

UMS-NEIKEN GROUP BERHAD [200401011970 (650473-V)]

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Third Quarter Ended 30 September 2020

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 30 Sep 2020 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2019 RM'000 (unaudited)	Current Year To date 30 Sep 2020 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Sep 2019 RM'000 (unaudited)
Revenue		20,535	15,371	44,985	47,670
Cost of sales		(14,952)	(12,328)	(34,776)	(37,802)
Gross profit		5,583	3,043	10,209	9,868
Other income		667	422	1,904	1,388
		6,250	3,465	12,113	11,256
Selling and distribution expenses		(285)	(211)	(620)	(726)
Administrative expenses		(1,819)	(1,745)	(4,685)	(4,704)
Other operating expenses		(638)	(427)	(1,290)	(1,277)
Net reversal/(impairment loss) on financial assets		(213)	(45)	371	(573)
Finance costs		(20)	(32)	(70)	(102)
Profit before taxation		3,275	1,005	5,819	3,874
Income tax expense	B6	(897)	(259)	(1,581)	(1,020)
Profit after taxation		2,378	746	4,238	2,854
Other Comprehensive Income/(Expenses)					
Currency translation difference		(257)	(55)	21	23
Total Comprehensive Income		2,121	691	4,259	2,877
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO					
Owners of The Company		2,377	739	4,234	2,838
Non-controlling interest		1	7	4	16
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of The Company		2,120	684	4,255	2,861
Non-controlling interest		1	7	4	16
Earnings per share (sen):					
Basic	B11	3.03	0.94	5.41	3.61
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 2020. 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 2019 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD [200401011970 (650473-V)]
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2020

	Note	As at end of current year quarter ended 30 Sep 2020 RM'000 (Unaudited)	Audited 31 Dec 2019 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		36,469	36,559
Investment property		10,323	10,551
Right use of Assets		186	89
Deferred Tax Assets		4	4
Other Investment		1,470	388
		<u>48,452</u>	<u>47,591</u>
CURRENT ASSETS			
Inventories		17,517	17,994
Trade receivables		22,793	17,505
Other receivables, prepayments and deposits		2,764	2,103
Tax recoverable		44	977
Short term investment		13,564	17,421
Fixed deposits with licensed banks		3,694	2,559
Cash and bank balances		3,738	4,136
		<u>64,114</u>	<u>62,695</u>
TOTAL ASSETS		<u>112,566</u>	<u>110,286</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		41,531	41,531
Treasury shares		(740)	(511)
Exchange fluctuation reserve		(363)	(384)
Retained profits		60,763	58,886
SHAREHOLDERS' EQUITY		<u>101,191</u>	<u>99,522</u>
Non-controlling interest		92	88
TOTAL EQUITY		<u>101,283</u>	<u>99,610</u>
NON-CURRENT AND DEFERRED LIABILITY			
Lease liability		115	17
Hire purchase payable	B8	19	-
Term loans	B8	762	1,513
Deferred taxation		2,143	2,151
		<u>3,039</u>	<u>3,681</u>
CURRENT LIABILITIES			
Trade payables		3,219	2,535
Other payables and accruals		3,562	3,075
Amount owing to directors		3	206
Amount owing to a related company		199	34
Lease liability		74	55
Short-term borrowings	B8	984	948
Provision for taxation		203	142
		<u>8,244</u>	<u>6,995</u>
TOTAL LIABILITIES		<u>11,283</u>	<u>10,676</u>
TOTAL EQUITY AND LIABILITIES		<u>112,566</u>	<u>110,286</u>
Net Assets per share based on number of shares in issue (RM)		<u>1.29</u>	<u>1.27</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD [200401011970 (650473-V)]
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Third Quarter Ended 30 September 2020

	← 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	
<u>9 months period ended 30 September 2019</u>							
At 1 January 2019	41,531	(510)	-	(375)	57,214	57	97,917
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	2,838	16	2,854
<u>Other Comprehensive Expenses</u>							
Currency translation difference	-	-	-	23	-	-	23
Total Comprehensive income	-	-	-	23	2,838	16	2,877
<u>Contribution by and distributions to owners of the Company</u>							
- Purchase of company shares	-	(1)	-	-	-	-	(1)
- Dividend paid	-	-	-	-	(2,358)	-	(2,358)
At 30 September 2019	41,531	(511)	-	(352)	57,694	73	98,435
<u>9 months period ended 30 September 2020</u>							
At 1 January 2020	41,531	(511)	-	(384)	58,886	88	99,610
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	4,234	4	4,238
<u>Other Comprehensive Expenses</u>							
Currency translation difference	-	-	-	21	-	-	21
Total Comprehensive income	-	-	-	21	4,234	4	4,259
<u>Contribution by and distributions to owners of the Company</u>							
- Purchase of company shares	-	(229)	-	-	-	-	(229)
- Dividend paid	-	-	-	-	(2,357)	-	(2,357)
At 30 September 2020	41,531	(740)	-	(363)	60,763	92	101,283

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD [200401011970 (650473-V)]
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For The Third Quarter Ended 30 September 2020

	Note	Current Year Quarter 30 Sep 2020 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2019 RM'000 (unaudited)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES			
Profit before taxation		5,819	3,874
Adjustments for:			
Reversal of impairment loss of trade receivables		(661)	(67)
Impairment loss on trade receivables		290	640
Reversal of inventories written down		(127)	(750)
Inventories written down		1,133	514
Bad debts written off		15	-
Dividends received		(14)	(14)
Depreciation of property, plant and equipment		2,783	2,227
Depreciation of an investment properties		224	206
Depreciation of right-of-use of assets		81	-
Write back for impairment losses on plant and equipment		(28)	-
Fair value losses on other investment		212	-
Write back for impairment losses on stocks		-	(104)
Gain on waiver of debts		-	(8)
Loss/(Gain) on disposal of property, plant and equipment		5	(14)
Unrealised foreign exchange loss		(270)	(250)
Interest expense		64	102
Interest expense on lease payment		6	-
Interest income		(389)	(553)
Operating profit before working capital changes		9,143	5,803
(Increase)/Decrease in inventories		(530)	3,595
(Increase)/Decrease in trade & other receivables		(5,323)	1,429
Increase/(Decrease) in trade & other payables		1,170	(2,320)
Increase in amount owing to a related company		165	13
Decrease in amount owing to directors		(203)	(200)
Cash inflow from operations		4,422	8,320
Interest received		389	553
Interest paid		(70)	(102)
Income tax paid		(595)	(1,645)
Net cash inflow from operating activities		4,146	7,126
CASH FLOWS FOR INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,689)	(6,535)
Proceeds from disposal of plant and equipment		23	14
Purchase of quoted shares		(1,290)	-
Treasury shares buy-back		(228)	(1)
Placement of fixed deposits pledged		(20)	(24)
Net cash outflow for investing activities		(4,204)	(6,546)
CASH FLOWS FOR FINANCING ACTIVITIES			
Dividends paid		(2,357)	(2,358)
Dividends received		14	14
Repayment of term loan		(720)	(675)
Hire Purchase Financing		25	-
Repayment of hire purchase obligation		(1)	-
Repayment in lease liability		(60)	-
Net cash outflow for financing activities		(3,099)	(3,019)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,157)	(2,439)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE		17	23
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER		23,243	25,750
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16	20,103	23,334

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 2020. 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 2019 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 SEPT 2020

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

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134 - Interim Financial Reporting, IAS 34 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. 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 2019.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2019 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 2019, 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: Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108: Definition of Material
Amendments to References to the Conceptual Framework in MFRS Standards

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 PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD 134 (“MFRS 134”) (CONT’D)**

A2. Changes in Accounting Policies (cont’d)

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)
(Cont’d)**

At date of authorisation of these interim financial statements, the following MFRSs, Amendment to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
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: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	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 2019 was not subject to any qualification.

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

	No of shares purchased	Total consideration paid (RM)
At 1 January 2020	1,405,700	511,215.09
Share Buyback for the financial periods	325,600	228,375.73
At 30 September 2020	<u>1,731,300</u>	<u>739,590.82</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 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 2020.

A9. Segment information

Business Segment

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

	Current Year Quarter Ended 30.09.2020		Preceding Year Corresponding Quarter Ended 30.09.2019	
	(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	20,535	3,275	15,371	1,019
- Trading & servicing of home appliances	-	-	-	(14)
	<u>20,535</u>	<u>3,275</u>	<u>15,371</u>	<u>1,005</u>
	Cumulative Current Year to Date Ended 30.09.2020		Cumulative Preceding Corresponding Year to Date Ended 30.09.2019	
	(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	44,985	5,819	47,662	3,640
- Trading & servicing of home appliances	-	-	8	234
	<u>44,985</u>	<u>5,819</u>	<u>47,670</u>	<u>3,874</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 30.09.2020		Preceding Year Corresponding Quarter Ended 30.09.2019	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	19,176	3,119	14,084	936
- Singapore	1,359	100	1,287	(30)
- Vietnam	-	56	-	99
	<u>20,535</u>	<u>3,275</u>	<u>15,371</u>	<u>1,005</u>

	Cumulative Current Year to Date Ended 30.09.2020		Cumulative Preceding Corresponding Year to Date Ended 30.09.2019	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	41,924	5,429	42,760	3,895
- Singapore	3,061	135	4,910	(283)
- Vietnam	-	255	-	262
	<u>44,985</u>	<u>5,819</u>	<u>47,670</u>	<u>3,874</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.

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

There were no significant events subsequent to 30 September 2020.

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)**

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

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	3,718
Acquisition of a machinery	558
Acquisition of a computer programme	170

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)

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 30.09.2020 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2019 RM’000 (Unaudited)	Cumulative Current Year to Date 30.09.2020 RM’000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2019 RM’000 (Unaudited)
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	-	50	48
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	290	566	506	1,906
UMSC	Sales of electrical wire	-	7	35	8
UMSC	Rental of warehouse	-	-	-	2

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)**

A16. Cash and cash equivalents

	At 30.09.2020	At 30.09.2019
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Short term investment	13,564	16,994
Fixed deposits with licensed banks	3,694	2,561
Cash and bank balances	3,738	4,645
	<hr/>	<hr/>
	20,996	24,200
Less: Fixed Deposits pledged with licenced banks	(893)	(866)
	<hr/>	<hr/>
	20,103	23,334
	<hr/>	<hr/>

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	4.1555
Singapore Dollar	3.0334

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

B1. Review of Performance

	Individual Quarter		Year to date	
	30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)	30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)
Revenue	20,535	15,371	44,985	47,670
Profit before taxation	3,275	1,005	5,819	3,874

The Group achieved revenue of RM20.5 million for the quarter ended 30 September 2020. This represents an increase of approximately 34% as compared to the corresponding quarter in the preceding year. It was mainly due to the recovery in demand and improved productivity during the Recovery Movement Control Order. In line with higher revenue, profit before taxation of the Group registered an increase for the current quarter as compared to 2019.

For the financial year to date, the revenue achieved at RM45.0 million and registered a decrease of approximately 6% as compared to the preceding financial year to date, which mainly caused by the drop in demand during the lockdown in response to the pandemic of Covid-19. Although revenue was lower, profit before taxation was significantly higher compared to the same period in 2019, mainly due to improvement in the gross profit margin arising from better cost control and productivity and the reversal in impairment loss on receivables due to recovery efforts.

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

	Individual Quarter	
	30.09.2020 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)
Revenue	20,535	10,696
Profit before taxation	3,275	962

The Group achieved revenue of approximately RM20.5 million for the current quarter under review as compared to RM10.7 million in the immediate preceding quarter, registering a significant increase, mainly due to the improvement in demand as explained in paragraph B1.

Profit before taxation of the Group for the current quarter under review increased compared to the immediate preceding quarter, mainly due to the aforesaid reasons as stated in B1.

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Company No: 200401011970 (650473-V)
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (CONT'D)

B3. Current Year Prospects

The Group has seen significant recovery in demand during the easing of lockdowns in the 3rd quarter of the year. Whilst the performance has been satisfactory, the Group remains cautious that there are significant challenges posed by the current uncertainty in the Covid-19 pandemic seen in Malaysia and many other countries.

The Group is hopeful to maintain its financial performance for the rest of the year subject to no further restrictions and disruptions to the economy.

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 30.09.2020 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.09.2019 RM'000 (unaudited)	Cumulative Current Year to Date 30.09.2020 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2019 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables	222	103	290	640
Impairment loss on quoted investment	212	-	212	-
Bad debts written off	-	-	15	-
Depreciation of property, plant and equipment	969	776	2,783	2,227
Depreciation of investment properties	75	91	224	206
Depreciation of right-of-use of assets	25	-	81	-
Interest expense on financial liabilities that are not at fair value through profit or loss	18	32	64	102
Interest expenses on lease liabilities	2	-	6	-
Inventories written down	518	62	1,133	514
Loss/(Gain) on foreign exchange				
- unrealised	(60)	(69)	(270)	(250)
- realised	93	25	69	181
Loss/(Gain) on disposal of plant and equipment	5	(14)	5	(14)
Gain on waiver of debts	-	(8)	-	(8)
Total interest income on financial assets that are not at fair value through profit or loss	(130)	(186)	(389)	(553)
Reversal of inventories written down	(2)	(263)	(127)	(750)
Reversal of impairment loss on property, plant and equipment	(28)	-	(28)	-
Reversal of impairment loss on inventories	-	-	-	(104)
Reversal of impairment loss of trade & other receivables	(10)	(58)	(661)	(67)

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 30.09.2020 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2019 RM'000 (Unaudited)	Cumulative Current Year to Date 30.09.2020 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2019 RM'000 (Unaudited)
Current tax Expense	897	259	1,581	1,020

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

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

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	748	-	748
Term loan - long term	664	-	664
	1,412	-	1,412
<u>Singapore Dollar</u>			
Term loan - short term	231	-	231
Term loan - long term	98	-	98
Hire purchase - short term	-	5	5
Hire purchase - long term	-	19	19
	1,741	24	1,765

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 2020 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 30.09.2020 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2019 (Unaudited)	Cumulative Current Year to Date 30.09.2020 (Unaudited)	Preceding Corresponding Year to Date 30.09.2019 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>2,377</u>	<u>739</u>	<u>4,234</u>	<u>2,838</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,435</u>	<u>78,595</u>	<u>78,269</u>	<u>78,595</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>3.03</u>	<u>0.94</u>	<u>5.41</u>	<u>3.61</u>

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 third quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 25 November 2020.