

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The First Quarter Ended 31 March 2015

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 31 Mar 2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2014 RM'000 (unaudited)	Current Year To date 31 Mar 2015 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Mar 2014 RM'000 (unaudited)
Revenue		15,958	13,570	15,958	13,570
Cost of sales		(11,240)	(9,979)	(11,240)	(9,979)
Gross profit		4,718	3,591	4,718	3,591
Other income		908	222	908	222
		5,626	3,813	5,626	3,813
Selling and distribution expenses		(371)	(306)	(371)	(306)
Administrative expenses		(1,345)	(1,275)	(1,345)	(1,275)
Other operating expenses		(332)	(1,338)	(332)	(1,338)
Finance costs		(91)	(122)	(91)	(122)
Share of (loss)/profit for an associate		(8)	169	(8)	169
Profit before taxation		3,479	941	3,479	941
Income tax expense	B6	(848)	(628)	(848)	(628)
Profit after taxation		2,631	313	2,631	313
Other Comprehensive Income/(Expenses)					
Currency translation difference		73	(4)	73	(4)
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries		-	912	-	912
Share of associate's currency translation difference		48	-	48	-
Total Comprehensive Income		2,752	1,221	2,752	1,221
PROFIT AFTER TAXATION ATTRIBUTABLE TO Owners of The Company		2,631	313	2,631	313
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO Owners of The Company		2,752	1,221	2,752	1,221
Earnings per share (sen):					
Basic	B11	3.35	0.40	3.35	0.40
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 March 2015. The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the

UMS-NEIKEN GROUP BERHAD (650473-V)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	As at end of current year quarter ended 31 Mar 2015 RM'000 (Unaudited)	Audited 31 Dec 2014 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	2,850	2,809
Property, plant and equipment	22,833	20,714
Investment property	2,276	2,276
Prepaid lease rental	366	351
Deferred Tax Assets	101	101
	<u>28,426</u>	<u>26,251</u>
CURRENT ASSETS		
Inventories	14,795	17,569
Trade receivables	20,746	18,418
Other receivables, prepayments and deposits	1,879	8,267
Amount owing by associates	2,993	2,776
Amount owing by related parties	3	1
Tax recoverable	3	54
Fixed deposits with licensed banks	12,586	10,490
Cash and bank balances	7,693	5,259
	<u>60,698</u>	<u>62,834</u>
TOTAL ASSETS	<u>89,124</u>	<u>89,085</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Treasury shares	(510)	(510)
Share premium	1,531	1,531
Exchange fluctuation reserve	(560)	(681)
Retained profits	32,083	31,417
TOTAL EQUITY	<u>72,544</u>	<u>71,757</u>
NON-CURRENT AND DEFERRED LIABILITY		
Term loans	B8 7,521	7,638
Deferred taxation	1,102	1,102
	<u>8,623</u>	<u>8,740</u>
CURRENT LIABILITIES		
Trade payables	2,269	2,042
Other payables and accruals	3,508	3,488
Amount owing to directors	12	321
Amount owing to a related company	267	675
Short-term borrowings	B8 797	1,224
Bank overdrafts	B8 211	85
Provision for taxation	893	753
	<u>7,957</u>	<u>8,588</u>
TOTAL LIABILITIES	16,580	17,328
TOTAL EQUITY AND LIABILITIES	<u>89,124</u>	<u>89,085</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.92</u>	<u>0.91</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD (650473-V)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The First Quarter Ended 31 March 2015

	← 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 RM'000	
3 months period ended 31 March 2014						
At 1 January 2014	40,000	(508)	1,531	(1,736)	24,260	63,547
<u>Comprehensive Income</u>						
Profit for the financial period	-	-	-	-	313	313
<u>Other Comprehensive Income</u>						
Currency translation difference	-	-	-	(4)	-	(4)
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries	-	-	-	912	-	912
Total Comprehensive income	-	-	-	908	313	1,221
<u>Contribution by and distributions to owners of the Company</u>						
- Dividend paid	-	-	-	-	(1,965)	(1,965)
At 31 March 2014	40,000	(508)	1,531	(828)	22,608	62,803
3 months period ended 31 March 2015						
At 1 January 2015	40,000	(510)	1,531	(681)	31,417	71,757
<u>Comprehensive Income</u>						
Profit for the financial period	-	-	-	-	2,631	2,631
<u>Other Comprehensive Expenses</u>						
Currency translation difference	-	-	-	73	-	73
Share of associate's currency translation difference	-	-	-	48	-	48
Total Comprehensive income	-	-	-	121	2,631	2,752
<u>Contribution by and distributions to owners of the Company</u>						
- Dividend paid	-	-	-	-	(1,965)	(1,965)
At 31 March 2015	40,000	(510)	1,531	(560)	32,083	72,544

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD (650473-V)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For The First Quarter Ended 31 March 2015

	Note	Current Year Quarter 31 Mar 2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2014 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,479	941
Adjustments for:			
Write back allowance for doubtful debts		(20)	(24)
Allowance for doubtful debts		96	25
Write back for inventories written down		(139)	(24)
Inventories written down		100	32
(Reversal in provision)/Provision for unrealised profits		(210)	149
Depreciation of property, plant and equipment		419	370
Loss on disposal of a subsidiary		-	1,119
Gain on disposal of property, plant and equipment		(50)	-
Unrealised exchange gain		(442)	(28)
Amortisation of prepaid lease rental		(15)	5
Interest expense		91	122
Interest income		(154)	(107)
Share of profit in an associate		(41)	(170)
Operating profit before working capital changes		3,114	2,408
Decrease/(Increase) in Inventories		3,023	(2,237)
Decrease in Trade & other receivables		4,427	280
Increase/(Decrease) in Trade & other payables		247	(2,414)
(Increase)/Decrease in amount owing by an associate		(146)	13
Increase in amount owing to related parties		265	312
Decrease in amount owing to a related company		(675)	(165)
Cash inflow/(outflow) from operations		10,255	(1,803)
Interest paid		(91)	(122)
Net tax paid		(657)	(792)
Net cash inflow/(outflow) from operating activities		9,507	(2,716)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES			
Advance to an associate		(71)	(21)
Interest received		154	107
Purchase of property, plant and equipment and prepaid lease		(2,139)	(416)
Proceeds from disposal of plant and equipment		50	-
Proceeds from disposal of a subsidiary		-	4,504
Placement of fixed deposits pledged		(96)	-
Net cash outflow from/(for) investing activities		(2,102)	4,174
CASH FLOWS FOR FINANCING ACTIVITIES			
Dividends paid		(1,965)	(1,965)
Net (repayment)/advances of bills payables		(765)	174
Repayment of term loan		(112)	(108)
Repayment of hire purchase obligation		(67)	(40)
Repayment to directors		(309)	(247)
Net cash outflow for financing activities		(3,218)	(2,186)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,187	(728)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE		121	821
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER		14,573	12,215
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16	18,881	12,308

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 March 2015. 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 2014 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 MARCH 2015

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA 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 2014. 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 2014.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2014 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 2014, except for the adoption of the following new Malaysia Financial Reporting Standards (“MFRSs”), Amendment to MFRSs and IC Interpretation.

MFRSs and IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 10, MFRS12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

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

A2. Changes in Accounting Policies (cont’d)

At date of authorization of these interim financial statements, the following MFRSs, Amendment to MFRSs and IC Interpretation was issued but not yet effective and have not been applied by the Group.

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011) : Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101 : Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

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

A3. Status of audit qualifications

The auditors’ report on the financial statements for the financial year ended 31 December 2014 was not subject to any qualification.

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.

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

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, save for the purchases of the Company’s own shares as disclosed below:-

	No of shares purchased	Total consideration paid (RM)
At 1 January 2015	1,404,200	509,805.28
Share Buyback for the financial period	-	-
At 31 March 2015	<u>1,404,200</u>	<u>509,805.28</u>

The purchases were financed by internally generated funds. The share purchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965.

As at the date of this report, the total number of treasury shares held is 1,404,200 UMSNGB shares. None of the treasury shares held were resold or cancelled during the financial period ended 31 March 2015.

A8. Dividends Paid

An interim single-tier dividend of 2.5 sen ordinary share amounting to approximately RM1,965,000 in respect of the financial year ended 31 December 2014 was paid on 31 March 2015.

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

A9. Segment information

Business Segment

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

	Current Year Quarter Ended 31.03.2015 (Unaudited)		Preceding Year Corresponding Quarter Ended 31.03.2014 (Unaudited)	
	Revenue RM’000	(Unaudited) Profit Before Taxation RM’000	Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
	- Manufacturing, design & trading of electrical wiring accessories	14,673	3,450	12,003
- Trading & servicing of home appliances	1,285	29	1,567	(92)
	<u>15,958</u>	<u>3,479</u>	<u>13,570</u>	<u>941</u>

	Cumulative Current Year to Date Ended 31.03.2015 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 31.03.2014 (Unaudited)	
	Revenue RM’000	(Unaudited) Profit Before Taxation RM’000	Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
	- Manufacturing, design & trading of electrical wiring accessories	14,673	3,450	12,003
- Trading & servicing of home appliances	1,285	29	1,567	(92)
	<u>15,958</u>	<u>3,479</u>	<u>13,570</u>	<u>941</u>

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA 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 31.03.2015		Preceding Year Corresponding Quarter Ended 31.03.2014	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit Before Taxation RM’000	Revenue RM’000	Profit Before Taxation RM’000
Continuing operations:				
- Malaysia	15,955	3,513	13,558	1,048
- Vietnam	3	(34)	12	(107)
	<u>15,958</u>	<u>3,479</u>	<u>13,570</u>	<u>941</u>
	Cumulative Current Year to Date Ended 31.03.2015		Cumulative Preceding Corresponding Year to Date Ended 31.03.2014	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit Before Taxation RM’000	Revenue RM’000	Profit Before Taxation RM’000
Continuing operations:				
- Malaysia	15,955	3,513	13,558	1,048
- Vietnam	3	(34)	12	(107)
	<u>15,958</u>	<u>3,479</u>	<u>13,570</u>	<u>941</u>

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**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING
STANDARD 134 ("MFRS 134") (CONT'D)**

A10. Revaluation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

There was no revaluation of property, plant and equipment during the financial quarter under review.

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

There were no significant events subsequent to 31 March 2015 and up to date of this report.

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	36,830

A14. Commitments

The Group has not obtained any foreign exchange contract from a financial institution or capital commitment under quarter review.

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PART A: EXPLANATORY NOTES PERSUANT TO MALAYSIA 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 31.03.2015 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2014 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2015 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2014 RM'000 (Unaudited)
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	59	-	59
High Project Electric Wire & Cables Manufactory (Fenghua) Limited (“HPC”)	Purchase of power cordset, trailing socket, cables, drum reel, etc	-	246	-	246
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	279	660	279	660
Neiken Switchgear (S) Pted Ltd (“NSS”)	Sales of electrical wiring accessories	290	413	290	413

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PART A: EXPLANATORY NOTES PERSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD 134 ("MFRS 134") (CONT'D)

A16. Cash and cash equivalents

	At 31.03.2015 RM'000 (Unaudited)	At 31.03.2014 RM'000 (Unaudited)
Fixed deposits with licensed banks	12,586	8,064
Cash and bank balances	7,693	4,638
Bank overdraft	(211)	(394)
	<hr/>	<hr/>
	20,068	12,308
Less: Fixed Deposits pledged with licenced banks	(1,187)	-
	<hr/>	<hr/>
	18,881	12,308

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 subsidiary, Neiken Switchgear (VN) Co. Ltd had 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:-

United States Dollar	RM 3.7035
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

	Individual Quarter		Year to date	
	31.03.2015 RM'000 (unaudited)	31.03.2014 RM'000 (unaudited)	31.03.2015 RM'000 (unaudited)	31.03.2014 RM'000 (unaudited)
Revenue	15,958	13,570	15,958	13,570
Profit before taxation	3,479	941	3,479	941

The Group achieved revenue of RM16.0 million for the quarter ended 31 March 2015 and for the financial year to date. This represents an increase of 18% as compared to the revenue of RM13.6 million for the corresponding quarter in the preceding year and financial period to date, mainly due to higher sales in the electrical wiring accessories segment in the domestic market, prior to the implementation of GST in April 2015.

Profit before taxation of the Group registered an increase of approximately 270% for the quarter and for the financial year to date, mainly due to higher profit margin in line of higher sales revenue, favourable foreign exchange movement due to the weakening of RM against the USD. In addition, the results of the preceding year include the loss on disposal of the former Hong Kong subsidiary of RM1.1 million, which is a one-off item and non-recurring in the current quarter.

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

	Individual Quarter	
	31.03.2015 RM'000 (unaudited)	31.12.2014 RM'000 (unaudited)
Revenue	15,958	15,500
Profit before taxation	3,479	5,936

The Group achieved revenue of approximately RM16.0 million for the current quarter under review as compared to RM15.5 million in the previous quarter, registering an increase of approximately 3%, mainly due to the improvement in demand for the electrical wiring accessories segment in the domestic market.

Profit before taxation of the Group for the current quarter under review however decreased, compared to the immediate preceding quarter. This is because the results of the immediate preceding quarter include a gain on disposal of property of RM2.2 million, which is non-recurring in the current quarter.

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

B3. Current Year Prospects

The Group is cautiously optimistic of its performance for this year. The weakness of RM against the USD has been favourable to the Group as this has yielded better margin. The demand for electrical wiring accessories in the domestic market has remained relatively stable.

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.

B5. Profit for The Period

	Current Year Quarter 31.03.2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.03.2014 RM'000 (unaudited)	Cumulative Current Year to Date 31.03.2015 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2014 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	96	25	96	25
Amortisation of prepaid lease payments	(15)	5	(15)	5
Depreciation of property, plant and equipment	419	370	419	370
Impairment losses on investment	-	-	-	-
Interest expenses	91	122	91	122
Inventories written down	100	32	100	32
Loss on disposal of investment in HPL	-	1,119	-	1,119
(Gain)/Loss on foreign exchange				
- unrealized	(442)	(28)	(442)	(28)
- realized	(163)	(40)	(163)	(40)
Gain on disposal of plant and equipment	(50)	-	(50)	-
Interest income	(154)	(107)	(154)	(107)
Writeback for inventory written down	(139)	(24)	(139)	(24)
Writeback of allowance for trade receivables	(20)	(24)	(20)	(24)

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 31.03.2015 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2014 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2015 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2014 RM'000 (Unaudited)
Current tax Expense	<u>848</u>	<u>628</u>	<u>848</u>	<u>628</u>

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

The Group's effective tax rate for the current quarter and cumulative year to date is approximate to statutory rate.

B7. Status of Corporate Proposals

There were no corporate proposals announced during the financial quarter under review.

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

B8. Group borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	RM'000
Bank overdrafts	211
Hire purchase creditor	333
Term loan – short term	464
Term loan – long term	7,521
Total	<u>8,529</u>

There are no foreign currency borrowings at the end of the reporting quarter.

B9. Material litigation

On 16 May 2014, its wholly-owned subsidiary company, United MS Electrical Mfg. (M) Sdn Bhd (Company No. 65814-V) ("the Defendant") had been served with a copy of Writ Summons and Statement of Claim both dated 28 April 2014 by Yutaka Sangyo Industries (M) Sdn Bhd (Company No. 240897-K) ("the Plaintiff") claiming for the sum of RM214,134.20 in relation to the goods supplied by the Plaintiff to the Defendant in their course of business during the period from March 2013 up to February 2014. In this regard, the Defendant is disputing the claim and contending that the goods supplied by the Plaintiff were defective as well as seeking a counter claim for loss and damage in the region of RM460,000.00. The case is now pending hearing at the Shah Alam High Court after earlier trial dates on 14 and 15 May 2015. The next scheduled continue trial dates are from 15th to 17th June 2015.

UMS-NEIKEN GROUP BERHAD
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (CONT'D)

B10. Dividends

The Board does not recommend any interim dividend in respect of the financial year ending 31 March 2015 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 31.03.2015 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2014 (Unaudited)	Cumulative Current Year to Date 31.03.2015 (Unaudited)	Preceding Corresponding Year to Date 31.03.2014 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>2,631</u>	<u>313</u>	<u>2,631</u>	<u>313</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,596</u>	<u>78,598</u>	<u>78,596</u>	<u>78,598</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>3.35</u>	<u>0.40</u>	<u>3.35</u>	<u>0.40</u>

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

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the group as at 31 March 2015, into realised and unrealised profits, are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, as issued by the Malaysian Institute of Accountants, is as follows:-

	As at financial period ended 31.03.2015 RM'000 (unaudited)	As at financial year ended 31.12.2014 RM'000 (audited)
Total retained earnings of the Group		
- Realised	45,278	43,196
- Unrealised	(55)	(37)
	<u>45,223</u>	<u>43,159</u>
Total retained earnings of an Associate		
- Realised	1,385	1,604
- Unrealised	(4)	(4)
	<u>46,604</u>	<u>44,759</u>
Less: Consolidation adjustments	<u>(14,521)</u>	<u>(13,342)</u>
Total retained earnings as per condensed consolidated statement of changes in equity	<u>32,083</u>	<u>31,417</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

B14. 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.

B15. Authorisation for issue

The first quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 27 May 2015.