

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Third Quarter Ended 30 September 2015

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 30 Sep 2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2014 RM'000 (unaudited)	Current Year To date 30 Sep 2015 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Sep 2014 RM'000 (unaudited)
Revenue		15,197	17,166	45,513	46,500
Cost of sales		(10,414)	(12,692)	(32,123)	(33,894)
Gross profit		4,783	4,474	13,390	12,606
Other income		2,274	591	3,839	1,109
		7,057	5,065	17,229	13,715
Selling and distribution expenses		(352)	(491)	(1,137)	(1,134)
Administrative expenses		(2,121)	(1,723)	(5,123)	(4,477)
Other operating expenses		(612)	(146)	(1,209)	(1,733)
Finance costs		(89)	(134)	(264)	(383)
Share of (loss)/profit for an associate		20	139	108	456
Profit before taxation		3,903	2,710	9,604	6,444
Income tax expense	B6	(1,107)	(685)	(2,621)	(1,939)
Profit after taxation		2,796	2,025	6,983	4,505
Other Comprehensive Income/(Expenses)					
Currency translation difference		194	36	276	2
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries		-	-	-	912
Share of associate's currency translation difference		314	-	481	-
Total Comprehensive Income		3,304	2,061	7,740	5,419
PROFIT AFTER TAXATION ATTRIBUTABLE TO					
Owners of The Company		2,792	2,025	6,979	4,505
Non-controlling interest		4	-	4	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of The Company		3,300	2,061	7,736	5,419
Non-controlling interest		4	-	4	-
Earnings per share (sen):					
Basic	B11	3.55	2.58	8.88	5.73
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 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 30 September 2015

	As at end of current year quarter ended 30 Sep 2015 RM'000 (Unaudited)	Audited 31 Dec 2014 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	3,398	2,809
Property, plant and equipment	22,962	20,714
Investment property	2,306	2,276
Investment in shares	562	-
Prepaid lease rental	418	351
Deferred Tax Assets	101	101
	<u>29,747</u>	<u>26,251</u>
CURRENT ASSETS		
Inventories	15,402	17,569
Trade receivables	18,000	18,418
Other receivables, prepayments and deposits	2,115	8,267
Amount owing by associates	3,489	2,776
Amount owing by related parties	11	1
Tax recoverable	250	54
Fixed deposits with licensed banks	13,934	10,490
Cash and bank balances	8,934	5,259
	<u>62,135</u>	<u>62,834</u>
TOTAL ASSETS	<u>91,882</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	76	(681)
Retained profits	36,433	31,417
SHAREHOLDERS' EQUITY	<u>77,530</u>	<u>71,757</u>
Non-controlling interest	41	-
TOTAL EQUITY	<u>77,571</u>	<u>71,757</u>
NON-CURRENT AND DEFERRED LIABILITY		
Term loans	B8 5,174	7,638
Deferred taxation	1,102	1,102
	<u>6,276</u>	<u>8,740</u>
CURRENT LIABILITIES		
Trade payables	2,278	2,042
Other payables and accruals	3,481	3,488
Amount owing to directors	12	321
Amount owing to a related company	158	675
Short-term borrowings	B8 607	1,224
Bank overdrafts	B8 -	85
Provision for taxation	1,499	753
	<u>8,035</u>	<u>8,588</u>
TOTAL LIABILITIES	<u>14,311</u>	<u>17,328</u>
TOTAL EQUITY AND LIABILITIES	<u>91,882</u>	<u>89,085</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.99</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 Third Quarter Ended 30 September 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	Non-Controlling Interest RM'000	
9 months period ended 30 September 2014							
At 1 January 2014	40,000	(508)	1,531	(1,736)	24,260	-	63,547
Treasury Shares	-	(1)	-	-	-	-	(1)
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	4,505	-	4,505
<u>Other Comprehensive Income</u>							
Currency translation difference	-	-	-	2	-	-	2
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries	-	-	-	912	-	-	912
Total Comprehensive income	-	-	-	914	4,505	-	5,419
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	(1,965)	-	(1,965)
At 30 September 2014	40,000	(509)	1,531	(822)	26,800	-	67,000
9 months period ended 30 September 2015							
At 1 January 2015	40,000	(510)	1,531	(681)	31,417	-	71,757
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	6,983	-	6,983
<u>Other Comprehensive Expenses</u>							
Currency translation difference	-	-	-	276	-	-	276
Share of associate's currency translation difference	-	-	-	481	-	-	481
Total Comprehensive income	-	-	-	757	6,983	-	7,740
<u>Contribution by and distributions to owners of the Company</u>							
- Change in ownership interest in a subsidiary that does not result in loss of control	-	-	-	-	(2)	41	39
- Dividend paid	-	-	-	-	(1,965)	-	(1,965)
At 30 September 2015	40,000	(510)	1,531	76	36,433	41	77,571

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 Third Quarter Ended 30 September 2015

	Note	Current Year Quarter 30 Sep 2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2014 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		9,604	6,444
Adjustments for:			
Write back allowance for doubtful debts		(268)	(91)
Allowance for doubtful debts		174	33
Write back for inventories written down		(136)	(120)
Inventories written down		237	298
Bad Debts written off		356	-
Reversal in provision for unrealised profits		(117)	(36)
Depreciation of property, plant and equipment		1,259	1,110
Loss on disposal of a subsidiary		-	1,119
Gain on disposal of property, plant and equipment		(54)	(5)
Unrealised exchange (gain)/loss		(2,364)	(349)
Amortisation of prepaid lease rental		(67)	10
Interest expense		265	383
Interest income		(412)	(287)
Share of profit in an associate		(589)	(456)
Operating profit before working capital changes		7,888	8,053
Decrease/(Increase) in Inventories		2,182	(495)
Decrease/(Increase) in Trade & other receivables		8,674	(1,980)
Increase/(Decrease) in Trade & other payables		230	(3,175)
(Increase)/Decrease in amount owing by an associate		(276)	274
Increase in amount owing to related parties		148	452
Decrease in amount owing to a related company		(675)	(165)
Cash inflow from operations		18,171	2,964
Interest paid		(265)	(383)
Net tax paid		(2,071)	(1,994)
Net cash inflow from operating activities		15,835	587
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES			
Advance to an associate		(437)	(56)
Interest received		412	287
Purchase of property, plant and equipment and prepaid lease		(3,138)	(1,108)
Proceeds from disposal of plant and equipment		53	3
Purchase of quoted shares		(562)	-
Proceeds from disposal of unquoted shares		39	-
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		(178)	-
Net cash outflow (for)/from investing activities		(3,811)	3,632
CASH FLOWS FOR FINANCING ACTIVITIES			
Dividends paid		(1,965)	(1,965)
Net (repayment)/advances of bills payables		(765)	(440)
Repayment of term loan		(2,449)	(337)
Repayment of hire purchase obligation		(267)	(120)
Repayment to directors		(309)	(241)
Net cash outflow for financing activities		(5,755)	(3,103)
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,269	1,116
EFFECTS OF CHANGES IN FOREIGN EXCHANGE		757	826
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER		14,573	12,215
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16	21,599	14,157

Note:

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

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 2018
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 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 30 September 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 September 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 30.09.2015		Preceding Year Corresponding Quarter Ended 30.09.2014	
	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	14,274	4,005	15,824	2,923
- Trading & servicing of home appliances	923	(102)	1,342	(213)
	<u>15,197</u>	<u>3,903</u>	<u>17,166</u>	<u>2,710</u>
	Cumulative Current Year to Date Ended 30.09.2015		Cumulative Preceding Corresponding Year to Date Ended 30.09.2014	
	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	42,274	9,724	41,762	6,730
- Trading & servicing of home appliances	3,239	(120)	4,738	(286)
	<u>45,513</u>	<u>9,604</u>	<u>46,500</u>	<u>6,444</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 30.09.2015		Preceding Year Corresponding Quarter Ended 30.09.2014	
	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
- Malaysia	15,193	3,741	17,140	2,433
- Vietnam	4	162	26	277
	<u>15,197</u>	<u>3,903</u>	<u>17,166</u>	<u>2,710</u>
	Cumulative Current Year to Date Ended 30.09.2015		Cumulative Preceding Corresponding Year to Date Ended 30.09.2014	
	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
- Malaysia	45,505	9,529	46,441	6,245
- Vietnam	8	75	59	199
	<u>45,513</u>	<u>9,604</u>	<u>46,500</u>	<u>6,444</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 30 September 2015 and up to date of this report.

A12. Effect of Changes in the Composition of the Group

On 3 August 2015, the Company disposed of 10,000 ordinary shares of RM1.00 each in UMS-Neiken Industry Sdn Bhd ("UMSI"), representing 10% of the total issued and paid-up share capital of UMSI, to Dee Kok Yong, an Executive Director of the Company for a cash consideration of RM39,200.

Upon completion of the Disposals, the Company's shareholding in UMSI has been reduced from 100% to 90%.

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	37,960

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 30.09.2015 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2014 RM'000 (Unaudited)	Cumulative Current Year to Date 30.09.2015 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2014 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	10	22	10	81
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, drum reel, etc	-	-	-	262
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	163	602	1,358	2,570
UMSC	Sales of electrical accessories, home appliances, etc	2	22	18	22
UMSC	Rental of warehouse	6	-	12	-
Neiken Switchgear (S) Pted Ltd ("NSS")	Sales of electrical wiring accessories	277	166	848	741

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

A16. Cash and cash equivalents

	At 30.09.2015 RM'000 (Unaudited)	At 30.09.2014 RM'000 (Unaudited)
Fixed deposits with licensed banks	13,934	9,040
Cash and bank balances	8,934	5,117
	<hr/>	<hr/>
	22,868	14,157
Less: Fixed Deposits pledged with licenced banks	(1,269)	-
	<hr/>	<hr/>
	21,599	14,157

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 4.3955
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

	Individual Quarter		Year to date	
	30.09.2015 RM'000 (unaudited)	30.09.2014 RM'000 (unaudited)	30.09.2015 RM'000 (unaudited)	30.09.2014 RM'000 (unaudited)
Revenue	15,197	17,166	45,513	46,500
Profit before taxation	3,903	2,710	9,604	6,444

The Group achieved revenue of RM15.2 million for the quarter ended 30 September 2015. This represents a decrease of 11% 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. However, profit before taxation of the Group registered an increase of approximately 44% for the quarter as compared to 2014, mainly due to the favourable exchange movement arising from the weakening of RM against USD.

The Group achieved cumulative revenue of RM45.5 million for the financial period to date, representing a marginal decrease of 2% as compared to the preceding financial year to date. It is mainly due to lower sales in the home appliance and export segment. Notwithstanding, it was mitigated by the improvement in electrical wiring accessories segment in the domestic market, despite the impact from GST implementation.

Profit before taxation of the Group for the financial year to date registered an increase of 49% as compared to corresponding period in the preceding year, which mainly due to the favourable exchange movement of USD, better profit margin in line of the improvement in sales demand in domestic market as aforesaid and the loss on disposal of HPL of RM1.1 million 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	
	30.09.2015 RM'000 (unaudited)	30.06.2015 RM'000 (unaudited)
Revenue	15,197	14,358
Profit before taxation	3,903	2,222

The Group achieved revenue of approximately RM15.2 million for the current quarter under review as compared to RM14.4 million in the previous quarter, registering an increase of approximately 6%, mainly due to the higher sales demand in electrical wiring accessories segment in the domestic market.

Profit before taxation of the Group for the current quarter under review increased, compared to the immediate preceding quarter, mainly in line with the higher sales and favourable exchange movement of USD.

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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.

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 30.09.2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.09.2014 RM'000 (unaudited)	Cumulative Current Year to Date 30.09.2015 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2014 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	78	8	174	33
Amortisation of prepaid lease payments	(53)	(6)	(67)	10
Bad debts written off	356	-	356	-
Depreciation of property, plant and equipment	419	370	1,259	1,110
Interest expenses	90	134	265	383
Inventories written down	55	165	237	298
Loss on disposal of investment in HPL	-	-	-	1,119
(Gain)/Loss on foreign exchange				
- unrealized	(1,639)	(394)	(2,364)	(349)
- realized	(267)	56	(497)	(43)
Gain on disposal of plant and equipment	(4)	(5)	(54)	(5)
Interest income	(127)	(82)	(412)	(287)
Writeback for inventory written down	(51)	(10)	(136)	(120)
Writeback of allowance for trade receivables	(221)	(46)	(268)	(91)

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 30.09.2015 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2014 RM'000 (Unaudited)	Cumulative Current Year to Date 30.09.2015 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2014 RM'000 (Unaudited)
Current tax Expense	1,107	685	2,621	1,939

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.

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
Hire purchase creditor	133
Term loan – short term	474
Term loan – long term	5,174
Total	<u><u>5,781</u></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.

At the conclusion of the trial and having considered the evidence at hand, on 8 September 2015, the trial judge upon making certain finding of facts decided in favour of the Plaintiff and allowed the Plaintiff's claim as sought for (being the principal sum of RM214,134.20) with interests at the rate of 1.5% per month on the principal sum from the date of the writ summons (being on 28 April 2014) until the date of realisation (being on 15 September 2015) and the costs of RM10,694.00. The trial judge also dismissed the Defendant's counter claim with an award of costs of RM40,000.00. The Defendant having decided not to appeal against the decision of the trial judge has fully satisfied all payment made pursuant to Court Order dated 8 September 2015 filed in accordance with the trial judge decision made on 8 September 2015 on this matter.

With the above, the matter is concluded between the parties concerned with no further claims whatsoever from either parties hereto.

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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 September 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 30.09.2015 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2014 (Unaudited)	Cumulative Current Year to Date 30.09.2015 (Unaudited)	Preceding Corresponding Year to Date 30.09.2014 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>2,792</u>	<u>2,025</u>	<u>6,979</u>	<u>4,505</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>3.55</u>	<u>2.58</u>	<u>8.88</u>	<u>5.73</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 September 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 30.09.2015 RM'000 (unaudited)	As at financial year ended 31.12.2014 RM'000 (audited)
Total retained earnings of the Group		
- Realised	47,941	43,196
- Unrealised	1,643	(37)
	49,584	43,159
Total retained earnings of an Associate		
- Realised	1,507	1,604
- Unrealised	(5)	(4)
	51,086	44,759
Less: Consolidation adjustments	(14,653)	(13,342)
Total retained earnings as per condensed consolidated statement of changes in equity	36,433	31,417

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 third quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 25 November 2015.