

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

**PART A: EXPLANATORY NOTES PERSUANT 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 119: Defined Benefit Plans – Employee Contributions

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

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

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**PART A: EXPLANATORY NOTES PURSUANT 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.

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
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 PERSUANT 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 30 June 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 30 June 2015.

**A8. Dividends Paid**

There were no dividends paid during the financial period under review.

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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 30.06.2015 (Unaudited)		Preceding Year Corresponding Quarter Ended 30.06.2014 (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	13,325	2,269	13,914	2,755
- Trading & servicing of home appliances	1,033	(47)	1,850	18
	<u>14,358</u>	<u>2,222</u>	<u>15,764</u>	<u>2,793</u>
	Cumulative Current Year to Date Ended 30.06.2015 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 30.06.2014 (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	27,998	5,719	25,938	3,807
- Trading & servicing of home appliances	2,318	(18)	3,396	(73)
	<u>30,316</u>	<u>5,701</u>	<u>29,334</u>	<u>3,734</u>

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**PART A: EXPLANATORY NOTES PERSUANT 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 30.06.2015		Preceding Year Corresponding Quarter Ended 30.06.2014	
	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
- Malaysia	14,357	2,274	15,743	2,678
- Vietnam	1	(52)	21	115
	<u>14,358</u>	<u>2,222</u>	<u>15,764</u>	<u>2,793</u>
	Cumulative Current Year to Date Ended 30.06.2015		Cumulative Preceding Corresponding Year to Date Ended 30.06.2014	
	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
- Malaysia	30,312	5,788	29,301	1,048
- Vietnam	4	(87)	33	(78)
	<u>30,316</u>	<u>5,701</u>	<u>29,334</u>	<u>3,734</u>

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**PART A: EXPLANATORY NOTES PERSUANT 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 30 June 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,

	<b>RM’000</b>
Corporate guarantee given to licenced banks for credit facilities granted to subsidiaries	36,896

**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 PURSUANT 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 30.06.2015 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2014 RM'000 (Unaudited)	Cumulative Current Year to Date 30.06.2015 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2014 RM'000 (Unaudited)
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	-	-	59
High Project Electric Wire & Cables Manufactory (Fenghua) Limited (“HPC”)	Purchase of power cordset, trailing socket, cables, drum reel, etc	-	16	-	262
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	905	1,308	1,184	1,968
UMSC	Sales of home appliance	2	-	2	-
UMSC	Rental of warehouse	6	-	6	-
Neiken Switchgear (S) Pted Ltd (“NSS”)	Sales of electrical wiring accessories	281	162	571	575



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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 30.06.2015 RM'000 (Unaudited)	At 30.06.2014 RM'000 (Unaudited)
Fixed deposits with licensed banks	12,477	8,966
Cash and bank balances	6,447	4,752
Bank overdraft	-	(67)
	<hr/>	<hr/>
	18,924	13,651
Less: Fixed Deposits pledged with licenced banks	(1,201)	-
	<hr/>	<hr/>
	<u>17,723</u>	<u>13,651</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 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	<b>RM</b> 3.773
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**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS**

**B1. Review of Performance**

	Individual Quarter		Year to date	
	30.06.2015 RM'000 (unaudited)	30.06.2014 RM'000 (unaudited)	30.06.2015 RM'000 (unaudited)	30.06.2014 RM'000 (unaudited)
Revenue	14,358	15,764	30,316	29,334
Profit before taxation	2,222	2,793	5,701	3,734

The Group achieved revenue of RM14.4 million for the quarter ended 30 June 2015. This represents a decrease of 9% as compared to the corresponding quarter in the preceding year. This lower revenue is mainly due to lower sales demand for home appliances and export segment. Profit before taxation of the Group registered a decrease of approximately 20% for the quarter compared to 2014, mainly due to the lower sales revenue.

The Group achieved cumulative revenue of RM30.3 million for the financial period to date, representing a marginal increase of 3% as compared to the preceding financial year to date. It is mainly due to higher sales in the electrical wiring accessories segment in the domestic market in the immediate preceding quarter, surpassing the lower sales from home appliance and export segment.

Profit before taxation of the Group for the financial year to date registered an increase of 53% as compared to corresponding period in the preceding year. This is mainly due to the favourable exchange movement of USD against RM and the disposal of the loss making subsidiary of RM1.1 million, which is a one-off item and non-recurring in the preceding year.

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

	Individual Quarter	
	30.06.2015 RM'000 (unaudited)	31.03.2015 RM'000 (unaudited)
Revenue	14,358	15,958
Profit before taxation	2,222	3,479

The Group achieved revenue of approximately RM14.4 million for the current quarter under review as compared to RM16.0 million in the previous quarter, registering a decrease of approximately 10%, mainly due to the slowdown in demand after the implementation of GST on 1 April 2015.

Profit before taxation of the Group for the current quarter under review decreased, compared to the immediate preceding quarter, mainly in line with the lower sales.

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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 on its performance for the rest of year. The Group has benefited from the depreciation of RM against US Dollar for its export sales. However, sales in the domestic market have slowed since the implementation of the GST, and it remains to be seen whether this is temporary or otherwise.

**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 30.06.2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.06.2014 RM'000 (unaudited)	Cumulative Current Year to Date 30.06.2015 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2014 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	96	-	96	25
Amortisation of prepaid lease payments	1	11	(14)	16
Depreciation of property, plant and equipment	421	370	840	740
Interest expenses	84	127	175	249
Inventories written down	82	101	182	133
Loss on disposal of investment in HPL	-	-	-	1,119
(Gain)/Loss on foreign exchange				
- unrealized	(283)	72	(725)	45
- realized	(67)	(59)	(230)	(99)
Gain on disposal of plant and equipment	-	-	(50)	-
Interest income	(131)	(98)	(285)	(205)
Writeback for inventory written down	54	(86)	(85)	(110)
Writeback of allowance for trade receivables	(27)	(45)	(47)	(69)

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 30.06.2015 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2014 RM'000 (Unaudited)	Cumulative Current Year to Date 30.06.2015 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2014 RM'000 (Unaudited)
Current tax Expense	666	626	1,514	1,254

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 higher than statutory rate, mainly due to the losses suffered by subsidiaries in Malaysia and Vietnam.

**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:

	<b>RM'000</b>
Hire purchase creditor	233
Term loan – short term	469
Term loan – long term	5,294
Total	<u>5,996</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 matter has been heard at trial (on 14 & 15th May 2015 and 15th June 2015) and the decision for the Plaintiff's claim and the Defendant's counter claim is scheduled to be delivered on 17th August 2015.

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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 30 June 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 30.06.2015 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2014 (Unaudited)	Cumulative Current Year to Date 30.06.2015 (Unaudited)	Preceding Corresponding Year to Date 30.06.2014 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>1,556</u>	<u>2,167</u>	<u>4,187</u>	<u>2,480</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,596</u>	<u>78,597</u>	<u>78,596</u>	<u>78,597</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>1.98</u>	<u>2.76</u>	<u>5.33</u>	<u>3.16</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 30 June 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:-

	<b>As at financial period ended 30.06.2015 RM'000 (unaudited)</b>	<b>As at financial year ended 31.12.2014 RM'000 (audited)</b>
Total retained earnings of the Group		
- Realised	46,715	43,196
- Unrealised	25	(37)
	<u>46,740</u>	<u>43,159</u>
Total retained earnings of an Associate		
- Realised	1,484	1,604
- Unrealised	(4)	(4)
	<u>48,220</u>	<u>44,759</u>
Less: Consolidation adjustments	<u>(14,581)</u>	<u>(13,342)</u>
Total retained earnings as per condensed consolidated statement of changes in equity	<u>33,639</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.

**B13. 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.

**B14. Authorisation for issue**

The second quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 21 August 2015.

**UMS-NEIKEN GROUP BERHAD (650473-V)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Second Quarter Ended 30 June 2015

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30 Jun 2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2014 RM'000 (unaudited)	Current Year To date 30 Jun 2015 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Jun 2014 RM'000 (unaudited)
Revenue	14,358	15,764	30,316	29,334
Cost of sales	(10,469)	(11,223)	(21,709)	(21,202)
Gross profit	3,889	4,541	8,607	8,132
Other income	657	296	1,565	518
	4,546	4,837	10,172	8,650
Selling and distribution expenses	(414)	(337)	(785)	(643)
Administrative expenses	(1,657)	(1,479)	(3,002)	(2,754)
Other operating expenses	(265)	(249)	(597)	(1,587)
Finance costs	(84)	(127)	(175)	(249)
Share of (loss)/profit for an associate	96	148	88	317
<b>Profit before taxation</b>	<b>2,222</b>	<b>2,793</b>	<b>5,701</b>	<b>3,734</b>
Income tax expense	B6 (666)	(626)	(1,514)	(1,254)
<b>Profit after taxation</b>	<b>1,556</b>	<b>2,167</b>	<b>4,187</b>	<b>2,480</b>
<b>Other Comprehensive Income/(Expenses)</b>				
Currency translation difference	9	(30)	82	(34)
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries	-	-	-	912
Share of associate's currency translation difference	119	-	167	-
<b>Total Comprehensive Income</b>	<b>1,684</b>	<b>2,137</b>	<b>4,436</b>	<b>3,358</b>
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO</b>				
Owners of The Company	1,556	2,167	4,187	2,480
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
Owners of The Company	1,684	2,137	4,436	3,358
<b>Earnings per share (sen):</b>				
Basic	B11 1.98	2.76	5.33	3.16
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 June 2015. 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



**UMS-NEIKEN GROUP BERHAD (650473-V)**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2015

	As at end of current year quarter ended 30 Jun 2015 RM'000 (Unaudited)	Audited 31 Dec 2014 RM'000 (Audited)
Note		
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment in associates	3,065	2,809
Property, plant and equipment	22,806	20,714
Investment property	2,265	2,276
Prepaid lease rental	365	351
Deferred Tax Assets	101	101
	<u>28,602</u>	<u>26,251</u>
<b>CURRENT ASSETS</b>		
Inventories	14,382	17,569
Trade receivables	19,816	18,418
Other receivables, prepayments and deposits	2,409	8,267
Amount owing by associates	3,167	2,776
Amount owing by related parties	7	1
Tax recoverable	78	54
Fixed deposits with licensed banks	12,477	10,490
Cash and bank balances	6,447	5,259
	<u>58,783</u>	<u>62,834</u>
<b>TOTAL ASSETS</b>	<u>87,385</u>	<u>89,085</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	40,000	40,000
Treasury shares	(510)	(510)
Share premium	1,531	1,531
Exchange fluctuation reserve	(432)	(681)
Retained profits	33,639	31,417
<b>TOTAL EQUITY</b>	<u>74,228</u>	<u>71,757</u>
<b>NON-CURRENT AND DEFERRED LIABILITY</b>		
Term loans	B8 5,294	7,638
Deferred taxation	1,102	1,102
	<u>6,396</u>	<u>8,740</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,351	2,042
Other payables and accruals	2,354	3,488
Amount owing to directors	12	321
Amount owing to a related company	267	675
Short-term borrowings	B8 702	1,224
Bank overdrafts	B8 -	85
Provision for taxation	1,075	753
	<u>6,761</u>	<u>8,588</u>
<b>TOTAL LIABILITIES</b>	<u>13,157</u>	<u>17,328</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>87,385</u>	<u>89,085</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.94</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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For The Second Quarter Ended 30 June 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	
<b><u>6 months period ended 30 June 2014</u></b>						
At 1 January 2014	40,000	(508)	1,531	(1,736)	24,260	63,547
Treasury Shares	-	(1)	-	-	-	(1)
<b><u>Comprehensive Income</u></b>						
Profit for the financial period	-	-	-	-	2,480	2,480
<b><u>Other Comprehensive Income</u></b>						
Currency translation difference	-	-	-	(34)	-	(34)
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries	-	-	-	912	-	912
Total Comprehensive income	-	-	-	878	2,480	3,358
<b><u>Contribution by and distributions to owners of the Company</u></b>						
- Dividend paid	-	-	-	-	(1,965)	(1,965)
At 30 June 2014	40,000	(509)	1,531	(858)	24,775	64,939
<b><u>6 months period ended 30 June 2015</u></b>						
At 1 January 2015	40,000	(510)	1,531	(681)	31,417	71,757
<b><u>Comprehensive Income</u></b>						
Profit for the financial period	-	-	-	-	4,187	4,187
<b><u>Other Comprehensive Expenses</u></b>						
Currency translation difference	-	-	-	82	-	82
Share of associate's currency translation difference	-	-	-	167	-	167
Total Comprehensive income	-	-	-	249	4,187	4,436
<b><u>Contribution by and distributions to owners of the Company</u></b>						
- Dividend paid	-	-	-	-	(1,965)	(1,965)
At 30 June 2015	40,000	(510)	1,531	(432)	33,639	74,228

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)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

For The Second Quarter Ended 30 June 2015

	Current Year Quarter 30 Jun 2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2014 RM'000 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,701	3,734
Adjustments for:		
Write back allowance for doubtful debts	(47)	(69)
Allowance for doubtful debts	96	25
Write back for inventories written down	(85)	(110)
Inventories written down	182	133
Reversal in provision for unrealised profits	(164)	(51)
Depreciation of property, plant and equipment	840	740
Loss on disposal of a subsidiary	-	1,119
Gain on disposal of property, plant and equipment	(50)	(0)
Unrealised exchange (gain)/loss	(725)	45
Amortisation of prepaid lease rental	(14)	16
Interest expense	175	249
Interest income	(285)	(205)
Share of profit in an associate	(256)	(318)
Operating profit before working capital changes	<u>5,368</u>	<u>5,307</u>
Decrease/(Increase) in Inventories	3,253	(2,314)
Decrease/(Increase) in Trade & other receivables	5,137	(488)
Decrease in Trade & other payables	(825)	(2,902)
(Increase)/Decrease in amount owing by an associate	(236)	291
Increase in amount owing to related parties	261	281
Decrease in amount owing to a related company	<u>(675)</u>	<u>(165)</u>
Cash inflow from operations	12,282	10
Interest paid	(175)	(249)
Net tax paid	<u>(1,217)</u>	<u>(1,355)</u>
Net cash inflow/(outflow) from operating activities	<u>10,890</u>	<u>(1,594)</u>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Advance to an associate	(155)	(28)
Interest received	285	205
Purchase of property, plant and equipment and prepaid lease	(2,521)	(550)
Proceeds from disposal of plant and equipment	50	-
Proceeds from disposal of unit trust investment	-	3
Proceeds from disposal of a subsidiary	-	4,504
Treasury shares buy-back	-	(1)
Placement of fixed deposits pledged	<u>(110)</u>	<u>-</u>
Net cash outflow from/(for) investing activities	<u>(2,449)</u>	<u>4,133</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividends paid	(1,965)	(1,965)
Net (repayment)/advances of bills payables	(765)	610
Repayment of term loan	(2,334)	(217)
Repayment of hire purchase obligation	(167)	(80)
Repayment to directors	<u>(309)</u>	<u>(241)</u>
Net cash outflow for financing activities	<u>(5,540)</u>	<u>(1,893)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,901	646
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>	249	790
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>	<u>14,573</u>	<u>12,215</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	<u>17,723</u>	<u>13,651</u>

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**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 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.