

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Fourth Quarter Ended 31 December 2020

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 31 Dec 2020 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2019 RM'000 (unaudited)	Current Year To date 31 Dec 2020 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Dec 2019 RM'000 (unaudited)
Revenue		17,845	15,782	62,830	63,452
Cost of sales		(13,518)	(11,902)	(48,294)	(49,704)
Gross profit		4,327	3,880	14,536	13,748
Other income		636	463	2,540	1,851
		4,963	4,343	17,076	15,599
Selling and distribution expenses		(217)	(197)	(837)	(923)
Administrative expenses		(1,963)	(2,058)	(6,648)	(6,762)
Other operating expenses		(274)	(75)	(1,564)	(1,352)
Net reversal/(impairment loss) on financial assets		123	(154)	494	(727)
Finance costs		(27)	(37)	(97)	(139)
<b>Profit before taxation</b>		2,605	1,822	8,424	5,696
Income tax expense	B6	(797)	(615)	(2,378)	(1,635)
<b>Profit after taxation</b>		1,808	1,207	6,046	4,061
<b>Other Comprehensive Income/(Expenses)</b>					
Currency translation difference		(94)	(32)	(73)	(9)
<b>Total Comprehensive Income</b>		1,714	1,175	5,973	4,052
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO</b>					
Owners of The Company		1,809	1,192	6,043	4,030
Non-controlling interest		(1)	15	3	31
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>					
Owners of The Company		1,715	1,160	5,970	4,021
Non-controlling interest		(1)	15	3	31
<b>Earnings per share (sen):</b>					
Basic	B11	2.31	1.52	7.70	5.13
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 31 December 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 31 December 2020**

	As at end of current year quarter ended 31 Dec 2020 RM'000 (Unaudited)	Audited 31 Dec 2019 RM'000 (Audited)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	35,892	36,559
Investment property	10,241	10,551
Right use of Assets	160	89
Deferred Tax Assets	4	4
Other Investment	1,642	388
	<u>47,939</u>	<u>47,591</u>
<b>CURRENT ASSETS</b>		
Inventories	20,059	17,994
Trade receivables	21,469	17,505
Other receivables, prepayments and deposits	2,695	2,103
Amount owing by a related company	1	-
Tax recoverable	15	977
Short term investment	14,235	17,421
Fixed deposits with licensed banks	3,671	2,559
Cash and bank balances	3,834	4,136
	<u>65,979</u>	<u>62,695</u>
<b>TOTAL ASSETS</b>	<u>113,918</u>	<u>110,286</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	41,531	41,531
Treasury shares	(740)	(511)
Exchange fluctuation reserve	(457)	(384)
Retained profits	62,572	58,886
<b>SHAREHOLDERS' EQUITY</b>	<u>102,906</u>	<u>99,522</u>
Non-controlling interest	91	88
<b>TOTAL EQUITY</b>	<u>102,997</u>	<u>99,610</u>
<b>NON-CURRENT AND DEFERRED LIABILITY</b>		
Lease liability	122	17
Term loans	496	1,513
Deferred taxation	2,146	2,151
	<u>2,764</u>	<u>3,681</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,492	2,535
Other payables and accruals	3,281	3,075
Amount owing to directors	213	206
Amount owing to a related company	116	34
Lease liability	65	55
Short-term borrowings	1,000	948
Provision for taxation	990	142
	<u>8,157</u>	<u>6,995</u>
<b>TOTAL LIABILITIES</b>	<u>10,921</u>	<u>10,676</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>113,918</u>	<u>110,286</u>
Net Assets per share based on number of shares in issue (RM)	<u>1.32</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 Fourth Quarter Ended 31 December 2020**

	← Attributable to Equity Holders of the Company →						Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Distributable Retained Profits Attributable To Owners of The Company RM'000	Non-Controlling Interest RM'000	
<b><u>12 months period ended 31 December 2019</u></b>							
At 1 January 2019	41,531	(510)	-	(375)	57,214	57	97,917
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	4,030	31	4,061
<u>Other Comprehensive Expenses</u>							
Currency translation difference	-	-	-	(9)	-	-	(9)
Total Comprehensive income	-	-	-	(9)	4,030	31	4,052
<u>Contribution by and distributions to owners of the Company</u>							
- Purchase of company shares	-	(1)	-	-	-	-	(1)
- Dividend paid	-	-	-	-	(2,358)	-	(2,358)
At 31 December 2019	41,531	(511)	-	(384)	58,886	88	99,610
<b><u>12 months period ended 31 December 2020</u></b>							
At 1 January 2020	41,531	(511)	-	(384)	58,886	88	99,610
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	6,043	3	6,046
<u>Other Comprehensive Expenses</u>							
Currency translation difference	-	-	-	(73)	-	-	(73)
Total Comprehensive income	-	-	-	(73)	6,043	3	5,973
<u>Contribution by and distributions to owners of the Company</u>							
- Purchase of company shares	-	(229)	-	-	-	-	(229)
- Dividend paid	-	-	-	-	(2,357)	-	(2,357)
At 31 December 2020	41,531	(740)	-	(457)	62,572	91	102,997

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

**UMS-NEIKEN GROUP BERHAD [200401011970 (650473-V)]**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**For The Fourth Quarter Ended 31 December 2020**

	<b>Note</b>	<b>Current Year Quarter 31 Dec 2020 RM'000 (unaudited)</b>	<b>Preceding Year Corresponding Quarter 31 Dec 2019 RM'000 (unaudited)</b>
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>			
Profit before taxation		8,424	5,696
Adjustments for:			
Reversal of impairment loss of trade receivables		(1,059)	(106)
Impairment loss on trade receivables		108	786
Reversal of inventories written down		(157)	(750)
Inventories written down		958	782
Bad debts written off		103	46
Other receivable written off		18	-
Dividends received		(14)	(22)
Depreciation of property, plant and equipment		3,766	2,722
Depreciation of an investment properties		298	242
Depreciation of right-of-use of assets		105	75
Write back for impairment losses on plant and equipment		(28)	-
Write back for impairment losses on other receivables		-	(81)
Fair value losses on other investment		40	45
Write back for impairment losses on stocks		-	(104)
Assets written off		-	16
Impairment loss on other receivables		374	-
Gain on waiver of debts		-	(8)
Loss/(Gain) on disposal of property, plant and equipment		5	(63)
Unrealised foreign exchange loss		(308)	(235)
Interest expense		89	139
Interest expense on lease payment		8	-
Interest income		(506)	(735)
Operating profit before working capital changes		<u>12,224</u>	<u>8,445</u>
(Increase)/Decrease in inventories		(2,865)	4,276
(Increase)/Decrease in trade & other receivables		(3,792)	1,010
Increase/(Decrease) in trade & other payables		162	(2,130)
Increase/(Decrease) in amount owing to a related company		81	(476)
Increase/(Decrease) in amount owing to directors		7	(8)
Cash inflow from operations		<u>5,817</u>	<u>11,117</u>
Interest received		506	735
Interest paid		(97)	(139)
Income tax paid		(572)	(2,192)
Net cash inflow from operating activities		<u>5,654</u>	<u>9,521</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(3,087)	(8,798)
Proceeds from disposal of plant and equipment		23	86
Purchase of quoted shares		(1,290)	-
Treasury shares buy-back		(229)	(1)
Placement of fixed deposits pledged		(25)	(31)
Net cash outflow for investing activities		<u>(4,608)</u>	<u>(8,744)</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>			
Dividends paid		(2,357)	(2,358)
Dividends received		14	22
Repayment of term loan		(966)	(906)
Drawdown in lease liability		25	-
Repayment in lease liability		(86)	(36)
Net cash outflow for financing activities		<u>(3,370)</u>	<u>(3,278)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(2,324)	(2,501)
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>		(78)	(6)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>		<u>23,243</u>	<u>25,750</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	A16	<u>20,841</u>	<u>23,243</u>

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 31 December 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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DEC 2020**

**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 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 4: Extension of the Temporary Exemption from Applying MFRS 9

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.

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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 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.

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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:-

	<b>No of shares purchased</b>	<b>Total consideration paid (RM)</b>
At 1 January 2020	1,405,700	511,215.09
Share Buyback for the financial periods	325,600	228,375.73
At 31 December 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.

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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 31 December 2020.

**A9. Segment information**

Business Segment

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

	Current Year Quarter Ended 31.12.2020		Preceding Year Corresponding Quarter Ended 31.12.2019	
	(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	17,845	2,605	15,782	1,845
- Trading & servicing of home appliances	-	-	-	(23)
	<u>17,845</u>	<u>2,605</u>	<u>15,782</u>	<u>1,822</u>
	Cumulative Current Year to Date Ended 31.12.2020		Cumulative Preceding Corresponding Year to Date Ended 31.12.2019	
	(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	62,830	8,424	63,444	5,485
- Trading & servicing of home appliances	-	-	8	211
	<u>62,830</u>	<u>8,424</u>	<u>63,452</u>	<u>5,696</u>



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**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 31.12.2020		Preceding Year Corresponding Quarter Ended 31.12.2019	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	16,595	2,419	14,652	1,778
- Singapore	1,250	82	1,130	(65)
- Vietnam	-	104	-	109
	<u>17,845</u>	<u>2,605</u>	<u>15,782</u>	<u>1,822</u>

  

	Cumulative Current Year to Date Ended 31.12.2020		Cumulative Preceding Corresponding Year to Date Ended 31.12.2019	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	58,519	7,848	57,233	5,673
- Singapore	4,311	217	6,040	(348)
- Vietnam	-	359	-	371
	<u>62,830</u>	<u>8,424</u>	<u>63,452</u>	<u>5,696</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 31 December 2020.

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**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,

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

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**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	3,811
Acquisition of machinery	562
Acquisition of IT equipment/software	170

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**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:

<b>Transaction parties</b>	<b>Nature of transaction</b>	<b>Current Year Quarter 31.12.2020 RM’000 (Unaudited)</b>	<b>Preceding Year Corresponding Quarter 31.12.2019 RM’000 (Unaudited)</b>	<b>Cumulative Current Year to Date 31.12.2020 RM’000 (Unaudited)</b>	<b>Cumulative Preceding Corresponding Year to Date 31.12.2019 RM’000 (Unaudited)</b>
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	62	50	110
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	341	35	847	1,941
UMSC	Sales of electrical wire	-	-	35	8
UMSC	Rental of warehouse	-	-	-	2

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

**A16. Cash and cash equivalents**

	<b>At 31.12.2020</b>	<b>At 31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Short term investment	14,235	17,421
Fixed deposits with licensed banks	3,671	2,559
Cash and bank balances	3,834	4,136
	<hr/>	<hr/>
	21,740	24,116
Less: Fixed Deposits pledged with licenced banks	(899)	(873)
	<hr/>	<hr/>
	<b>20,841</b>	<b>23,243</b>

**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	4.0170
Singapore Dollar	3.0396

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

**B1. Review of Performance**

	Individual Quarter		Year to date	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	17,845	15,782	62,830	63,452
Profit before taxation	2,605	1,822	8,424	5,696

The Group achieved revenue of RM17.8 million for the quarter ended 31 December 2020. This represents an increase of approximately 13% as compared to the corresponding quarter in the preceding year. It was mainly due to the improvement in demand and productivity despite the short-term closure of factory in relation to restrictions imposed under the Movement Control Order (“MCO”) in the last quarter of 2020. In line with higher revenue and the reversal of impairment loss on receivables, 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 RM62.8 million and registered a marginal decrease as compared to the preceding financial year to date in 2019, which was mainly caused by the drop in demand during the lockdown and closure of factory during the MCO. However, profit before taxation was higher compared to 2019 mainly due to the improvement in productivity, better cost control 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	
	31.12.2020	30.09.2020
	RM'000	RM'000
	(unaudited)	(unaudited)
Revenue	17,845	20,535
Profit before taxation	2,605	3,275

The Group achieved revenue of approximately RM17.8 million for the current quarter under review as compared to RM20.5 million in the immediate preceding quarter, registering a decrease, mainly due to the demand being affected by the closure of factory in relation to Covid-19 as explained in paragraph B1.

Profit before taxation of the Group for the current quarter under review decreased compared to the immediate preceding quarter, mainly due to the lower revenue.

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

**B3. Current Year Prospects**

The Group has proven to be resilient during the year despite the challenges to the economy and factory operations arising from the restrictions imposed by the MCO in Malaysia as well as lockdowns in other countries.

The outlook for 2021 remains uncertain and difficult. This is because of the resurgent in Covid-19 cases in Malaysia in recent months. There is some optimism though on the re-opening of the economy once the Covid-19 cases are brought under control through vaccines inoculation and the effectiveness of the measures undertaken by the governments all over the world.

The Group remains cautious of the outlook and prospects in 2021.

**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 31.12.2020 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.12.2019 RM'000 (unaudited)	Cumulative Current Year to Date 31.12.2020 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2019 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables	(182)	146	108	786
Impairment loss on other receivables	374	-	374	-
Impairment loss on quoted investment	(172)	45	40	45
Assets written off	-	16	-	16
Bad debts written off	88	46	103	46
Other receivables written off	18	-	18	-
Depreciation of property, plant and equipment	983	495	3,766	2,722
Depreciation of investment properties	74	21	298	242
Depreciation of right-of-use of assets	24	75	105	75
Interest expense on financial liabilities that are not at fair value through profit or loss	25	37	89	139
Interest expenses on lease liabilities	2	-	8	-
Inventories written down	(175)	268	958	782
Loss/(Gain) on foreign exchange				
- unrealised	(38)	15	(308)	(235)
- realised	76	61	145	242
Loss/(Gain) on disposal of plant and equipment	-	(49)	5	(63)
Gain on waiver of debts	-	-	-	(8)
Total interest income on financial assets measured at amortised cost	(48)	(39)	(163)	(146)
Total interest income on financial assets that are not at fair value through profit or loss	(69)	(143)	(343)	(589)
Reversal of inventories written down	(30)	-	(157)	(750)
Reversal of impairment loss on property, plant and equipment	-	-	(28)	-
Reversal of impairment loss on inventories	-	-	-	(104)
Reversal of impairment loss of trade & other receivables	(398)	(120)	(1,059)	(187)

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 31.12.2020 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2019 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2020 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2019 RM'000 (Unaudited)
Current tax Expense	797	615	2,378	1,635

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
<b><u>Ringgit Malaysia</u></b>			
Term loan - short term	767	-	767
Term loan - long term	457	-	457
	1,224	-	1,224
<b><u>Singapore Dollar</u></b>			
Term loan - short term	233	-	233
Term loan - long term	39	-	39
	1,496	-	1,496



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**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 of Directors has proposed a single tier interim dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2020, to be paid on 31 March 2021. This single tier interim dividend was approved by the Board of Directors on 25 February 2021.

**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 31.12.2020 (Unaudited)</b>	<b>Preceding Year Corresponding Quarter 31.12.2019 (Unaudited)</b>	<b>Cumulative Current Year to Date 31.12.2020 (Unaudited)</b>	<b>Preceding Corresponding Year to Date 31.12.2019 (Unaudited)</b>
Profit attributable to Equity holders of parent (RM'000):	<u>1,809</u>	<u>1,192</u>	<u>6,043</u>	<u>4,030</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,435</u>	<u>78,594</u>	<u>78,435</u>	<u>78,594</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>2.31</u>	<u>1.52</u>	<u>7.70</u>	<u>5.13</u>

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**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 forth quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 25 February 2021.