

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 2023**

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 30 Sep 2023 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2022 RM'000 (unaudited)	Current Year To date 30 Sep 2023 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Sep 2022 RM'000 (unaudited)
Revenue		17,940	15,995	48,617	52,194
Cost of sales		(13,621)	(11,578)	(38,636)	(37,554)
Gross profit		4,319	4,417	9,981	14,640
Other income		701	795	2,396	4,060
		5,020	5,212	12,377	18,700
Selling and distribution expenses		(357)	(298)	(821)	(803)
Administrative expenses		(2,116)	(1,918)	(5,143)	(4,952)
Other operating expenses		(392)	(491)	(1,208)	(1,199)
Net reversal/(impairment loss) on financial assets		(188)	(1,181)	202	(759)
Finance costs		(8)	(5)	(22)	(22)
Profit before taxation		1,959	1,319	5,385	10,965
Income tax expense	B6	(330)	258	(1,379)	(2,190)
Profit after taxation		1,629	1,577	4,006	8,775
Other Comprehensive Income/(Expenses)					
Currency translation difference		(76)	394	856	898
Total Comprehensive Income		1,553	1,971	4,862	9,673
PROFIT AFTER TAXATION ATTRIBUTABLE TO					
Owners of The Company		1,626	1,566	4,001	8,762
Non-controlling interest		3	11	5	13
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of The Company		1,550	1,960	4,857	9,660
Non-controlling interest		3	11	5	13
Earnings per share (sen):					
Basic	B11	2.07	1.99	5.08	11.13
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 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 September 2023

	As at end of current year quarter ended 30 Sep 2023 RM'000 (Unaudited)	Audited 31 Dec 2022 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	33,247	34,373
Investment properties	8,458	8,252
Right-of-use Assets	325	240
Other Investment	604	573
Deferred Tax Assets	5	5
	<u>42,639</u>	<u>43,443</u>
CURRENT ASSETS		
Inventories	19,276	21,230
Trade receivables	19,960	18,027
Other receivables, deposits and prepayments	3,133	1,597
Current tax assets	51	21
Short term investment	6,445	3,754
Fixed deposits with licensed banks	33,204	33,498
Cash and bank balances	6,482	6,466
	<u>88,551</u>	<u>84,593</u>
TOTAL ASSETS	<u>131,190</u>	<u>128,036</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	41,531	41,531
Treasury shares	(597)	(597)
Exchange fluctuation reserve	1,681	825
Retained profits	80,036	78,397
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>122,651</u>	<u>120,156</u>
Non-controlling interest	94	89
TOTAL EQUITY	<u>122,745</u>	<u>120,245</u>
NON-CURRENT LIABILITIES		
Lease liability	139	127
Deferred taxation	2,114	2,121
	<u>2,253</u>	<u>2,248</u>
CURRENT LIABILITIES		
Trade payables	3,001	1,258
Other payables and accruals	2,424	3,139
Amount owing to a related company	202	182
Amount owing to directors	3	258
Lease liability	193	118
Dividend payable	-	10
Current tax liabilities	369	578
	<u>6,192</u>	<u>5,543</u>
TOTAL LIABILITIES	<u>8,445</u>	<u>7,791</u>
TOTAL EQUITY AND LIABILITIES	<u>131,190</u>	<u>128,036</u>
Net Assets per share based on number of shares in issue (RM)	<u>1.56</u>	<u>1.53</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 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 Third Quarter Ended 30 September 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	
9 months period ended 30 September 2022							
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	-	-	-	-	(2,362)	-	(2,362)
At 30 September 2022	41,531	(597)	-	848	77,350	101	119,233
9 months period ended 30 September 2023							
At 1 January 2023	41,531	(597)	-	825	78,397	89	120,245
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	4,001	5	4,006
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	856	-	-	856
Total Comprehensive income	-	-	-	856	4,001	5	4,862
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid by the Company	-	-	-	-	(2,362)	-	(2,362)
At 30 September 2023	41,531	(597)	-	1,681	80,036	94	122,745

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 September 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 Third Quarter Ended 30 September 2023**

	Current Year Quarter 30 Sep 2023 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2022 RM'000 (unaudited)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	5,385	10,965
Adjustments for:		
Reversal of impairment loss of trade receivables	(391)	(573)
Impairment loss on trade receivables	188	1,254
Reversal of inventories written down	(30)	(978)
Inventories written down	653	976
Bad debts written off	4	-
Other receivable written off	-	129
Dividends received	(40)	(37)
Depreciation of property, plant and equipment	3,457	3,426
Depreciation of investment properties	167	170
Depreciation of right-of-use of assets	143	125
Impairment losses on plant and equipment	-	28
Reversal of impairment losses on plant and equipment	(45)	-
Impairment loss on other receivables	-	50
Loss/(Gain) on disposal of property, plant and equipment	9	(2,446)
Unrealised foreign exchange gain	(565)	(545)
Interest expense	14	16
Interest expense on lease payment	8	7
Interest income	(1,118)	(395)
Operating profit before working capital changes	7,839	12,172
Decrease in inventories	1,332	2,225
(Increase)/Decrease in trade & other receivables	(2,704)	6,247
Increase/(Decrease) in trade & other payables	1,018	(2,813)
Increase in amount owing to a related company	20	97
Decrease in amount owing to directors	(255)	(81)
Cash inflow from operations	7,250	17,847
Interest received	1,118	395
Interest paid	(22)	(23)
Income tax paid	(1,625)	(2,329)
Net cash inflow from operating activities	6,721	15,890
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,150)	(2,628)
Proceeds from disposal of plant and equipment	31	4,442
Dividends received	40	37
Placement of fixed deposits with tenure more than 3 months	(30,117)	(24,571)
Withdrawal/(Increase) in pledged fixed deposits with licenced banks	937	(14)
Net cash outflow for investing activities	(31,259)	(22,734)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(2,362)	(2,362)
Repayment of term loan	-	(454)
Repayment in lease liability	(142)	(124)
Net cash outflow for financing activities	(2,504)	(2,940)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(27,042)	(9,784)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	275	352
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	39,694	19,614
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	12,927	10,182

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 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 SEPT 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 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 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
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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

A9. Segment information

Business Segment

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

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	The Group RM'000
Revenue				
External revenue	46,193	-	2,424	48,617
Results				
Segment profit	5,624	446	(146)	5,924
Finance costs				(22)
Consolidation adjustments				(517)
Consolidated profit before taxation				5,385
Assets				
Segment assets	165,519	4,472	14,856	184,847
Unallocated assets:				
- deferred tax assets				5
- current tax assets				51
Consolidation adjustments				(53,713)
Consolidated total assets				131,190
Additions to non-current assets other than financial instruments are:				
Property, plant and equipment	2,150	-	-	2,150
Right-of-use assets	228	-	-	228
Liabilities				
Segment liabilities	6,652	147	497	7,296
Unallocated liabilities:				
- deferred tax liabilities				2,114
- lease liabilities				332
- current tax liabilities				369
Consolidation adjustments				(1,666)
Consolidated total liabilities				8,445

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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 September 2022 is as follows: -

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	The Group RM'000
Revenue				
External revenue	49,990	-	2,204	52,194
Results				
Segment profit	11,220	384	(144)	11,460
Finance costs				(22)
Consolidation adjustments				(473)
Consolidated profit before taxation				10,965
Assets				
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
Liabilities				
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)**

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 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,

	RM’000
Corporate guarantee given to licenced banks for credit facilities granted to subsidiaries	19,200

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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.

	RM’000
<u>Capital Commitment: -</u>	
Capital injection to new subsidiary	4,051
Acquisition of machinery and mould	1,190
Acquisition of IT equipment/software	440
	5,681
	5,681

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 30.09.2023 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2022 RM’000 (Unaudited)	Cumulative Current Year to Date 30.09.2023 RM’000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2022 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	201	366	495	636
UMSC	Sales of electrical accessories, devices	2	-	4	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

	At 30.09.2023 RM'000 (Unaudited)	At 30.09.2022 RM'000 (Unaudited)
Short term investment	6,445	3,717
Fixed deposits with licenced banks	33,204	28,199
Cash and bank balances	6,482	6,465
	<hr/>	<hr/>
	46,131	38,381
Less: Fixed deposits pledged with licenced banks	-	(933)
Fixed deposits with tenure of maturity of more than 3 months	(33,204)	(27,266)
	<hr/>	<hr/>
	<u>12,927</u>	<u>10,182</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	4.6920
Singapore Dollar	3.4439

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

B1. Review of Performance

	Individual Quarter		Year to date	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	17,940	15,995	48,617	52,194
Profit before taxation	1,959	1,319	5,385	10,965

The Group achieved revenue of approximately RM17.9 million for the quarter ended 30 September 2023. This represented an increase of approximately 12% as compared to the corresponding quarter in the preceding year. The improvement in revenue was mainly due to higher demand in electrical wiring accessories segment by the manufacturing subsidiary in Malaysia. Profit before taxation increased mainly due to lower impairment loss on trade receivables compared to the prior period.

For the cumulative 9 months period ended 30 September 2023, revenue was lower by approximately 7% as compared to the preceding financial period in 2022. In line with the lower revenue, profit before taxation also decreased. The results for the corresponding period in 2022 also include a one-off gain arising from the 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	
	30.09.2023	30.06.2023
	RM'000	RM'000
	(unaudited)	(unaudited)
Revenue	17,940	17,058
Profit before taxation	1,959	1,380

The Group achieved revenue of approximately RM17.9 million for the current quarter under review as compared to almost RM17.1 million in the immediate preceding quarter, registering an increase of approximately 5% due to the improvement on the overall demand.

In line with the higher revenue, profit before taxation of the Group for the current quarter under review increased compared to the immediate preceding quarter, mainly due to better operational cost control.

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

B3. Current Year Prospects

The operating environment for businesses in Malaysia remains challenging due to continuing inflationary pressure on labour, materials and overhead costs due to geo-political development. Notwithstanding this, the Group remains prudent and has taken measures to optimise operations and reduce costs so that the Group is able to meet these challenges to deliver returns to shareholders.

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

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

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

B5. Profit for The Period

	Current Year Quarter 30.09.2023 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.09.2022 RM'000 (unaudited)	Cumulative Current Year to Date 30.09.2023 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2022 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting): -				
Impairment loss on trade receivables	188	1,133	188	1,254
Impairment loss on other receivables	-	50	-	50
Impairment loss on plant and equipment	-	28	-	28
Depreciation of property, plant and equipment	1,127	1,163	3,457	3,426
Depreciation of investment properties	56	54	167	170
Depreciation of right-of-use of assets	49	47	143	125
Interest expense on financial liabilities that are not at fair value through profit or loss	5	3	14	16
Interest expenses on lease liabilities	3	3	8	7
Inventories written down	114	190	653	976
Loss/(Gain) on foreign exchange				
- unrealised	(87)	(259)	(565)	(545)
- realised	41	14	133	87
Loss/(Gain) on disposal				
- plant and equipment	-	(36)	9	(306)
- investment property	-	(2,140)	-	(2,140)
Other receivables written off	-	129	-	129
Bad debts written off	-	-	4	-
Total interest income on financial assets measured at amortised cost	(352)	(166)	(1,000)	(249)
Total interest income on financial assets measured at fair value through profit or loss	(32)	(21)	(118)	(146)
Reversal of inventories written down	-	-	(30)	(978)
Reversal of impairment loss of property, plant and equipment	-	-	(45)	-
Reversal of impairment loss of trade receivables	-	(30)	(391)	(573)

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 30.09.2023 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2022 RM'000 (Unaudited)	Cumulative Current Year to Date 30.09.2023 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2022 RM'000 (Unaudited)
Current tax Expense	330	(258)	1,379	2,190

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 is 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. However, the Group's effective tax rate for the current financial 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.

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)

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: -

	Current Year Quarter 30.09.2023 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2022 (Unaudited)	Cumulative Current Year to Date 30.09.2023 (Unaudited)	Preceding Corresponding Year to Date 30.09.2022 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>1,626</u>	<u>1,566</u>	<u>4,001</u>	<u>8,762</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>2.07</u>	<u>1.99</u>	<u>5.08</u>	<u>11.13</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 24 November 2023.