

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 2021

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 30 Sep 2021 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2020 RM'000 (unaudited)	Current Year To date 30 Sep 2021 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Sep 2020 RM'000 (unaudited)
Revenue		13,610	20,535	52,544	44,985
Cost of sales		(11,147)	(14,952)	(38,023)	(34,776)
Gross profit		2,463	5,583	14,521	10,209
Other income		630	667	1,780	1,904
		3,093	6,250	16,301	12,113
Selling and distribution expenses		(203)	(285)	(790)	(620)
Administrative expenses		(2,074)	(1,819)	(5,301)	(4,685)
Other operating expenses		(345)	(638)	(1,170)	(1,290)
Net reversal/(impairment loss) on financial assets		162	(213)	77	371
Finance costs		(12)	(20)	(42)	(70)
Profit before taxation		621	3,275	9,075	5,819
Income tax expense	B6	401	(897)	(1,953)	(1,581)
Profit after taxation		1,022	2,378	7,122	4,238
Other Comprehensive Income/(Expenses)					
Currency translation difference		30	(257)	379	21
Total Comprehensive Income		1,052	2,121	7,501	4,259
PROFIT AFTER TAXATION ATTRIBUTABLE TO					
Owners of The Company		1,021	2,377	7,116	4,234
Non-controlling interest		1	1	6	4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of The Company		1,051	2,120	7,495	4,255
Non-controlling interest		1	1	6	4
Earnings per share (sen):					
Basic	B11	1.30	3.03	9.04	5.41
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 2021. 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 2020 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 2021

	Note	As at end of current year quarter ended 30 Sep 2021 RM'000 (Unaudited)	Audited 31 Dec 2020 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		36,399	35,870
Investment properties		10,143	10,241
Right-of-use Assets		357	182
Deferred Tax Assets		4	4
Other Investment		359	1,642
		<u>47,262</u>	<u>47,939</u>
CURRENT ASSETS			
Inventories		26,014	20,059
Trade receivables		19,203	21,469
Other receivables, deposits and prepayments		2,971	2,695
Amount owing by a related company		-	1
Current tax assets		29	5
Short term investment		15,362	14,235
Fixed deposits with licensed banks		3,167	3,671
Cash and bank balances		5,068	3,834
		<u>71,814</u>	<u>65,969</u>
TOTAL ASSETS		<u>119,076</u>	<u>113,908</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		41,531	41,531
Treasury shares		(597)	(740)
Exchange fluctuation reserve		(78)	(457)
Retained profits		67,799	62,567
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>108,655</u>	<u>102,901</u>
Non-controlling interest		97	91
TOTAL EQUITY		<u>108,752</u>	<u>102,992</u>
NON-CURRENT LIABILITIES			
Lease liability		205	122
Term loans	B8	-	496
Deferred taxation		2,133	2,141
		<u>2,338</u>	<u>2,759</u>
CURRENT LIABILITIES			
Trade payables		2,534	2,492
Other payables and accruals		2,650	3,281
Amount owing to directors		9	213
Amount owing to a related company		275	116
Lease liability		159	65
Term loans	B8	648	1,000
Current tax liabilities		1,711	990
		<u>7,986</u>	<u>8,157</u>
TOTAL LIABILITIES		<u>10,324</u>	<u>10,916</u>
TOTAL EQUITY AND LIABILITIES		<u>119,076</u>	<u>113,908</u>
Net Assets per share based on number of shares in issue (RM)		<u>1.38</u>	<u>1.32</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 2020 and the accompanying explanatory notes attached to the interim financial statements.² -

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 2021

	← 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 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 Income</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
<u>9 months period ended 30 September 2021</u>							
At 1 January 2021	41,531	(740)	-	(457)	62,567	91	102,992
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	7,116	6	7,122
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	379	-	-	379
Total Comprehensive income	-	-	-	379	7,116	6	7,501
<u>Contribution by and distributions to owners of the Company</u>							
- Sales of company shares	-	143	-	-	464	-	607
- Dividend paid	-	-	-	-	(2,348)	-	(2,348)
At 30 September 2021	41,531	(597)	-	(78)	67,799	97	108,752

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 2021 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 2021

	Current Year Quarter 30 Sep 2021 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2020 RM'000 (unaudited)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	9,075	5,819
Adjustments for:		
Reversal of impairment loss of trade receivables	(432)	(661)
Impairment loss on trade receivables	355	290
Reversal of inventories written down	(620)	(127)
Inventories written down	419	1,133
Bad debts written off	-	15
Dividends received	(28)	(14)
Depreciation of property, plant and equipment	3,157	2,783
Depreciation of investment properties	212	224
Depreciation of right-of-use of assets	102	81
Write back for impairment losses on plant and equipment	-	(28)
Fair value losses on other investment	-	212
Loss/(Gain) on disposal of property, plant and equipment	(48)	5
Gain on disposal of quoted shares	(353)	-
Unrealised foreign exchange gain	(359)	(270)
Interest expense	35	64
Interest expense on lease payment	7	6
Interest income	(283)	(389)
Operating profit before working capital changes	11,239	9,143
Increase in inventories	(5,755)	(530)
Decrease/(Increase) in trade & other receivables	2,426	(5,323)
(Decrease)/Increase in trade & other payables	(589)	1,170
Increase in amount owing to a related company	160	165
Decrease in amount owing to directors	(204)	(203)
Cash inflow from operations	7,277	4,422
Interest received	283	389
Interest paid	(42)	(70)
Income tax paid	(1,264)	(595)
Net cash inflow from operating activities	6,254	4,146
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,965)	(2,689)
Proceeds from disposal of plant and equipment	213	23
Dividends received	28	14
Purchase of quoted shares	-	(1,290)
Proceeds from disposal of quoted shares	1,643	-
Withdrawal/(Placement) of fixed deposits with tenure more than 3 months	520	(1,115)
Increase in pledged fixed deposits with licenced banks	(15)	(20)
Net cash outflow for investing activities	(1,576)	(5,077)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(2,348)	(2,357)
Repayment of term loan	(848)	(720)
Hire Purchase Financing	-	25
Repayment of hire purchase obligation	-	(1)
Purchase of treasury shares	-	(228)
Proceeds from sales of treasury shares	607	-
Repayment in lease liability	(99)	(60)
Net cash outflow for financing activities	(2,688)	(3,341)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,990	(4,272)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	371	17
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	18,069	21,557
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	20,430	17,302

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Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 2021. 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 2020 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPT 2021

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 2020. 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 2020.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2020 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 2020, 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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2
Amendment to MFRS 16: Covid -19 – Related Rent Concessions
Amendment to MFRS 16: Covid -19 – Related Rent Concessions beyond 30 June 2021

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:-

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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Status of audit qualifications

The auditors’ report on the financial statements for the financial year ended 31 December 2020 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 and repayment of debt and equity securities for the financial quarter under review, except as stated below.

During the current quarter, a total of 466,500 treasury shares were sold in the open market for a total consideration of RM606,882.31. The proceeds from the sale were used for working capital purposes.

Details of the treasury shares held are set out below:-

	No of shares purchased	Total consideration (RM)
At 1 January 2021	1,731,300	739,590.82
Sale of treasury shares for the financial period	(466,500)	(143,026.85)
At 30 September 2021	<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 2021.

A9. Segment information

Business Segment

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

	Current Year Quarter Ended 30.09.2021 (Unaudited)		Preceding Year Corresponding Quarter Ended 30.09.2020 (Unaudited)	
	Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	13,610	621	20,535	3,275
	<u>13,610</u>	<u>621</u>	<u>20,535</u>	<u>3,275</u>
	Cumulative Current Year to Date Ended 30.09.2021 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 30.09.2020 (Unaudited)	
	Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	52,544	9,075	44,985	5,819
	<u>52,544</u>	<u>9,075</u>	<u>44,985</u>	<u>5,819</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 30.09.2021		Preceding Year Corresponding Quarter Ended 30.09.2020	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	12,737	525	19,176	3,119
- Singapore	873	(3)	1,359	100
- Vietnam	-	99	-	56
	<u>13,610</u>	<u>621</u>	<u>20,535</u>	<u>3,275</u>
	Cumulative Current Year to Date Ended 30.09.2021		Cumulative Preceding Corresponding Year to Date Ended 30.09.2020	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	49,595	8,764	41,924	5,429
- Singapore	2,949	(4)	3,061	135
- Vietnam	-	315	-	255
	<u>52,544</u>	<u>9,075</u>	<u>44,985</u>	<u>5,819</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 2021.

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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,

	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>Commitments :-</u>	
Capital injection to new subsidiary	3,904
Acquisition of machinery	592
Acquisition of IT equipment/software	170
	<hr/> 4,666 <hr/>

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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:

Transaction parties	Nature of transaction	Current Year Quarter 30.09.2021 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2020 RM’000 (Unaudited)	Cumulative Current Year to Date 30.09.2021 RM’000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2020 RM’000 (Unaudited)
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	-	-	50
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	316	290	839	506
UMSC	Sales of electrical wire	-	-	4	35

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

A16. Cash and cash equivalents

	At 30.09.2021	At 30.09.2020
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Short term investment	15,362	13,564
Fixed deposits with licenced banks	3,167	3,694
Cash and bank balances	5,068	3,738
	<hr/>	<hr/>
	23,597	20,996
Less: Fixed Deposits pledged with licenced banks	(914)	(893)
Fixed deposit with tenure of more than 3 months	(2,253)	(2,801)
	<hr/>	<hr/>
	<u>20,430</u>	<u>17,302</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	4.1870
Singapore Dollar	3.0772

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

B1. Review of Performance

	Individual Quarter		Year to date	
	30.09.2021 RM'000 (unaudited)	30.09.2020 RM'000 (unaudited)	30.09.2021 RM'000 (unaudited)	30.09.2020 RM'000 (unaudited)
Revenue	13,610	20,535	52,544	44,985
Profit before taxation	621	3,275	9,075	5,819

The Group achieved revenue of RM13.6 million for the quarter ended 30 September 2021. This represents a decrease of approximately 34% as compared to the corresponding quarter in the preceding year. The drop was mainly due to the reintroduction of restrictions imposed in Malaysia from June 2021 onwards to contain the spread of Covid-19 pandemic. This caused a significant disruption in the supply chain and the operations of the Group. During this quarter, the Group was intermittently closed the factory up to almost 1 months on the rising of infection cases and only allowed to operate at reduced workforce capacity of between 60% to 80%. The restrictions resulted in a lower production and sales of goods, which impacted the profit for the quarter.

For the cumulative 9 month period ended 30 September 2021, revenue achieved was still higher by approximately 17% as compared to the preceding financial period despite the drop in the revenue for this quarter. This was mainly due to the better performance during the previous quarters as explained previously. In line with the higher revenue, profit before taxation is higher compared to the same period in 2020.

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

	Individual Quarter	
	30.09.2021 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)
Revenue	13,610	18,970
Profit before taxation	621	3,565

The Group achieved revenue of approximately RM13.6 million for the current quarter under review as compared to almost RM19.0 million in the immediate preceding quarter, registering a decrease of approximately 30% due to the reasons as explained in 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 profit margin in line with 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 performance for the quarter was adversely affected by the restrictions imposed by the Malaysian government to contain the Covid-19 pandemic in June 2021.

Looking ahead, the local and regional economies might be continue to be affected by the inflationary pressure on commodity materials. There are also concerns surrounding the global and domestic growth outlook due to the uncertainties of Covid-19 pandemic and challenges of variants. Against this backdrop, the Group is cautiously optimistic that it will be resilient in tackling the challenges based on the following factors:-

- a) The Malaysian government has since October 2021 removed most of the restrictions when the vaccination rate for the adult population in Malaysia had reached the target of 90%. The greater vaccine inoculation and reopening of economies in Malaysia shall restore the supply chain sectors back to its normalcy and our capacity in manufacturing operation in full for the fulfilment of demand;
- b) In reducing the risk of Covid-19 on operation, the Group also ensures strict health and safety protocol and procedures are in place to safeguard the health of our employees and stakeholders;
- c) For local front, the gradual resumption of construction and property development sectors should see an improvement for the demand of our products; and
- d) The Group will continue to leverage on robotics technology to modernise and automate the manufacturing process so as to enable to Group to sustain long-term growth and profitability.

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 30.09.2021 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.09.2020 RM'000 (unaudited)	Cumulative Current Year to Date 30.09.2021 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2020 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables	-	222	355	290
Impairment loss on quoted investment	-	212	-	212
Bad debts written off	-	-	-	15
Depreciation of property, plant and equipment	1,081	969	3,157	2,783
Depreciation of investment properties	69	75	212	224
Depreciation of right-of-use of assets	38	25	102	81
Interest expense on financial liabilities that are not at fair value through profit or loss	9	18	35	64
Interest expenses on lease liabilities	2	2	7	6
Inventories written down	-	518	419	1,133
Loss/(Gain) on foreign exchange				
- unrealised	(46)	(60)	(359)	(270)
- realised	31	93	193	69
(Gain)/Loss on disposal of plant and equipment	9	5	(48)	5
Gain on disposal of quoted shares	(353)	-	(353)	-
Total interest income on financial assets measured at amortised cost	(35)	(37)	(117)	(115)
Total interest income on financial assets measured at fair value through profit or loss	(52)	(93)	(166)	(274)
Reversal of inventories written down	(324)	(2)	(620)	(127)
Reversal of impairment loss on property, plant and equipment	-	(28)	-	(28)
Reversal of impairment loss of trade & other receivables	(162)	(10)	(432)	(661)

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 30.09.2021 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2020 RM'000 (Unaudited)	Cumulative Current Year to Date 30.09.2021 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2020 RM'000 (Unaudited)
Current tax Expense	(401)	897	1,953	1,581

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 financial periods to date is lower than the statutory rate, mainly due to higher non-taxable income and adjustment in this quarter for the over provision of tax in the previous financial year.

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
Ringgit Malaysia			
Term loan - short term	648	-	648
	648	-	648

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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 does not recommend any interim dividend in respect of the financial year ending 31 December 2021 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 30.09.2021 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2020 (Unaudited)	Cumulative Current Year to Date 30.09.2021 (Unaudited)	Preceding Corresponding Year to Date 30.09.2020 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>1,021</u>	<u>2,377</u>	<u>7,116</u>	<u>4,234</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,402</u>	<u>78,435</u>	<u>78,735</u>	<u>78,269</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>1.30</u>	<u>3.03</u>	<u>9.04</u>	<u>5.41</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 third quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 23 November 2021.