

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Second Quarter Ended 30 June 2012

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 30 Jun 2012 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2011 RM'000 (unaudited)	Current Year To date 30 Jun 2012 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Jun 2011 RM'000 (unaudited)
Revenue		21,925	20,698	41,046	37,582
Cost of sales		(16,849)	(17,641)	(31,931)	(31,707)
Gross profit		<u>5,076</u>	<u>3,057</u>	<u>9,115</u>	<u>5,875</u>
Other income		449	436	859	594
		<u>5,525</u>	<u>3,493</u>	<u>9,974</u>	<u>6,469</u>
Selling and distribution expenses		(621)	(473)	(1,092)	(988)
Administrative expenses		(1,519)	(1,467)	(3,061)	(2,866)
Other operating expenses		(570)	(297)	(1,237)	(524)
Finance costs		(60)	(50)	(101)	(107)
Share of profit for an associate		105	94	157	124
<b>Profit before taxation</b>		<u>2,860</u>	<u>1,300</u>	<u>4,640</u>	<u>2,108</u>
Income tax expense	B6	(845)	(270)	(1,464)	(573)
<b>Profit after taxation</b>		<u>2,015</u>	<u>1,030</u>	<u>3,176</u>	<u>1,535</u>
<b>Other Comprehensive Income</b>					
Currency translation difference		282	10	92	(215)
<b>Total Comprehensive Income</b>		<u>2,297</u>	<u>1,040</u>	<u>3,268</u>	<u>1,320</u>
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO Owners of The Company</b>		<u>2,015</u>	<u>1,030</u>	<u>3,176</u>	<u>1,535</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO Owners of The Company</b>		<u>2,297</u>	<u>1,040</u>	<u>3,268</u>	<u>1,320</u>
<b>Earnings per share (sen):</b>					
Basic	B11	<u>2.53</u>	<u>1.29</u>	<u>3.98</u>	<u>1.92</u>
Diluted		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2012. The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial

**UMS-NEIKEN GROUP BERHAD (650473-V)**  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2012

	As at end of current year quarter ended 30 Jun 2012 RM'000 (Unaudited)	Audited 31 Dec 2011 RM'000 (Audited)
Note		
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment in associates	1,879	1,722
Property, plant and equipment	12,766	13,308
Development expenditure	217	250
Prepaid lease rental	355	359
Deferred Tax Assets	176	176
	<u>15,393</u>	<u>15,815</u>
<b>CURRENT ASSETS</b>		
Inventories	19,882	21,238
Trade receivables	25,410	24,072
Other receivables, prepayments and deposits	1,714	1,848
Amount owing by associates	1,540	1,429
Amount owing by related parties	5	14
Tax recoverable	171	141
Fixed deposits with licensed banks	2,513	2,763
Cash and bank balances	7,092	6,023
	<u>58,327</u>	<u>57,528</u>
<b>TOTAL ASSETS</b>	<u>73,720</u>	<u>73,343</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	40,000	40,000
Treasury shares	(77)	(50)
Share premium	1,531	1,531
Other reserve	92	92
Exchange fluctuation reserve	(1,906)	(1,998)
Retained profits	17,161	15,182
<b>TOTAL EQUITY</b>	<u>56,801</u>	<u>54,757</u>
<b>NON-CURRENT AND DEFERRED LIABILITY</b>		
Deferred taxation	1,357	1,357
	<u>1,357</u>	<u>1,357</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	5,821	6,288
Other payables and accruals	1,607	3,088
Amount owing to directors	36	222
Amount owing to a related company	-	487
Amount owing to related parties	796	541
Short-term borrowings	5,315	5,214
Bank overdrafts	405	769
Provision for taxation	1,582	620
	<u>15,562</u>	<u>17,229</u>
<b>TOTAL LIABILITIES</b>	16,919	18,586
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>73,720</u>	<u>73,343</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.71</u>	<u>0.69</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 2011 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 Second Quarter Ended 30 June 2012

	← Attributable to Equity Holders of the Company →				Distributable		Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Other Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained profits RM'000	
<b>6 months period ended 30 June 2011</b>							
At 1 January 2011	40,000	(49)	1,531	92	(2,091)	11,903	51,386
Treasury Shares	-	(1)	-	-	-	-	(1)
Comprehensive Income Profit for the financial period	-	-	-	-	-	1,535	1,535
Other Comprehensive Expense Currency translation difference	-	-	-	-	(215)	-	(215)
Total Comprehensive income	-	-	-	-	(215)	1,535	1,320
Dividend paid	-	-	-	-	-	(838)	(838)
At 30 June 2011	40,000	(50)	1,531	92	(2,306)	12,600	51,867
<b>6 months period ended 30 June 2012</b>							
At 1 January 2012	40,000	(50)	1,531	92	(1,998)	15,182	54,757
Treasury Shares	-	(27)	-	-	-	-	(27)
Comprehensive Income Profit for the financial period	-	-	-	-	-	3,176	3,176
Other Comprehensive Income Currency translation difference	-	-	-	-	92	-	92
Total Comprehensive income	-	-	-	-	92	3,176	3,268
Dividend paid	-	-	-	-	-	(1,197)	(1,197)
At 30 June 2012	40,000	(77)	1,531	92	(1,906)	17,161	56,801

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 2011 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 Second Quarter Ended 30 June 2012

	Current Year Quarter 30 Jun 2012 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2011 RM'000 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,640	2,108
Adjustments for:		
Write back allowance for doubtful debts	(75)	(25)
Allowance for doubtful debts	82	67
Write back for inventories written down	(64)	(257)
Inventories written down	297	4
Deposits written off	49	-
(Reversal)/Provision for unrealised profits	(86)	(191)
Amortisation of development expenditure	34	101
Depreciation of property, plant and equipment	998	1,109
Impairment losses on plant & machinery	289	-
Gain on disposal of property, plant and equipment	(127)	(14)
Unrealised exchange gain	(349)	(206)
Amortisation of prepaid lease rental	4	45
Interest expense	101	107
Interest income	(71)	(20)
Share of profit in an associate	(157)	(125)
Operating profit before working capital changes	<u>5,565</u>	<u>2,703</u>
Decrease in Inventories	1,209	3,187
Increase in Trade & other receivables	(911)	(4,292)
(Decrease)/Increase in Trade & other payables	(1,948)	1,555
Increase in amount owing by an associate	(104)	(23)
Increase in amount owing to related parties	264	1,047
Decrease in amount owing to a related company	(487)	(178)
Cash inflow from operations	<u>3,588</u>	<u>3,999</u>
Interest paid	(101)	(107)
Net tax paid	(532)	(219)
Net cash inflow from operating activities	<u>2,955</u>	<u>3,673</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Repayment to an associate	(7)	-
Development expenditure incurred	(1)	-
Interest received	71	20
Purchase of property, plant and equipment and prepaid lease	(821)	(149)
Proceeds from disposal of plant and equipment	203	-
Treasury shares buy-back	(27)	(1)
Repayment to directors	(186)	(218)
Net cash outflow for investing activities	<u>(768)</u>	<u>(348)</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividends paid	(1,197)	-
Net drawdown/(repayment) of bills payables	43	(2,532)
Hire Purchase Financing	100	-
Repayment of HP instalments	(42)	-
Net cash outflow for financing activities	<u>(1,096)</u>	<u>(2,532)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,091	793
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>	92	(215)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>	8,017	8,788
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	<u>9,200</u>	<u>9,366</u>
	A16	

**Note:**

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 2012. 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 2011 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 JUNE 2012**

**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 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 2011. 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 2011.

These are the Group condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1- First Time Adoption of Malaysian Financial Reporting Standards has been applied. The transition of MFRS framework does not have any material impact to financial statements of the Group.

**A2. Changes in Accounting Policies**

The audited financial statements of the Group for the financial year ended 31 December 2011 were prepared in accordance with FRS. As the requirement under FRS and MFRS are similar, 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 2011.

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, Amendment to MFRSs and IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 9 : Financial Instruments	1 January 2015
MFRS 10 : Consolidated Financial Statements	1 January 2013
MFRS 11 : Joint Arrangement	1 January 2013
MFRS 12 : Disclosures of Interest in Other Entities	1 January 2013
MFRS 13 : Fair Value Measurement	1 January 2013
MFRS 119 : Employee Benefits	1 January 2013

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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)**

<b>MFRSs, Amendment to MFRSs and IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 127 : Separate Financial Statements	1 January 2013
MFRS 128 : Investment in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1 : Government Loans	1 January 2013
Amendments to MFRS 7: Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS101 : Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements 2012	1 January 2013

**A3. Status of audit qualifications**

The auditors' report on the financial statements for the financial year ended 31 December 2011 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.

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

**A6. Changes in Estimates**

There was no material changes in estimates used for the preparation of this interim financial report.

**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 as disclosed below:-

- i) On 30 April 2012, the Company had purchased a total of 10,000 of its issued share capital ("UMSNGB shares") from open market. The total consideration paid for the share buy back of UMSNGB shares, including the transaction costs was RM3,244.96.
- ii) On 2 May 2012, the Company had purchased a total of 100 of UMSNGB shares from open market. The total consideration paid for the share buy back of UMSNGB shares, including the transaction costs was RM32.00.
- iii) On 10 May 2012, the Company had purchased a total of 5,000 of UMSNGB shares from open market. The total consideration paid for the share buy back of UMSNGB shares, including the transaction costs was RM1,614.48.
- iv) On 14 May 2012, the Company had purchased a total of 10,000 of UMSNGB shares from open market. The total consideration paid for the share buy back of UMSNGB shares, including the transaction costs was RM3,232.96.
- v) On 18 May 2012, the Company had purchased a total of 31,000 of UMSNGB shares from open market. The total consideration paid for the share buy back of UMSNGB shares, including the transaction costs was RM9,965.30.
- vi) On 21 May 2012, the Company had purchased a total of 20,000 of UMSNGB shares from open market. The total consideration paid for the share buy back of UMSNGB shares, including the transaction costs was RM6,436.92.
- vii) On 7 June 2012, the Company had purchased a total of 10,000 of UMSNGB shares from open market. The total consideration paid for the share buy back of UMSNGB shares, including the transaction costs was RM3,232.96.

The purchases were financed by internally generated fund. 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 shares bought back amounted to 274,600 UMSNGB shares. None of the treasury held were resold or cancelled during the financial period ended 30 June 2012.

**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 30.06.2012		Preceding Year Corresponding Quarter Ended 30.06.2011	
	(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	19,531	2,793	19,048	1,207
Trading & servicing of home appliances	2,394	67	1,650	93
	<u>21,925</u>	<u>2,860</u>	<u>20,698</u>	<u>1,300</u>

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 30.06.2012		Preceding Year Corresponding Quarter Ended 30.06.2011	
	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
Malaysia	16,695	2,659	15,907	1,274
Hong Kong	5,230	143	4,777	(29)
Vietnam	-	58	14	55
	<u>21,925</u>	<u>2,860</u>	<u>20,698</u>	<u>1,300</u>

**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 2012 and up to date of this report.



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

**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	24,700

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**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,

	<b>RM'000</b>
Approved and contracted for:- Acquisition of a vacant leasehold land	1,832

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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	Preceding Year Corresponding Quarter	Cumulative Current Year to Date	Cumulative Preceding Year Corresponding Quarter
		30.06.2012 RM'000 (Unaudited)	30.06.2011 RM'000 (Unaudited)	30.06.2012 RM'000 (Unaudited)	30.06.2011 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	253	184	489	334
MKK	Sales of power cordset	11	239	26	429
MKK	Office rental	15	14	30	29
MKK	Business Consultancy fee	24	23	47	46
Group Talent Ltd ("GTL")	Purchases of fuse	-	28	-	30
Supeready Elec (Fenghua) Co Ltd ("SE")	Sales of power cordset	2	5	6	10
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, etc	122	361	553	404
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	522	633	561	1,167
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Sales of electrical accessories	113	-	113	-

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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 30.06.2012 RM'000 (Unaudited)	At 30.06.2011 RM'000 (Unaudited)
Fixed deposits with licensed banks	2,513	2,730
Cash and bank balances	7,092	6,901
Bank overdrafts	(405)	(265)
	9,200	9,366

**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 subsidiaries, High Project Limited, High Project Electrical Manufactory (Dongguan) Limited and 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:-

	<b>RM</b>
Hong Kong Dollar	0.4112
Chinese Renminbi	0.5018
United States Dollar	3.1895

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

**B1. Review of Performance**

	Individual Quarter		Year to date	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	21,925	20,698	41,046	37,582
Profit before taxation	2,860	1,300	4,640	2,108

The Group achieved revenue of RM21.9 million for the quarter ended 30 June 2012 and RM41.0 million for the financial year to date. This represents an increase of approximately 6% and 9% respectively as compared to the corresponding quarter in the preceding year and financial year to date. The increase in revenue is mainly due to improved demand in the export markets. Profit before taxation of the Group registered an increase of 120% as compared to the corresponding quarter and financial year to date, due mainly to higher sales, better profit margins and favourable RM:USD exchange rate.

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

	Individual Quarter	
	30.06.2012	31.03.2012
	(RM'000)	(RM'000)
Revenue	21,925	19,121
Profit before taxation	2,860	1,780

The Group achieved revenue of approximately RM21.93 million for the current quarter under review as compared to RM19.12 million in the previous quarter, registering an increase of approximately 15%.

Profit before taxation of the Group for the current quarter under review increased from RM1.780 million in the previous quarter to RM2.860 million due to higher sales and better profit margins.

**B3. Current Year Prospects**

In view of the global economic slowdown and debt crisis in EU region, the Board expects the performance for the current year remain to be challenging, despite the good results achieved in first half of year 2012. The Group will continue to mitigate the risk by putting more effort to streamline the manufacturing operations and focussing more on local sales.

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

**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 30.06.2012 (unaudited)	Preceding Year Corresponding Quarter 30.06.2011 (unaudited)	Cumulative Current Year to Date 30.06.2012 (unaudited)	Cumulative Preceding Year Corresponding Quarter 30.06.2011 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	81	67	82	67
Amortisation of development expenditure	17	50	34	101
Amortisation of prepaid lease payments	(11)	2	4	45
Depreciation of property, plant and equipment	451	551	998	1,109
Deposit written off	49	-	49	-
Impairment losses on plant and equipment	(32)	-	289	-
Interest expenses	60	50	101	107
Inventories written down	201	2	297	4
(Gain)/Loss on foreign exchange				
- unrealized	(206)	(178)	(349)	(206)
- realized	29	62	14	80
Gain on disposal of plant and equipment	(100)	(14)	(127)	(14)
Interest income	(40)	(2)	(71)	(20)
Writeback for inventory written down	(24)	(179)	(64)	(257)
Writeback of allowance for trade receivables	(21)	(24)	(75)	(25)

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 30.06.2012 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2011 RM'000 (Unaudited)	Cumulative Current Year to Date 30.06.2012 RM'000 (Unaudited)	Cumulative Preceding Year Corresponding Quarter 30.06.2011 RM'000 (Unaudited)
Current tax Expense	845	270	1,464	573

Tax expense for the financial quarter ended 30 June 2012 is derived based on management's best estimate of the tax rate for the year.

However, the Group's effective tax rate for the current quarter and year to date is higher than the statutory rate, mainly due to higher depreciation over capital tax allowances claimed and impairment losses incurred.

**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:

	Short-Term (Secured) RM'000
Bank overdrafts	405
Hire purchase payables	58
Bill payables	5,257
Total	<u>5,720</u>

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

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

**B9. Changes in 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 30 June 2012 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 30.06.2012 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2011 (Unaudited)	Cumulative Current Year to Date 30.06.2012 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2011 (Unaudited)
Profit attributable to Equity holders of parent (RM'000)	<u>2,015</u>	<u>1,030</u>	<u>3,176</u>	<u>1,535</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>79,730</u>	<u>79,811</u>	<u>79,758</u>	<u>79,811</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>2.53</u>	<u>1.29</u>	<u>3.98</u>	<u>1.92</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 2012, 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 30.06.2012 RM'000 (unaudited)	As at financial year ended 31.12.2011 RM'000 (audited)
Total retained earnings of the Group		
- Realised	37,109	37,105
- Unrealised	(865)	(909)
	36,244	36,196
Total retained earnings of an Associate		
- Realised	597	525
- Unrealised	(3)	(3)
	36,838	36,718
Less: Consolidation adjustments	(19,677)	(21,536)
Total retained earnings as per condensed consolidated statement of changes in equity	17,161	15,182

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 28 August 2012.