

UMS-NEIKEN GROUP BERHAD (650473-V)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The First Quarter Ended 31 March 2016

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 31 Mar 2016 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2015 RM'000 (unaudited)	Current Year To date 31 Mar 2016 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Mar 2015 RM'000 (unaudited)
Revenue		15,865	15,958	15,865	15,958
Cost of sales		(10,705)	(11,240)	(10,705)	(11,240)
Gross profit		5,160	4,718	5,160	4,718
Other income		615	908	615	908
Selling and distribution expenses		(50)	(371)	(50)	(371)
Administrative expenses		(1,259)	(1,345)	(1,259)	(1,345)
Other operating expenses		(1,629)	(332)	(1,629)	(332)
Finance costs		(65)	(91)	(65)	(91)
Share of (loss)/profit for an associate		3	(8)	3	(8)
Profit before taxation		2,775	3,479	2,775	3,479
Income tax expense	B6	(750)	(848)	(750)	(848)
Profit after taxation		2,025	2,631	2,025	2,631
Other Comprehensive Income/(Expenses)					
Currency translation difference		(178)	73	(178)	73
Share of associate's currency translation difference		(152)	48	(152)	48
Total Comprehensive Income		1,695	2,752	1,695	2,752
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO					
Owners of The Company		2,029	2,631	2,029	2,631
Non-controlling interest		(4)	-	(4)	-
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of The Company		1,699	2,752	1,699	2,752
Non-controlling interest		(4)	-	(4)	-
Earnings per share (sen):					
Basic	B11	2.58	3.35	2.58	3.35
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 2016. 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)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

	As at end of current year quarter ended 31 Mar 2016 RM'000 (Unaudited)	Audited 31 Dec 2015 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	3,101	3,250
Property, plant and equipment	23,285	23,075
Investment property	2,285	2,296
Prepaid lease rental	367	397
Deferred Tax Assets	101	101
Other Investment	528	553
	<u>29,667</u>	<u>29,672</u>
CURRENT ASSETS		
Inventories	16,210	17,793
Trade receivables	18,232	16,926
Other receivables, prepayments and deposits	2,540	2,858
Amount owing by associates	3,206	3,392
Amount owing by related parties	19	11
Tax recoverable	346	361
Fixed deposits with licensed banks	13,767	15,587
Cash and bank balances	7,373	8,850
	<u>61,693</u>	<u>65,778</u>
TOTAL ASSETS	<u>91,360</u>	<u>95,450</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Treasury shares	(510)	(510)
Share premium	1,531	1,531
Exchange fluctuation reserve	(363)	(33)
Retained profits	38,595	38,924
SHAREHOLDERS' EQUITY	<u>79,253</u>	<u>79,912</u>
Non-controlling interest	45	49
TOTAL EQUITY	<u>79,298</u>	<u>79,961</u>
NON-CURRENT AND DEFERRED LIABILITY		
Term loans	B8 4,796	4,935
Deferred taxation	1,133	1,133
	<u>5,929</u>	<u>6,068</u>
CURRENT LIABILITIES		
Trade payables	2,128	3,762
Other payables and accruals	2,453	3,510
Amount owing to directors	12	351
Amount owing to a related company	153	542
Short-term borrowings	B8 565	592
Dividend payable	5	5
Provision for taxation	817	659
	<u>6,133</u>	<u>9,421</u>
TOTAL LIABILITIES	<u>12,062</u>	<u>15,489</u>
TOTAL EQUITY AND LIABILITIES	<u>91,360</u>	<u>95,450</u>
Net Assets per share based on number of shares in issue (RM)	<u>1.01</u>	<u>1.02</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 2015 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 First Quarter Ended 31 March 2016

	← Attributable to Equity Holders of the Company →						Total RM'000
	← Non-distributable			Exchange Fluctuation Reserve	Distributable To Owners of The Company		
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	RM'000	RM'000	RM'000	
<u>3 months period ended 31 March 2015</u>							
At 1 January 2015	40,000	(510)	1,531	(681)	31,417	-	71,757
Treasury Shares	-	-	-	-	-	-	-
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	2,631	-	2,631
<u>Other Comprehensive Income</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
<u>3 months period ended 31 March 2016</u>							
At 1 January 2016	40,000	(510)	1,531	(33)	38,924	49	79,961
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	2,029	(4)	2,025
<u>Other Comprehensive Expenses</u>							
Currency translation difference	-	-	-	(178)	-	-	(178)
Share of associate's currency translation difference	-	-	-	(152)	-	-	(152)
Total Comprehensive income	-	-	-	(330)	2,029	(4)	1,695
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	(2,358)	-	(2,358)
At 31 March 2016	40,000	(510)	1,531	(363)	38,595	45	79,298

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 2015 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 2016

	Current Year Quarter 31 Mar 2016 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2015 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,775	3,479
Adjustments for:		
Write back allowance for doubtful debts	(39)	(20)
Allowance for doubtful debts	29	96
Write back for inventories written down	(19)	(139)
Inventories written down	217	100
Reversal in provision for unrealised profits	-	(210)
Depreciation of property, plant and equipment	410	419
Depreciation of an investment property	11	-
Gain on disposal of property, plant and equipment	(100)	(50)
Unrealised exchange loss/(gain)	1,361	(442)
Amortisation of prepaid lease rental	30	(15)
Interest expense	65	91
Interest income	(134)	(154)
Share of loss/(profit) in an associate	149	(41)
Operating profit before working capital changes	<u>4,755</u>	<u>3,114</u>
Decrease in Inventories	1,388	3,023
(Increase)/Decrease in Trade & other receivables	(2,340)	4,427
(Decrease)/Increase in Trade & other payables	(2,692)	247
Decrease/(Increase) in amount owing by an associate	42	(146)
Increase in amount owing to related parties	145	265
Decrease in amount owing to a related company	(542)	(675)
Cash inflow from operations	<u>756</u>	<u>10,255</u>
Interest paid	(65)	(91)
Net tax paid	(578)	(657)
Net cash inflow from operating activities	<u>113</u>	<u>9,507</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Repayment from/(Advance to) an associate	144	(71)
Interest received	134	154
Purchase of property, plant and equipment and prepaid lease	(652)	(2,139)
Proceeds from disposal of plant and equipment	132	50
Placement of fixed deposits pledged	(6)	(96)
Net cash outflow for investing activities	<u>(248)</u>	<u>(2,102)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(2,358)	(1,965)
Net repayment of bills payables	-	(765)
Repayment of term loan	(133)	(112)
Repayment of hire purchase obligation	(33)	(67)
Repayment by directors	(339)	(309)
Net cash outflow for financing activities	<u>(2,863)</u>	<u>(3,218)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(2,998)</u>	<u>4,187</u>
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	<u>(266)</u>	<u>121</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	<u>23,243</u>	<u>14,573</u>
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	<u>19,979</u>	<u>18,881</u>

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Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 March 2016. 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 2015 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 2016

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 2015. 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 2015.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2015 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 2015, 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 119: Defined Benefit Plans – Employee Contributions

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	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
Amendment to MFRS 15: Effective Date of MFRS15	1 January 2018
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 2015 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 2016	1,404,200	509,805.28
Share Buyback for the financial period	-	-
At 31 March 2016	<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 2016.

A8. Dividends Paid

An interim single-tier dividend of 3.0 sen ordinary share amounting to approximately RM2,358,000 in respect of the financial year ended 31 December 2015 was paid on 31 March 2016.

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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 31.03.2016		Preceding Year Corresponding Quarter Ended 31.03.2015	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	14,911	2,790	14,673	3,450
- Trading & servicing of home appliances	954	(15)	1,285	29
	<u>15,865</u>	<u>2,775</u>	<u>15,958</u>	<u>3,479</u>
	Cumulative Current Year to Date Ended 31.03.2016		Cumulative Preceding Corresponding Year to Date Ended 31.03.2015	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Manufacturing, design & trading of electrical wiring accessories	14,911	2,790	14,673	3,450
- Trading & servicing of home appliances	954	(15)	1,285	29
	<u>15,865</u>	<u>2,775</u>	<u>15,958</u>	<u>3,479</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 31.03.2016		Preceding Year Corresponding Quarter Ended 31.03.2015	
	(Unaudited) Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000
- Malaysia	15,859	2,571	15,955	3,513
- Vietnam	6	204	3	(34)
	<u>15,865</u>	<u>2,775</u>	<u>15,958</u>	<u>3,479</u>
	Cumulative Current Year to Date Ended 31.03.2016		Cumulative Preceding Corresponding Year to Date Ended 31.03.2015	
	(Unaudited) Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000
- Malaysia	15,859	2,571	15,955	3,513
- Vietnam	6	204	3	(34)
	<u>15,865</u>	<u>2,775</u>	<u>15,958</u>	<u>3,479</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 31 March 2016 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	37,012

A14. Commitments

The Group has not obtained any foreign exchange contract from a financial institution or capital commitment under quarter review, save as disclosed below,

	RM'000
Approved and contracted for:- - Purchase of a motor vehicle	111

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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 31.03.2016 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2015 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2016 RM'000 (Unaudited)	Cumulative Preceding Year to Date 31.03.2015 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	43	-	43	-
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, drum reel, etc	440	-	440	-
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	250	279	250	279
UMSC	Sales of electrical accessories, home appliances, etc	8	-	8	-
UMSC	Rental of warehouse	6	-	6	-
Neiken Switchgear (S) Ptd Ltd ("NSS")	Sales of electrical wiring accessories	257	290	257	290

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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 31.03.2016 RM'000 (Unaudited)	At 31.03.2015 RM'000 (Unaudited)
Fixed deposits with licensed banks	13,767	12,586
Cash and bank balances	7,373	7,693
Bank overdraft	-	(211)
	<hr/>	<hr/>
	21,140	20,068
Less: Fixed Deposits pledged with licenced banks	(1,161)	(1,187)
	<hr/>	<hr/>
	19,979	18,881

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 3.902
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

	Individual Quarter		Year to date	
	31.03.2016 RM'000 (unaudited)	31.03.2016 RM'000 (unaudited)	31.03.2016 RM'000 (unaudited)	31.03.2015 RM'000 (unaudited)
Revenue	15,865	15,958	15,865	15,958
Profit before taxation	2,775	3,479	2,775	3,479

The Group achieved revenue of RM15.9 million for the quarter ended 31 March 2016. This represents a marginal decrease of 1% as compared to the corresponding quarter in the preceding year. This lower revenue is mainly due to lower sales demand for the home appliances segment.

Profit before taxation of the Group registered a decrease of approximately 20% for the quarter as compared to 2015, mainly due to unfavourable foreign exchange loss arising from the strengthening of RM against USD.

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

	Individual Quarter	
	31.03.2016 RM'000 (unaudited)	31.12.2015 RM'000 (unaudited)
Revenue	15,865	14,585
Profit before taxation	2,775	2,297

The Group achieved revenue of approximately RM15.9 million for the current quarter under review as compared to RM14.6 million in the previous quarter, registering an increase of approximately 9%, mainly due to the improvement in export demand.

Profit before taxation of the Group for the current quarter under review increased, compared to the immediate preceding quarter, mainly due to higher profit margin in line of improved export sales, despite the unfavourable exchange losses incurred.

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

B3. Current Year Prospects

The overall demand for the Group's products in 2016 remained at about the same level as in 2015. The strengthening of RM against the USD has however adversely affected the overall margin for export sales. Against this backdrop, the Group remains cautiously optimistic of its performance for this year. To enhance its profit margin, the Group will intensify and explore more products range to be produced by the Vietnam subsidiary to maintain its competitiveness as Vietnam operation has a lower cost base and tax incentive.

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 31.03.2016 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.03.2015 RM'000 (unaudited)	Cumulative Current Year to Date 31.03.2016 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2015 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	29	96	29	96
Amortisation of prepaid lease payments	30	(15)	30	(15)
Depreciation of property, plant and equipment	421	419	421	419
Interest expenses	65	91	65	91
Inventories written down	217	100	217	100
(Gain)/Loss on foreign exchange				
- unrealized	1,361	(442)	1,361	(442)
- realized	(297)	(163)	(297)	(163)
Gain on disposal of plant and equipment	(100)	(50)	(100)	(50)
Interest income	(134)	(154)	(134)	(154)
Writeback for inventory written down	(19)	(139)	(19)	(139)
Writeback of allowance for trade receivables	(39)	(20)	(39)	(20)

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 31.03.2016 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2015 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2016 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2015 RM'000 (Unaudited)
Current tax Expense	750	848	750	848

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 higher incurrence of non-tax deductible expenses.

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
Term loan – short term	565
Term loan – long term	4,796
Total	<u>5,361</u>

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

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

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

B9. Material litigation

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

B10. Dividends

The Board does not recommend any interim dividend in respect of the financial year ending 31 December 2016 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 31.03.2016 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2015 (Unaudited)	Cumulative Current Year to Date 31.03.2016 (Unaudited)	Preceding Corresponding Year to Date 31.03.2015 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>2,029</u>	<u>2,631</u>	<u>2,029</u>	<u>2,631</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,596</u>	<u>78,596</u>	<u>78,596</u>	<u>78,596</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>2.58</u>	<u>3.35</u>	<u>2.58</u>	<u>3.35</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 2016, 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 31.03.2016 RM'000 (unaudited)	As at financial year ended 31.12.2015 RM'000 (audited)
Total retained earnings of the Group		
- Realised	52,414	51,193
- Unrealised	(562)	999
	51,852	52,192
Total retained earnings of an Associate		
- Realised	1,910	2,050
- Unrealised	-	-
	53,762	54,242
Less: Consolidation adjustments	(15,167)	(15,318)
Total retained earnings as per condensed consolidated statement of changes in equity	38,595	38,924

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 first quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 26 May 2016.