

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Forth Quarter Ended 31 December 2015

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current	Preceding	Current	Preceding
		Year	Year	Year	Year
		Quarter	Corresponding	To date	Corresponding
		31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
		RM'000	RM'000	RM'000	RM'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue		14,585	15,500	60,098	62,000
Cost of sales		(9,540)	(10,110)	(41,663)	(44,004)
Gross profit		5,045	5,390	18,435	17,996
Other income		124	3,596	3,963	4,705
		5,169	8,986	22,398	22,701
Selling and distribution expenses		(547)	(363)	(1,684)	(1,497)
Administrative expenses		(2,012)	(2,382)	(7,135)	(6,859)
Other operating expenses		(166)	(221)	(1,375)	(1,954)
Finance costs		(53)	(131)	(317)	(514)
Share of (loss)/profit for an associate		(94)	47	14	503
Profit before taxation		2,297	5,936	11,901	12,380
Income tax expense	B6	207	(1,191)	(2,414)	(3,130)
Profit after taxation		2,504	4,745	9,487	9,250
Other Comprehensive Income/(Expenses)					
Currency translation difference		(54)	82	222	84
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries		-	-	-	912
Share of associate's currency translation difference		(55)	-	426	-
Total Comprehensive Income		2,395	4,827	10,135	10,246
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO					
Owners of The Company		2,510	4,745	9,489	9,250
Non-controlling interest		(6)	-	(2)	-
		2,504	4,745	9,487	9,250
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of The Company		2,401	4,827	10,137	10,246
Non-controlling interest		(6)	-	(2)	-
		2,395	4,827	10,135	10,246
Earnings per share (sen):					
Basic	B11	3.19	6.04	12.07	11.77
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 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 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 FINANCIAL POSITION

As at 31 December 2015

	As at end of current year quarter ended 31 Dec 2015 RM'000 (Unaudited)	Audited 31 Dec 2014 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	3,250	2,809
Property, plant and equipment	23,068	20,714
Investment property	2,296	2,276
Investment in shares	553	-
Prepaid lease rental	404	351
Deferred Tax Assets	101	101
	<u>29,672</u>	<u>26,251</u>
CURRENT ASSETS		
Inventories	17,548	17,569
Trade receivables	16,926	18,418
Other receivables, prepayments and deposits	2,858	8,267
Amount owing by associates	3,392	2,776
Amount owing by related parties	11	1
Tax recoverable	361	54
Fixed deposits with licensed banks	15,587	10,490
Cash and bank balances	8,850	5,259
	<u>65,533</u>	<u>62,834</u>
TOTAL ASSETS	<u>95,205</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	(33)	(681)
Retained profits	38,924	31,417
SHAREHOLDERS' EQUITY	<u>79,912</u>	<u>71,757</u>
Non-controlling interest	49	-
TOTAL EQUITY	<u>79,961</u>	<u>71,757</u>
NON-CURRENT AND DEFERRED LIABILITY		
Term loans	4,935	7,638
Deferred taxation	1,133	1,102
	<u>6,068</u>	<u>8,740</u>
CURRENT LIABILITIES		
Trade payables	3,517	2,042
Other payables and accruals	3,510	3,488
Amount owing to directors	351	321
Amount owing to a related company	542	675
Short-term borrowings	592	1,224
Bank overdrafts	-	85
Dividend payable	5	-
Provision for taxation	659	753
	<u>9,176</u>	<u>8,588</u>
TOTAL LIABILITIES	<u>15,244</u>	<u>17,328</u>
TOTAL EQUITY AND LIABILITIES	<u>95,205</u>	<u>89,085</u>
Net Assets per share based on number of shares in issue (RM)	<u>1.02</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)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Forth Quarter Ended 31 December 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	Attributable To Owners of The Company RM'000	Non-Controlling Interest RM'000	
12 months period ended 31 December 2014							
At 1 January 2014	40,000	(508)	1,531	(1,736)	24,260	-	63,547
Treasury Shares	-	(2)	-	-	-	-	(2)
Comprehensive Income							
Profit for the financial period	-	-	-	-	9,122	-	9,122
Other Comprehensive Income							
Currency translation difference	-	-	-	59	-	-	59
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries	-	-	-	996	-	-	996
Total Comprehensive income	-	-	-	1,055	9,122	-	10,177
Contribution by and distributions to owners of the Company							
- Dividend paid	-	-	-	-	(1,965)	-	(1,965)
At 31 December 2014	40,000	(510)	1,531	(681)	31,417	-	71,757
12 months period ended 31 December 2015							
At 1 January 2015	40,000	(510)	1,531	(681)	31,417	-	71,757
Comprehensive Income							
Profit for the financial period	-	-	-	-	9,489	(2)	9,487
Other Comprehensive Expenses							
Currency translation difference	-	-	-	222	-	-	222
Share of associate's currency translation difference	-	-	-	426	-	-	426
Total Comprehensive income	-	-	-	648	9,489	(2)	10,135
Contribution by and distributions to owners of the Company							
- Change in ownership interest in a subsidiary that does not result in loss of control	-	-	-	-	(12)	51	39
- Dividend paid/payable	-	-	-	-	(1,970)	-	(1,970)
At 31 December 2015	40,000	(510)	1,531	(33)	38,924	49	79,961

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 Forth Quarter Ended 31 December 2015

	Note	Current Year Quarter 31 Dec 2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2014 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		11,901	12,380
Adjustments for:			
Write back allowance for doubtful debts		(359)	(112)
Allowance for doubtful debts		309	54
Write back for inventories written down		(294)	(311)
Inventories written down		283	380
Bad Debts written off		221	41
Reversal in provision for unrealised profits		(115)	(601)
Depreciation of property, plant and equipment		1,711	1,467
Write back for Impairment losses on other receivables		(13)	(38)
Loss on disposal of a subsidiary		-	1,119
Gain on disposal of property, plant and equipment		(116)	(2,559)
Unrealised exchange gain		(2,037)	(968)
Amortisation of prepaid lease rental		(53)	(6)
Interest expense		317	514
Interest income		(590)	(413)
Share of profit in an associate		(441)	(503)
Operating profit before working capital changes		<u>10,724</u>	<u>10,444</u>
Decrease/(Increase) in Inventories		147	(1,660)
Decrease/(Increase) in Trade & other receivables		8,781	(5,688)
Increase/(Decrease) in Trade & other payables		1,497	(2,125)
(Increase)/Decrease in amount owing by an associate		(146)	292
Increase in amount owing to related parties		532	674
Decrease in amount owing to a related company		(675)	(165)
Cash inflow from operations		<u>20,860</u>	<u>1,772</u>
Interest paid		(317)	(514)
Net tax paid		(2,785)	(2,889)
Net cash inflow/(outflow) from operating activities		<u>17,758</u>	<u>(1,631)</u>
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES			
Advance to an associate		(470)	(152)
Interest received		590	413
Purchase of property, plant and equipment and prepaid lease		(3,684)	(1,339)
Proceeds from disposal of plant and equipment		115	5,609
Purchase of quoted shares		(553)	-
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		-	(2)
Placement of fixed deposits pledged		(103)	-
Net cash outflow (for)/from investing activities		<u>(4,066)</u>	<u>9,036</u>
CASH FLOWS FOR FINANCING ACTIVITIES			
Dividends paid		(1,965)	(1,965)
Net repayment of bills payables		(765)	(2,386)
Repayment of term loan		(2,603)	(429)
Repayment of hire purchase obligation		(367)	(133)
Repayment by directors		30	48
Net cash outflow for financing activities		<u>(5,670)</u>	<u>(4,865)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>8,022</u>	<u>2,540</u>
EFFECTS OF CHANGES IN FOREIGN EXCHANGE		<u>648</u>	<u>908</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER		<u>14,573</u>	<u>12,215</u>
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16	<u>23,243</u>	<u>15,663</u>

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 December 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.

UMS-NEIKEN GROUP BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DEC 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)

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 & Amendments to MFRS 15: Effective Date of MFRS15	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	Deferred until further notice
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 31 December 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 December 2015.

A8. Dividends Paid

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

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PART A: EXPLANATORY NOTES PERSUANT 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 31.12.2015 (Unaudited)		Preceding Year Corresponding Quarter Ended 31.12.2014 (Unaudited)	
	Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000	Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000
- Manufacturing, design & trading of electrical wiring accessories	13,933	2,371	14,537	6,052
- Trading & servicing of home appliances	652	(74)	963	(116)
	<u>14,585</u>	<u>2,297</u>	<u>15,500</u>	<u>5,936</u>
	Cumulative Current Year to Date Ended 31.12.2015 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 31.12.2014 (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	56,207	12,095	56,300	12,783
- Trading & servicing of home appliances	3,891	(194)	5,700	(403)
	<u>60,098</u>	<u>11,901</u>	<u>62,000</u>	<u>12,380</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 31.12.2015		Preceding Year Corresponding Quarter Ended 31.12.2014	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	14,589	1,944	15,499	6,084
- Vietnam	(4)	353	1	(148)
	<u>14,585</u>	<u>2,297</u>	<u>15,500</u>	<u>5,936</u>
	Cumulative Current Year to Date Ended 31.12.2015		Cumulative Preceding Corresponding Year to Date Ended 31.12.2014	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	60,094	11,472	61,940	12,329
- Vietnam	4	429	60	51
	<u>60,098</u>	<u>11,901</u>	<u>62,000</u>	<u>12,380</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 December 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	37,364

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 31.12.2015 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2014 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2015 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2014 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	216	28	226	109
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	600	1,463	1,958	4,033
UMSC	Sales of electrical accessories, home appliances, etc	1	2	19	24
UMSC	Rental of warehouse	6	-	18	-
Neiken Switchgear (S) Pted Ltd ("NSS")	Sales of electrical wiring accessories	176	155	1,024	896

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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 31.12.2015 RM'000 (Unaudited)	At 31.12.2014 RM'000 (Unaudited)
Fixed deposits with licensed banks	15,587	10,489
Cash and bank balances	8,850	5,259
Bank overdraft	-	(85)
	<hr/>	<hr/>
	24,437	15,663
Less: Fixed Deposits pledged with licenced banks	(1,194)	-
	<hr/>	<hr/>
	<u>23,243</u>	<u>15,663</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	RM 4.2935
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

	Individual Quarter		Year to date	
	31.12.2015 RM'000 (unaudited)	31.12.2014 RM'000 (unaudited)	31.12.2015 RM'000 (unaudited)	31.12.2014 RM'000 (unaudited)
Revenue	14,585	15,500	60,098	62,000
Profit before taxation	2,297	5,936	11,901	12,380

The Group achieved revenue of RM14.6 million for the quarter ended 31 December 2015. This represents a decrease of 6% 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 61% for the quarter as compared to 2014, mainly due to a one off gain on disposal of property of RM2.4 million recorded in the last quarter of 2014 and lower foreign exchange gain.

The Group achieved cumulative revenue of RM60.0 million for the financial year, representing a marginal decrease of 3% as compared to the preceding financial year. It is mainly due to lower sales in the home appliance and export of electrical wiring accessories.

Profit before taxation of the Group for the financial year 2015 registered a decrease of 4% as compared to the preceding year. The results for the 2014 included a one off gain of RM2.4 million on disposal of property and loss of RM1.1 million for the disposal of a subsidiary. Excluding this, the results for 2015 is actually higher than the results of 2014, mainly due to gain in foreign exchange.

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

	Individual Quarter	
	31.12.2015 RM'000 (unaudited)	30.09.2015 RM'000 (unaudited)
Revenue	14,585	15,197
Profit before taxation	2,297	3,903

The Group achieved revenue of approximately RM14.6 million for the current quarter under review as compared to RM15.2 million in the previous quarter, registering a decrease of approximately 4%, mainly due to the lower export demand.

Profit before taxation of the Group for the current quarter under review decreased, compared to the immediate preceding quarter, mainly due to lower profit margin in line of lower export sales and lower foreign exchange gain.

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

B3. Current Year Prospects

The Group's achieved satisfactory results for 2015 mainly due to gains in foreign exchange as exports were denominated in USD. The outlook for 2016 remains challenging against the backdrop of tougher economic conditions in the local as well as export markets as a result of the upheaval in the oil and currency markets.

B4. Variance of Actual Profit and Forecast Profit of the Group

The disclosure requirements for explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

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

B5. Profit for The Period

	Current Year Quarter 31.12.2015 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.12.2014 RM'000 (unaudited)	Cumulative Current Year to Date 31.12.2015 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2014 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	135	21	309	54
Amortisation of prepaid lease payments	14	(16)	(53)	(6)
Depreciation of property, plant and equipment	452	357	1,711	1,467
Bad debts/Other Receivable written off	(135)	41	221	41
Interest expenses	52	131	317	514
Inventories written down	17	82	283	380
Loss on disposal of investment in HPL	-	-	-	1,119
(Gain)/Loss on foreign exchange				
- unrealized	327	(619)	(2,037)	(968)
- realized	(152)	(107)	(649)	(150)
Gain on disposal of plant and equipment	(62)	(2,554)	(116)	(2,559)
Interest income	(178)	(126)	(590)	(413)
Writeback for inventory written down	(158)	(191)	(294)	(311)
Writeback of allowance for trade receivables	(91)	(21)	(359)	(112)
Writeback of allowance for other receivables	(13)	(38)	(13)	(38)

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 31.12.2015 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2014 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2015 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2014 RM'000 (Unaudited)
Current tax Expense	(207)	1,191	2,414	3,130

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 lower than statutory rate, mainly due to the losses suffered by a subsidiary in Malaysia and realisation of tax loss benefits by the Vietnam subsidiary.

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:

	RM'000
Hire purchase creditor	33
Term loan – short term	559
Term loan – long term	4,935
Total	<u>5,527</u>

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

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

B9. Material litigation

Neither UMSN nor any of its subsidiary companies are engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries

B10. Dividends

The Board 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 2015, to be paid on 31 March 2016. This single tier interim dividend was approved by the Board of Directors on 24 February 2016.

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 31.12.2015 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2014 (Unaudited)	Cumulative Current Year to Date 31.12.2015 (Unaudited)	Preceding Corresponding Year to Date 31.12.2014 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>2,510</u>	<u>4,745</u>	<u>9,489</u>	<u>9,250</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>3.19</u>	<u>6.04</u>	<u>12.07</u>	<u>11.77</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 December 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 31.12.2015 RM'000 (unaudited)	As at financial year ended 31.12.2014 RM'000 (audited)
Total retained earnings of the Group		
- Realised	51,306	43,196
- Unrealised	885	(37)
	<u>52,191</u>	<u>43,159</u>
Total retained earnings of an Associate		
- Realised	1,636	1,604
- Unrealised	-	(4)
	<u>53,827</u>	<u>44,759</u>
Less: Consolidation adjustments	<u>(14,903)</u>	<u>(13,342)</u>
Total retained earnings as per condensed consolidated statement of changes in equity	<u>38,924</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 forth quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 24 February 2016.