

**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 2023

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 30 Jun 2023 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2022 RM'000 (unaudited)	Current Year To date 30 Jun 2023 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Jun 2022 RM'000 (unaudited)
Revenue		17,058	18,833	30,677	36,199
Cost of sales		(14,350)	(13,675)	(25,015)	(25,976)
Gross profit		2,708	5,158	5,662	10,223
Other income		959	2,613	1,695	3,265
		3,667	7,771	7,357	13,488
Selling and distribution expenses		(286)	(266)	(464)	(505)
Administrative expenses		(1,670)	(1,611)	(3,027)	(3,034)
Other operating expenses		(364)	(321)	(816)	(708)
Net reversal/(impairment loss) on financial assets		42	(121)	390	422
Finance costs		(9)	(8)	(14)	(17)
<b>Profit before taxation</b>		1,380	5,444	3,426	9,646
Income tax expense	B6	(374)	(1,268)	(1,049)	(2,448)
<b>Profit after taxation</b>		1,006	4,176	2,377	7,198
<b>Other Comprehensive Income/(Expenses)</b>					
Currency translation difference		686	385	932	504
<b>Total Comprehensive Income</b>		1,692	4,561	3,309	7,702
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO					
Owners of The Company		1,006	4,175	2,375	7,196
Non-controlling interest		-	1	2	2
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of The Company		1,692	4,560	3,307	7,700
Non-controlling interest		-	1	2	2
<b>Earnings per share (sen):</b>					
Basic	B11	1.28	5.30	3.02	9.14
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 2023. 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 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 FINANCIAL POSITION**  
**As at 30 June 2023**

	As at end of current year quarter ended 30 Jun 2023 RM'000 (Unaudited)	Audited 31 Dec 2022 RM'000 (Audited)
Note		
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	33,256	34,373
Investment properties	8,520	8,252
Right-of-use Assets	348	240
Other Investment	603	573
Deferred Tax Assets	5	5
	42,732	43,443
<b>CURRENT ASSETS</b>		
Inventories	17,943	21,230
Trade receivables	19,435	18,027
Other receivables, deposits and prepayments	3,089	1,597
Current tax assets	39	21
Short term investment	6,608	3,754
Fixed deposits with licensed banks	33,028	33,498
Cash and bank balances	5,874	6,466
	86,016	84,593
<b>TOTAL ASSETS</b>	<b>128,748</b>	<b>128,036</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	41,531	41,531
Treasury shares	(597)	(597)
Exchange fluctuation reserve	1,757	825
Retained profits	78,410	78,397
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	121,101	120,156
Non-controlling interest	91	89
<b>TOTAL EQUITY</b>	121,192	120,245
<b>NON-CURRENT LIABILITIES</b>		
Lease liability	171	127
Deferred taxation	2,116	2,121
	2,287	2,248
<b>CURRENT LIABILITIES</b>		
Trade payables	2,065	1,258
Other payables and accruals	2,452	3,139
Amount owing to a related company	75	182
Amount owing to directors	3	258
Lease liability	181	118
Dividend payable	-	10
Current tax liabilities	493	578
	5,269	5,543
<b>TOTAL LIABILITIES</b>	7,556	7,791
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>128,748</b>	<b>128,036</b>
Net Assets per share based on number of shares in issue (RM)	<b>1.54</b>	<b>1.53</b>

**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 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 CHANGES IN EQUITY**  
**For The Second Quarter Ended 30 June 2023**

	← 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>6 months period ended 30 June 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	-	-	-	-	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	-	-	-	-	(2,362)	-	(2,362)
At 30 June 2022	41,531	(597)	-	454	75,784	90	117,262
<b><u>6 months period ended 30 June 2023</u></b>							
At 1 January 2023	41,531	(597)	-	825	78,397	89	120,245
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	2,375	2	2,377
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	932	-	-	932
Total Comprehensive income	-	-	-	932	2,375	2	3,309
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid by the Company	-	-	-	-	(2,362)	-	(2,362)
At 30 June 2023	41,531	(597)	-	1,757	78,410	91	121,192

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 2023 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 2023**

	Current Year Quarter 30 Jun 2023 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2022 RM'000 (unaudited)
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
Profit before taxation	3,426	9,646
Adjustments for:		
Reversal of impairment loss of trade receivables	(391)	(543)
Impairment loss on trade receivables	-	92
Reversal of inventories written down	(30)	(978)
Inventories written down	539	786
Bad debts written off	4	-
Dividends received	(21)	(21)
Depreciation of property, plant and equipment	2,330	2,263
Depreciation of investment properties	111	116
Depreciation of right-of-use of assets	94	78
Reversal of impairment losses on plant and equipment	(45)	-
Loss/(Gain) on disposal of property, plant and equipment	9	(2,410)
Unrealised foreign exchange gain	(478)	(286)
Interest expense	9	13
Interest expense on lease payment	5	4
Interest income	(734)	(208)
Operating profit before working capital changes	4,828	8,552
Decrease in inventories	2,778	1,458
(Increase)/Decrease in trade & other receivables	(2,035)	2,963
Increase/(Decrease) in trade & other payables	109	(1,845)
(Decrease)/Increase in amount owing to a related company	(107)	147
Decrease in amount owing to directors	(255)	(96)
Cash inflow from operations	5,318	11,179
Interest received	734	208
Interest paid	(14)	(17)
Income tax paid	(1,157)	(1,420)
Net cash inflow from operating activities	4,881	9,950
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,036)	(1,640)
Proceeds from disposal of plant and equipment	31	4,435
Dividends received	21	21
Placement of fixed deposits with tenure more than 3 months	(29,941)	(8,575)
Withdrawal/(Increase) in pledged fixed deposits with licenced banks	937	(10)
Net cash outflow for investing activities	(29,988)	(5,769)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividends paid	(2,362)	(2,362)
Repayment of term loan	-	(395)
Repayment in lease liability	(94)	(78)
Net cash outflow for financing activities	(2,456)	(2,835)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(27,563)	1,346
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>	351	207
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>	39,694	19,614
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	12,482	21,167

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**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2023. 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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023**

**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 2022. 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 2022.

**A2. Changes in Accounting Policies**

The audited financial statements of the Group for the financial year ended 31 December 2022 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 2022, 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 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

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 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
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
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 112: International Tax Reform – Pillar Two Model Rules	1 January 2023

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 2022 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 2023	1,264,800	596,563.97
No transaction for the financial periods	-	-
At 30 June 2023	<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 June 2023.

**A9. Segment information**

Business Segment

Segmental information by the Group for the cumulative financial period ended 30 June 2023 is as follows: -

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	The Group RM'000
<b>Revenue</b>				
External revenue	29,016	-	1,661	30,677
<b>Results</b>				
Segment profit	3,721	291	(83)	3,929
Finance costs				(14)
Consolidation adjustments				(489)
Consolidated profit before taxation				3,426
<b>Assets</b>				
Segment assets	163,322	4,415	14,936	182,673
Unallocated assets:				
- deferred tax assets				5
- current tax assets				39
Consolidation adjustments				(54,013)
Consolidated total assets				128,748
Additions to non-current assets other than financial instruments are:				
Property, plant and equipment	1,036	-	-	1,036
Right-of-use assets	202	-	-	202
<b>Liabilities</b>				
Segment liabilities	5,844	146	537	6,527
Unallocated liabilities:				
- deferred tax liabilities				2,116
- lease liabilities				352
- current tax liabilities				493
Consolidation adjustments				(1,932)
Consolidated total liabilities				7,556



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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 cumulative financial period ended 30 June 2022 is as follows: -

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	The Group RM'000
<b>Revenue</b>				
External revenue	34,758	-	1,441	36,199
<b>Results</b>				
Segment profit	9,956	242	(91)	10,107
Finance costs				(17)
Consolidation adjustments				(444)
Consolidated profit before taxation				9,646
<b>Assets</b>				
Segment assets	163,826	4,181	13,933	181,940
Unallocated assets:				
- deferred tax assets				5
- current tax assets				30
Consolidation adjustments				(54,185)
Consolidated total assets				127,790
Additions to non-current assets other than financial instruments are:				
Property, plant and equipment	1,640	-	-	1,640
<b>Liabilities</b>				
Segment liabilities	7,912	142	489	8,543
Unallocated liabilities:				
- deferred tax liabilities				2,126
- lease liabilities				245
- current tax liabilities				2,497
- term loans				59
Consolidation adjustments				(2,942)
Consolidated total liabilities				10,528

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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 June 2023.

**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	19,200

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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.

	<b>RM’000</b>
<u>Capital Commitment: -</u>	
Capital injection to new subsidiary	4,144
Acquisition of machinery and mould	716
Design fee for products	81
	4,941
	4,941

**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 30.06.2023 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2022 RM’000 (Unaudited)	Cumulative Current Year to Date 30.06.2023 RM’000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2022 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	140	260	294	270
UMSC	Sales of electrical accessories, devices	-	1	2	1

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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 30.06.2023</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>At 30.06.2022</b> <b>RM'000</b> <b>(Unaudited)</b>
Short term investment	6,608	16,173
Fixed deposits with licenced banks	33,028	12,198
Cash and bank balances	5,874	4,994
	<hr/>	<hr/>
	45,510	33,365
Less: Fixed deposits pledged with licenced banks	-	(929)
Fixed deposits with tenure of maturity of more than 3 months	(33,028)	(11,269)
	<hr/>	<hr/>
	<u>12,482</u>	<u>21,167</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	4.6650
Singapore Dollar	3.4379

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

**B1. Review of Performance**

	Individual Quarter		Year to date	
	30.06.2023 RM'000 (unaudited)	30.06.2022 RM'000 (unaudited)	30.06.2023 RM'000 (unaudited)	30.06.2022 RM'000 (unaudited)
Revenue	17,058	18,833	30,677	36,199
Profit before taxation	1,380	5,444	3,426	9,646

The Group achieved revenue of approximately RM17.1 million and RM30.7 million for the quarter and financial periods ended 30 June 2023. This represented a decrease of approximately 9% and 15% respectively as compared to the corresponding quarter and financial periods to date in the preceding year. The drop in revenue was mainly due to softer demand in electrical wiring accessories segment by the manufacturing subsidiary in Malaysia.

In line with the lower revenue, the profit margin for the quarter and financial periods to date decreased. In addition, there were higher operational cost on manufactured goods, higher inventory written down, lower profit arising from products sales promotion. The results for the preceding year's quarter and period to-date were augmented by the one-off gain on disposal of a vacant leasehold land.

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

	Individual Quarter	
	30.06.2023 RM'000 (unaudited)	31.03.2023 RM'000 (unaudited)
Revenue	17,058	13,619
Profit before taxation	1,380	2,046

The Group achieved revenue of approximately RM17.1 million for the current quarter under review as compared to almost RM13.6 million in the immediate preceding quarter, registering an increase of approximately 25% due to the improvement on overall demand where there was a lull during the first quarter partly due to the Chinese New Year period.

However, profit before taxation of the Group for the current quarter under review decreased compared to the immediate preceding quarter, mainly due to higher operational cost, higher administrative cost incurred and lower reversal in impairment loss on trade receivables.

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

**B3. Current Year Prospects**

The China weaker-than-expected economy rebound and dimming global landscape were inflicting on Asia manufacturing output while manufacturers were also bracing for the fallout from aggressive US and Europe interest rate hikes. These factors dampened the overall demand outlook. Coupled with the global economic challenges and uncertainty, the business and operating condition in the Malaysia manufacturing sector remained subdued and moderated further. This is further exacerbated by the acceleration in input price inflation, market volatility and weakening of Ringgit Malaysia. Against these backdrops, the Group remain cautious for the outlook prospects for the rest of 2023.

**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 30.06.2023 RM'000 (unaudited)</b>	<b>Preceding Year Corresponding Quarter 30.06.2022 RM'000 (unaudited)</b>	<b>Cumulative Current Year to Date 30.06.2023 RM'000 (unaudited)</b>	<b>Cumulative Preceding Corresponding Year to Date 30.06.2022 RM'000 (unaudited)</b>
Profit before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables	-	92	-	92
Depreciation of property, plant and equipment	1,175	1,154	2,330	2,263
Depreciation of investment properties	56	53	111	116
Depreciation of right-of-use of assets	47	39	94	78
Interest expense on financial liabilities that are not at fair value through profit or loss	5	7	9	13
Interest expenses on lease liabilities	3	2	5	4
Inventories written down	320	8	539	786
Loss/(Gain) on foreign exchange				
- unrealised	(304)	(174)	(478)	(286)
- realised	6	(11)	92	73
Loss/(Gain) on disposal				
- plant and equipment	9	-	9	(270)
- investment property	-	(2,140)	-	(2,140)
Bad debts written off	-	-	4	-
Total interest income on financial assets measured at amortised cost	(343)	(41)	(648)	(83)
Total interest income on financial assets measured at fair value through profit or loss	(48)	(74)	(86)	(125)
Reversal of inventories written down	(22)	(948)	(30)	(978)
Reversal of impairment loss of property, plant and equipment	(40)	-	(45)	-
Reversal of impairment loss of trade receivables	(43)	-	(391)	(543)

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 30.06.2023 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2022 RM'000 (Unaudited)	Cumulative Current Year to Date 30.06.2023 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2022 RM'000 (Unaudited)
Current tax Expense	374	1,268	1,049	2,448

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 is higher than the statutory rate, mainly due to higher non-tax deductible expenses by the subsidiaries in Malaysia.

**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 2023 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 30.06.2023 (Unaudited)</b>	<b>Preceding Year Corresponding Quarter 30.06.2022 (Unaudited)</b>	<b>Cumulative Current Year to Date 30.06.2023 (Unaudited)</b>	<b>Preceding Corresponding Year to Date 30.06.2022 (Unaudited)</b>
Profit attributable to Equity holders of parent (RM'000):	<u>1,006</u>	<u>4,175</u>	<u>2,375</u>	<u>7,196</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,735</u>	<u>78,735</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>1.28</u>	<u>5.30</u>	<u>3.02</u>	<u>9.14</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 second quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 25 August 2023.