.

	<b>RM’000</b>
<u>Capital Commitment:-</u>	
Capital injection to new subsidiary	4,051
Acquisition of machinery and mould	710
Acquisition of software	14
	4,775
	4,775

**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 30.09.2022 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2021 RM’000 (Unaudited)	Cumulative Current Year to Date 30.09.2022 RM’000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2021 RM’000 (Unaudited)
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables reel, plug, metalware, hollow rivet, etc	-	-	142	-
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	366	316	636	839
UMSC	Sales of electrical wire	-	-	1	4

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

**A16. Cash and cash equivalents**

	<b>At 30.09.2022</b>	<b>At 30.09.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Short term investment	3,717	15,362
Fixed deposits with licensed banks	28,199	3,167
Cash and bank balances	6,465	5,068
	<hr/>	<hr/>
	38,381	23,597
Less: Fixed deposits pledged with licenced banks	(933)	(914)
Fixed deposits with tenure of maturity of more than 3 months	(27,266)	(2,253)
	<hr/>	<hr/>
	<u>10,182</u>	<u>20,430</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:-

	<b>RM</b>
United States Dollar	4.6340
Singapore Dollar	3.2389

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

**B1. Review of Performance**

	Individual Quarter		Year to date	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	15,995	13,610	52,194	52,544
Profit before taxation	1,319	621	10,965	9,075

The Group achieved revenue of approximately RM16.0 million for the quarter ended 30 September 2022. This represented an increase of approximately 18% as compared to the corresponding quarter in the preceding year. The improvement in revenue was mainly due to the third quarter in 2021 was affected by the lower production output arising from the restriction measures being imposed by the Malaysia government in curbing the resurgence of Covid-19. In line with the higher revenue and better cost absorption, profit before tax achieved is higher for the current quarter despite the impact of minimum wage increase, higher impairment loss on trade and other receivables.

For the cumulative 9 month period ended 30 September 2022, the revenue was marginally lower as compared to the preceding financial period in 2021. However, profit before taxation was higher in 2022 mainly due to the recognition of the one-off gain on disposal of a vacant leasehold land, as compared to the same period in 2021.

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

	Individual Quarter	
	30.09.2022	30.06.2022
	RM'000	RM'000
	(unaudited)	(unaudited)
Revenue	15,995	18,833
Profit before taxation	1,319	5,444

The Group achieved revenue of approximately RM16.0 million for the current quarter under review as compared to almost RM18.8 million in the immediate preceding quarter, registering a decrease of approximately 15% due to the slowdown in the construction and property development sector.

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 with the lower revenue. This results for the current quarter was also affected by higher impairment loss on trade and other receivables, and the absence of the gain on disposal of a leasehold land which was recorded in the immediate preceding quarter.

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

**B3. Current Year Prospects**

The performance of the Group has remained satisfactorily, despite the challenges of the increase in operational costs arising from the minimum wage and inflationary pressure. The prospect of Group for the rest of the year remains cautionary stable despite the challenges for the global economy which is grappled with rising inflation, steep interest rate hike by the US, market disruption arising from the war in Ukraine, logistics snarls triggered by China's Covid-19 zero strategy. In addition, the protracted labour shortages in Malaysia may continue to impact on the construction and property development sector in which our major revenue is derived from.

**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**

	<b>Current Year Quarter 30.09.2022 RM'000 (unaudited)</b>	<b>Preceding Year Corresponding Quarter 30.09.2021 RM'000 (unaudited)</b>	<b>Cumulative Current Year to Date 30.09.2022 RM'000 (unaudited)</b>	<b>Cumulative Preceding Corresponding Year to Date 30.09.2021 RM'000 (unaudited)</b>
Profit before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables	1,133	-	1,254	355
Impairment loss on other receivables	50	-	50	-
Impairment loss on plant and equipment	28	-	28	-
Depreciation of property, plant and equipment	1,163	1,081	3,426	3,157
Depreciation of investment properties	54	69	170	212
Depreciation of right-of-use of assets	47	38	125	102
Interest expense on financial liabilities that are not at fair value through profit or loss	3	9	16	35
Interest expenses on lease liabilities	3	2	7	7
Inventories written down	190	-	976	419
Loss/(Gain) on foreign exchange - unrealised	(259)	(46)	(545)	(359)
- realised	14	31	87	193
(Gain)/Loss on disposal of plant and equipment	(36)	9	(2,446)	(48)
Gain on disposal of quoted shares	-	(353)	-	(353)
Other receivables written off	129	-	129	-
Total interest income on financial assets measured at amortised cost	(166)	(35)	(249)	(117)
Total interest income on financial assets measured at fair value through profit or loss	(21)	(52)	(146)	(166)
Reversal of inventories written down	-	(324)	(978)	(620)
Reversal of impairment loss of trade & other receivables	(30)	(162)	(573)	(432)

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**

	<b>Current Year Quarter 30.09.2022 RM'000 (Unaudited)</b>	<b>Preceding Year Corresponding Quarter 30.09.2021 RM'000 (Unaudited)</b>	<b>Cumulative Current Year to Date 30.09.2022 RM'000 (Unaudited)</b>	<b>Cumulative Preceding Corresponding Year to Date 30.09.2021 RM'000 (Unaudited)</b>
Current tax Expense	(258)	(401)	2,190	1,953

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

The Group's effective tax rates for the current quarter review and financial year to date are lower than the statutory rate. This is mainly due to the adjustment in this quarter for the over-provision of tax in the previous financial year. The overall tax rate for the cumulative quarter to-date is lower also partly due to the lower tax for the gain on disposal of a leasehold land, which is taxed at the rate of the real property gain tax.

**B7. Status of Corporate Proposals**

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

**B8. Group borrowings**

There were no borrowings as at the end of the reporting quarter.

**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.



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

**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:-

	<b>Current Year Quarter 30.09.2022 (Unaudited)</b>	<b>Preceding Year Corresponding Quarter 30.09.2021 (Unaudited)</b>	<b>Cumulative Current Year to Date 30.09.2022 (Unaudited)</b>	<b>Preceding Corresponding Year to Date 30.09.2021 (Unaudited)</b>
Profit attributable to Equity holders of parent (RM'000):	<u>1,566</u>	<u>1,021</u>	<u>8,762</u>	<u>7,116</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,735</u>	<u>78,402</u>	<u>78,735</u>	<u>78,735</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>1.99</u>	<u>1.30</u>	<u>11.13</u>	<u>9.04</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 third quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 22 November 2022.