

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 Forth Quarter Ended 31 December 2021

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 31 Dec 2021 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2020 RM'000 (unaudited)	Current Year To date 31 Dec 2021 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Dec 2020 RM'000 (unaudited)
Revenue		22,684	17,845	75,228	62,830
Cost of sales		(15,005)	(13,518)	(53,028)	(48,294)
Gross profit		7,679	4,327	22,200	14,536
Other income		488	636	2,268	2,540
		8,167	4,963	24,468	17,076
Selling and distribution expenses		(264)	(217)	(1,054)	(837)
Administrative expenses		(2,724)	(1,963)	(8,025)	(6,648)
Other operating expenses		(369)	(274)	(1,538)	(1,564)
Net reversal/(impairment loss) on financial assets		(590)	123	(513)	494
Finance costs		(22)	(27)	(64)	(97)
Profit before taxation		4,198	2,605	13,274	8,424
Income tax expense	B6	(1,047)	(797)	(3,000)	(2,378)
Profit after taxation		3,151	1,808	10,274	6,046
Other Comprehensive Income/(Expenses)					
Currency translation difference		28	(94)	407	(73)
Total Comprehensive Income		3,179	1,714	10,681	5,973
PROFIT AFTER TAXATION ATTRIBUTABLE TO					
Owners of The Company		3,150	1,809	10,267	6,043
Non-controlling interest		1	(1)	7	3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of The Company		3,178	1,715	10,674	5,970
Non-controlling interest		1	(1)	7	3
Earnings per share (sen):					
Basic	B11	4.02	2.31	13.10	7.70
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 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 31 December 2021

	Note	As at end of current year quarter ended 31 Dec 2021 RM'000 (Unaudited)	Audited 31 Dec 2020 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		36,080	35,870
Investment properties		10,092	10,241
Right-of-use Assets		318	182
Deferred Tax Assets		4	4
Other Investment		461	1,642
		<u>46,955</u>	<u>47,939</u>
CURRENT ASSETS			
Inventories		26,799	20,059
Trade receivables		23,912	21,469
Other receivables, deposits and prepayments		2,765	2,695
Amount owing by a related company		-	1
Current tax assets		16	5
Short term investment		14,731	14,235
Fixed deposits with licensed banks		3,614	3,671
Cash and bank balances		4,883	3,834
		<u>76,720</u>	<u>65,969</u>
TOTAL ASSETS		<u>123,675</u>	<u>113,908</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		41,531	41,531
Treasury shares		(597)	(740)
Exchange fluctuation reserve		(50)	(457)
Retained profits		70,950	62,567
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>111,834</u>	<u>102,901</u>
Non-controlling interest		88	91
TOTAL EQUITY		<u>111,922</u>	<u>102,992</u>
NON-CURRENT LIABILITIES			
Lease liability		166	122
Term loans	B8	-	496
Deferred taxation		2,131	2,141
		<u>2,297</u>	<u>2,759</u>
CURRENT LIABILITIES			
Trade payables		2,737	2,492
Other payables and accruals		4,493	3,281
Amount owing to directors		97	213
Amount owing to a related company		59	116
Lease liability		156	65
Term loans	B8	454	1,000
Dividend payable		10	-
Current tax liabilities		1,450	990
		<u>9,456</u>	<u>8,157</u>
TOTAL LIABILITIES		<u>11,753</u>	<u>10,916</u>
TOTAL EQUITY AND LIABILITIES		<u>123,675</u>	<u>113,908</u>
Net Assets per share based on number of shares in issue (RM)		<u>1.42</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.

UMS-NEIKEN GROUP BERHAD (Company No: 200401011970 (650473-V))
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Forth Quarter Ended 31 December 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	
12 months period ended 31 December 2020							
At 1 January 2020	41,531	(511)	-	(384)	58,886	88	99,610
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	6,038	3	6,041
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	(73)	-		(73)
Total Comprehensive income	-	-	-	(73)	6,038	3	5,968
<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)	62,567	91	102,992
12 months period ended 31 December 2021							
At 1 January 2021	41,531	(740)	-	(457)	62,567	91	102,992
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	10,267	7	10,274
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	407	-	-	407
Total Comprehensive income	-	-	-	407	10,267	7	10,681
<u>Contribution by and distributions to owners of the Company</u>							
- Sales of company shares	-	143	-	-	464		607
- Dividend paid by the Company	-	-	-	-	(2,348)	-	(2,348)
- Dividend payable by subsidiary to non-controlling interest	-	-	-	-	-	(10)	(10)
At 31 December 2021	41,531	(597)	-	(50)	70,950	88	111,922

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 2021 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 CASH FLOWS
For The Forth Quarter Ended 31 December 2021

	Current Year Quarter 31 Dec 2021 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2020 RM'000 (unaudited)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	13,274	8,424
Adjustments for:		
Reversal of impairment loss of trade receivables	(284)	(1,059)
Impairment loss on trade receivables	772	108
Reversal of inventories written down	(380)	(157)
Inventories written down	967	958
Bad debts written off	-	103
Other receivable written off	-	18
Dividends received	(39)	(14)
Depreciation of property, plant and equipment	4,250	3,766
Depreciation of investment properties	275	298
Depreciation of right-of-use of assets	141	105
Reversal of impairment losses on plant and equipment	-	(28)
Fair value losses on other investment	-	40
Reversal of fair value losses on other Investment	(100)	-
Impairment loss on other receivables	25	374
Gain on lease modification	(4)	-
(Gain)/Loss on disposal of property, plant and equipment	(79)	5
Gain on disposal of quoted shares	(353)	-
Unrealised foreign exchange gain	(440)	(308)
Interest expense	55	89
Interest expense on lease payment	10	8
Interest income	(384)	(506)
Operating profit before working capital changes	17,706	12,224
Increase in inventories	(7,327)	(2,865)
Increase in trade & other receivables	(2,586)	(3,792)
Increase in trade & other payables	1,456	162
(Decrease)/Increase in amount owing to a related company	(56)	81
(Decrease)/Increase in amount owing to directors	(116)	7
Cash inflow from operations	9,077	5,817
Interest received	384	506
Interest paid	(65)	(97)
Income tax paid	(2,561)	(572)
Net cash inflow from operating activities	6,835	5,654
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,532)	(3,087)
Proceeds from disposal of plant and equipment	204	23
Dividends received	39	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	77	(1,086)
Increase in pledged fixed deposits with licenced banks	(20)	(25)
Net cash outflow for investing activities	(2,589)	(5,451)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(2,348)	(2,357)
Repayment of term loan	(1,042)	(966)
Hire Purchase Financing	-	25
Purchase of treasury shares	-	(229)
Proceeds from sales of treasury shares	607	-
Repayment in lease liability	(138)	(86)
Net cash outflow for financing activities	(2,921)	(3,613)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,325	(3,410)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	220	(78)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	18,069	21,557
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	19,614	18,069

A16

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 December 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
(Company No: 200401011970 (650473-V))
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DEC 2021

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 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)

Amendment to MFRS 16: Covid -19 – Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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 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
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
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
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.

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

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 for the below as stated.

For the financial year ended, 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 paid (RM)
At 1 January 2021	1,731,300	739,590.82
Sale of treasury shares for the financial year	(466,500)	(143,026.85)
At 31 December 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.

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

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

A8. Dividend Paid

There was no dividend paid during the 3 month period ended 31 December 2021.

A9. Segment information

Business Segment

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

	Current Year Quarter Ended 31.12.2021 (Unaudited)		Preceding Year Corresponding Quarter Ended 31.12.2020 (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	22,684	4,198	17,845	2,605
	<u>22,684</u>	<u>4,198</u>	<u>17,845</u>	<u>2,605</u>
	Cumulative Current Year to Date Ended 31.12.2021 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 31.12.2020 (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	75,228	13,274	62,830	8,424
	<u>75,228</u>	<u>13,274</u>	<u>62,830</u>	<u>8,424</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 31.12.2021		Preceding Year Corresponding Quarter Ended 31.12.2020	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	21,877	4,073	16,595	2,419
- Singapore	807	23	1,250	82
- Vietnam	-	102	-	104
	<u>22,684</u>	<u>4,198</u>	<u>17,845</u>	<u>2,605</u>

	Cumulative Current Year to Date Ended 31.12.2021		Cumulative Preceding Corresponding Year to Date Ended 31.12.2020	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	71,472	12,846	58,519	7,848
- Singapore	3,756	12	4,311	217
- Vietnam	-	416	-	359
	<u>75,228</u>	<u>13,274</u>	<u>62,830</u>	<u>8,424</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.

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)**

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

There were no significant events subsequent to 31 December 2021, other than the following:-

On 6 January 2022, UMS-Neiken (M) Sdn Bhd (“UMSN” or “the Vendor”), had entered into a Sale and Purchase Agreement (“the SPA”) with Simpee Huat Cold Storage Sdn Bhd (Registration No. 200401029543 (668051-U)) of C-6-12, Streetmall, One South Jalan OS, Taman Serdang Perdana, Seksyen 6, Seri Kembangan, 43300 Selangor Darul Ehsan (“SHCS” or “the Purchaser”) for the disposal of all that piece of leasehold land held under Hakmilik Sementara H.S.(M) 29742, No. PT 4661, Tempat Batu 17 ½ Jalan Rawang, Bandar Rawang, Daerah Gombak, Negeri Selangor with a total area measuring approximately 92,558.87 square feet (equivalent to 0.8599 hectares) (“the Property”) for a total cash consideration of RM4,165,149-15 (“Disposal Consideration”) (“Proposed Disposal”).

The proposed disposal will result in an estimated gain of approximately RM1.9 million, upon completion. The proposed disposal is currently pending completion.

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

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)

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	3,891
Acquisition of machinery and mould	666
Acquisition of IT equipment/software	170
	4,727
	4,727

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 31.12.2021 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2020 RM’000 (Unaudited)	Cumulative Current Year to Date 31.12.2021 RM’000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2020 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	123	341	962	847
UMSC	Sales of electrical wire	-	-	4	35

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 31.12.2021 RM'000 (Unaudited)	At 31.12.2020 RM'000 (Unaudited)
Short term investment	14,731	14,235
Fixed deposits with licenced banks	3,614	3,671
Cash and bank balances	4,883	3,834
	<hr/>	<hr/>
	23,228	21,740
Less: Fixed deposits pledged with licenced banks	(919)	(899)
Fixed deposits with tenure of maturity of more than 3 months	(2,695)	(2,772)
	<hr/>	<hr/>
	<u>19,614</u>	<u>18,069</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	4.1650
Singapore Dollar	3.0853

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

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

B1. Review of Performance

	Individual Quarter		Year to date	
	31.12.2021 RM'000 (unaudited)	31.12.2020 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)	31.12.2020 RM'000 (unaudited)
Revenue	22,684	17,845	75,228	62,830
Profit before taxation	4,198	2,605	13,274	8,424

The Group achieved revenue of RM22.7 million for the quarter ended 31 December 2021. This represented an increase of approximately 27% as compared to the corresponding quarter in the preceding year. The improvement was mainly due to the robust demand after the easing of restrictions and movement control by the Government of Malaysia since 12 October 2021. This allowed the full resumption of operations and supply chain of the Group back to its normalcy. As a result, the profit margin for the quarter improved in line with the higher revenue and better cost absorption. This was despite the lower government subsidies relief obtained, higher impairment loss on receivables and inventories written down.

For the whole year's results, the revenue was higher by approximately 20% as compared to the preceding financial year on the back of strong recovery in demand for this quarter. In line with the higher revenue, profit before taxation was higher compared to 2020.

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

	Individual Quarter	
	31.12.2021 RM'000 (unaudited)	30.09.2021 RM'000 (unaudited)
Revenue	22,684	13,610
Profit before taxation	4,198	621

The Group achieved revenue of approximately RM22.7 million for the current quarter under review as compared to almost RM13.6 million in the immediate preceding quarter, registering an increase of approximately 67% due to the improvement in demand as explained in B1.

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

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)

B3. Current Year Prospects

The Group has performed well despite the challenges and impacts arising from the prolonged restrictions and lockdowns imposition in Malaysia and regions in 2021.

While the Group is cautiously optimistic of the outlook and prospects in 2022, there are some headwinds noted which could pose some challenges to the Group. These include the tightening of the global supply chain, inflationary pressure on raw materials, labour manpower shortages for the local construction sector and overall weak sentiment in the property development in Malaysia. In addition, the possible evolution of Covid-19 new variants could also thwart any economic recovery if the new variants threaten the health well-being and health care system. Against such backdrop, the Group would continue to adopt sustainable practices to remain resilient and overcome the challenges. The Group has embarked on investment into robotic technology, as part of the modernisation and automation of the manufacturing process. This will auger well for the Group in the future.

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.

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)

B5. Profit for The Period

	Current Year Quarter 31.12.2021 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.12.2020 RM'000 (unaudited)	Cumulative Current Year to Date 31.12.2021 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2020 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Impairment loss on trade receivables	417	(182)	772	108
Impairment loss on other receivables	25	374	25	374
Fair value loss on quoted investment	-	(172)	-	40
Bad debts written off	-	88	-	103
Other receivables written off	-	18	-	18
Depreciation of property, plant and equipment	1,093	983	4,250	3,766
Depreciation of investment properties	63	74	275	298
Depreciation of right-of-use of assets	39	24	141	105
Interest expense on financial liabilities that are not at fair value through profit or loss	20	25	55	89
Interest expenses on lease liabilities	3	2	10	8
Inventories written down	548	(175)	967	958
Loss/(Gain) on foreign exchange				
- unrealised	(81)	(38)	(440)	(308)
- realised	59	76	252	145
(Gain)/Loss on disposal of plant and equipment	(31)	-	(79)	5
Gain on disposal of quoted shares	-	-	(353)	-
Gain on lease modification	(4)	-	(4)	-
Total interest income on financial assets measured at amortised cost	(35)	(48)	(152)	(163)
Total interest income on financial assets measured at fair value through profit or loss	(66)	(69)	(232)	(343)
Reversal of inventories written down	240	(30)	(380)	(157)
Reversal of fair value loss on quoted investment	(100)	-	(100)	-
Reversal of impairment loss on property, plant and equipment	-	-	-	(28)
Reversal of impairment loss of trade & other receivables	148	(398)	(284)	(1,059)

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 31.12.2021 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2020 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2021 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2020 RM'000 (Unaudited)
Current tax Expense	1,047	797	3,000	2,378

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 is higher than the statutory rate, mainly due to higher non-tax deductible expenses. However, the effective tax rate for the financial year to date is slightly lower than statutory rate due to 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
<u>Ringgit Malaysia</u>			
Term loan - short term	454	-	454
	454	-	454

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 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 2021, to be paid on 31 March 2022. This single tier interim dividend was approved by the Board of Directors on 25 February 2022.

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 31.12.2021 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2020 (Unaudited)	Cumulative Current Year to Date 31.12.2021 (Unaudited)	Preceding Corresponding Year to Date 31.12.2020 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>3,150</u>	<u>1,809</u>	<u>10,267</u>	<u>6,043</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,402</u>	<u>78,435</u>	<u>78,402</u>	<u>78,435</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>4.02</u>	<u>2.31</u>	<u>13.10</u>	<u>7.70</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 fourth quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 25 February 2022.