

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Third Quarter Ended 30 September 2012

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 30 Sep 2012 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2011 RM'000 (unaudited)	Current Year To date 30 Sep 2012 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Sep 2011 RM'000 (unaudited)
Revenue		20,271	21,323	61,317	58,905
Cost of sales		(15,349)	(17,231)	(47,280)	(48,938)
Gross profit		4,922	4,092	14,037	9,967
Other income		69	399	928	993
		4,991	4,491	14,965	10,960
Selling and distribution expenses		(787)	(783)	(1,879)	(1,771)
Administrative expenses		(2,049)	(1,543)	(5,110)	(4,409)
Other operating expenses		(146)	(229)	(1,383)	(753)
Finance costs		(50)	(68)	(151)	(175)
Profit from operation		1,959	1,868	6,442	3,852
Share of profit for an associate		97	118	254	242
Profit before taxation		2,056	1,986	6,696	4,094
Income tax expense	B6	(623)	(609)	(2,087)	(1,182)
Profit after taxation		1,433	1,377	4,609	2,912
Other Comprehensive (Expenses)/Income					
Currency translation difference		(293)	382	(201)	167
Total Comprehensive Income		1,140	1,759	4,408	3,079
PROFIT AFTER TAXATION ATTRIBUTABLE TO Owners of The Company		1,433	1,377	4,609	2,912
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO Owners of The Company		1,140	1,759	4,408	3,079
Earnings per share (sen):					
Basic	B11	1.80	1.73	5.79	3.65
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 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 September 2012

	As at end of current year quarter ended 30 Sep 2012 RM'000 (Unaudited)	Audited 31 Dec 2011 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	1,976	1,722
Property, plant and equipment	12,355	13,308
Development expenditure	200	250
Prepaid lease rental	339	359
Deferred Tax Assets	176	176
	<u>15,046</u>	<u>15,815</u>
CURRENT ASSETS		
Inventories	18,500	21,238
Trade receivables	24,528	24,072
Other receivables, prepayments and deposits	1,721	1,848
Amount owing by associates	1,369	1,429
Amount owing by related parties	26	14
Tax recoverable	209	141
Fixed deposits with licensed banks	5,735	2,763
Cash and bank balances	6,609	6,023
	<u>58,697</u>	<u>57,528</u>
TOTAL ASSETS	<u>73,743</u>	<u>73,343</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Treasury shares	(134)	(50)
Share premium	1,531	1,531
Other reserve	92	92
Exchange fluctuation reserve	(2,199)	(1,998)
Retained profits	18,594	15,182
TOTAL EQUITY	<u>57,884</u>	<u>54,757</u>
NON-CURRENT AND DEFERRED LIABILITY		
Deferred taxation	1,357	1,357
	<u>1,357</u>	<u>1,357</u>
CURRENT LIABILITIES		
Trade payables	5,623	6,288
Other payables and accruals	2,294	3,088
Amount owing to directors	36	222
Amount owing to a related company	-	487
Amount owing to related parties	907	541
Short-term borrowings	3,883	5,214
Bank overdrafts	-	769
Provision for taxation	1,759	620
	<u>14,502</u>	<u>17,229</u>
TOTAL LIABILITIES	15,859	18,586
TOTAL EQUITY AND LIABILITIES	<u>73,743</u>	<u>73,343</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.73</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 Third Quarter Ended 30 September 2012

	← Attributable to Equity Holders of the Company →					Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Non-distributable Other Reserve RM'000	Distributable Exchange Fluctuation Reserve RM'000	
9 months period ended 30 September 2011						
At 1 January 2011	40,000	(49)	1,531	92	(2,091)	51,386
Treasury Shares	-	(1)	-	-	-	(1)
Comprehensive Income Profit for the financial period	-	-	-	-	-	2,912
Other Comprehensive Income Currency translation difference	-	-	-	-	167	167
Total Comprehensive income	-	-	-	-	167	3,079
Dividend paid	-	-	-	-	-	(838)
At 30 September 2011	40,000	(50)	1,531	92	(1,924)	53,626
9 months period ended 30 September 2012						
At 1 January 2012	40,000	(50)	1,531	92	(1,998)	54,757
Treasury Shares	-	(84)	-	-	-	(84)
Comprehensive Income Profit for the financial period	-	-	-	-	-	4,609
Other Comprehensive Expenses Currency translation difference	-	-	-	-	(201)	(201)
Total Comprehensive income	-	-	-	-	(201)	4,408
Dividend paid	-	-	-	-	-	(1,197)
At 30 September 2012	40,000	(134)	1,531	92	(2,199)	57,884

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 Third Quarter Ended 30 September 2012

	Current Year Quarter 30 Sep 2012 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sep 2011 RM'000 (unaudited)
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,696	4,094
Adjustments for:		
Write back allowance for doubtful debts	(98)	(25)
Allowance for doubtful debts	85	76
Write back for inventories written down	(294)	(309)
Inventories written down	164	26
Deposits written off	49	-
(Reversal)/Provision for unrealised profits	(14)	(130)
Amortisation of development expenditure	50	126
Depreciation of property, plant and equipment	1,438	1,668
Impairment losses on plant & machinery	289	-
Impairment losses on stocks	208	-
Gain on disposal of property, plant and equipment	(127)	(23)
Unrealised exchange gain	(191)	(539)
Amortisation of prepaid lease rental	20	28
Interest expense	151	175
Interest income	(100)	(43)
Share of profit in an associate	(253)	(242)
Operating profit before working capital changes	8,073	4,882
Decrease in Inventories	2,674	2,288
Increase in Trade & other receivables	(175)	(5,128)
(Decrease)/Increase in Trade & other payables	(1,459)	1,218
Decrease/(Increase) in amount owing by an associate	80	(174)
Increase in amount owing to related parties	354	769
Decrease in amount owing to a related company	(487)	(178)
Cash inflow from operations	9,060	3,677
Interest paid	(151)	(175)
Net tax paid	(1,016)	(472)
Net cash inflow from operating activities	7,893	3,030
CASH FLOWS FOR INVESTING ACTIVITIES		
Repayment by an associate	(20)	-
Interest received	100	43
Purchase of property, plant and equipment and prepaid lease	(850)	(400)
Proceeds from disposal of plant and equipment	203	9
Treasury shares buy-back	(84)	(1)
Repayment to directors	(186)	(218)
Net cash outflow for investing activities	(837)	(567)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(1,197)	(838)
Net repayment of bills payables	(1,364)	(1,213)
Hire Purchase Financing	100	-
Repayment of HP instalments	(67)	-
Net cash outflow for financing activities	(2,528)	(2,051)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,528	412
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	(201)	167
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	8,017	8,788
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	12,344	9,367
	A16	

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 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 SEPT 2012

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 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.

MFRSs, Amendment to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
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 PERSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)

A2. Changes in Accounting Policies (cont’d)

MFRSs, Amendment to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
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 PURSUANT 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:-

Date	No of shares purchased	Total consideration paid (RM)
17.07.2012	20,000	6,436.92
20.07.2012	20,000	6,436.92
23.07.2012	15,000	4,834.44
30.07.2012	20,000	6,436.92
15.08.2012	51,700	18,754.96
28.08.2012	4,000	1,370.41
11.09.2012	7,300	2,586.77
13.09.2012	8,000	2,831.84
25.09.2012	20,000	6,938.85
Share Buyback for the quarter ended	166,000	56,627.23
	No of shares purchased	Total consideration paid (RM)
At 1 January 2012	188,500	49,554.97
Share Buyback for the financial period	252,100	84,431.82
At 30 September 2012	440,600	133,986.79

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 440,600 UMSNGB shares. None of the treasury held were resold or cancelled during the financial period ended 30 September 2012.

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

A8. Dividends Paid

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

A9. Segment information

Business Segment

The Group’s financial information analysed by business segment is as follows:

	Current Year Quarter Ended 30.09.2012		Preceding Year Corresponding Quarter Ended 30.09.2011	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit Before Taxation RM’000	Revenue RM’000	Profit Before Taxation RM’000
Manufacturing, design & trading of electrical wiring accessories	17,507	1,914	18,983	1,913
Trading & servicing of home appliances	2,764	142	2,340	73
	<u>20,271</u>	<u>2,056</u>	<u>21,323</u>	<u>1,986</u>
	Cumulative Current Year to Date Ended 30.09.2012		Cumulative Preceding Corresponding Year to Date Ended 30.09.2011	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit Before Taxation RM’000	Revenue RM’000	Profit Before Taxation RM’000
Manufacturing, design & trading of electrical wiring accessories	54,687	6,569	53,308	3,800
Trading & servicing of home appliances	6,630	127	5,597	294
	<u>61,317</u>	<u>6,696</u>	<u>58,905</u>	<u>4,094</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 30.09.2012		Preceding Year Corresponding Quarter Ended 30.09.2011	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM'000	Profit Before Taxation RM'000	Revenue RM'000	Profit Before Taxation RM'000
Malaysia	14,658	1,939	15,994	1,652
Hong Kong	5,613	64	5,329	286
Vietnam	-	53	-	48
	<u>20,271</u>	<u>2,056</u>	<u>21,323</u>	<u>1,986</u>

	Cumulative Current Year to Date Ended 30.09.2012		Cumulative Preceding Corresponding Year to Date Ended 30.09.2011	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM'000	Profit Before Taxation RM'000	Revenue RM'000	Profit Before Taxation RM'000
Malaysia	46,131	6,446	44,936	4,024
Hong Kong	15,186	83	13,939	(81)
Vietnam	-	167	30	151
	<u>61,317</u>	<u>6,696</u>	<u>58,905</u>	<u>4,094</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.

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

A11. Significant Events Subsequent to the End of the Financial Period

There were no significant events subsequent to 30 September 2012 and up to date of this report.

A12. Effect of Changes in the Composition of the Group

On 27 September 2012, the Company had acquired the entire issued and paid up share capital of UMS-Neiken Industry Sdn Bhd (Company No: 1009578-P) ("UMSI") comprising 100,000 ordinary shares at RM1.00 each in UMSI for a cash consideration of RM100,000.00.

UMSI was incorporated on 12 July 2012 and is presently dormant. Its intended principal activities are trading, import and re-export of all electrical related products.

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	24,700

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:- 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 30.09.2012 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2011 RM'000 (Unaudited)	Cumulative Current Year to Date 30.09.2012 RM'000 (Unaudited)	Cumulative Preceding Year to Date 30.09.2011 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	164	117	653	451
MKK	Sales of power cordset	7	102	33	531
MKK	Office rental	15	15	45	44
MKK	Business Consultancy fee	24	23	71	69
Group Talent Ltd ("GTL")	Purchases of fuse	-	-	-	30
Supeready Elec (Fenghua) Co Ltd ("SE")	Sales of power cordset	2	5	8	15
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, etc	112	47	665	451
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	498	399	1,059	1,566
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Sales of electrical accessories	13	-	126	-

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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 30.09.2012 RM'000 (Unaudited)	At 30.09.2011 RM'000 (Unaudited)
Fixed deposits with licensed banks	5,735	2,750
Cash and bank balances	6,609	6,897
Bank overdrafts	-	(280)
	12,344	9,367

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:-

	RM
Hong Kong Dollar	0.3954
Chinese Renminbi	0.4871
United States Dollar	3.0660

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

B1. Review of Performance

	Individual Quarter		Year to date	
	30.09.2012 (RM'000)	30.09.2011 (RM'000)	30.09.2012 (RM'000)	30.09.2011 (RM'000)
Revenue	20,271	21,323	61,317	58,905
Profit before taxation	2,056	1,986	6,696	4,094

The Group achieved revenue of RM20.3 million for the quarter ended 30 September 2012 and RM61.3 million for the financial year to date. This represents a decrease of approximately 5% and an increase of approximately 4% respectively as compared to the corresponding quarter in the preceding year and financial year to date. The decrease in revenue is mainly due to weaker demand in the export markets for the electrical wiring accessories manufactured in Malaysia for the quarter under review, however, this decrease was mitigated by the improved sales in the home appliance market and Hong Kong subsidiary.

Profit before taxation of the Group registered an increase of approximately 4% and 64% respectively as compared to the corresponding quarter and financial year to date, due mainly to higher profit margin and lower costs from improved efficiencies.

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

	Individual Quarter	
	30.09.2012 (RM'000)	30.06.2012 (RM'000)
Revenue	20,271	21,925
Profit before taxation	2,056	2,860

The Group achieved revenue of approximately RM20.27 million for the current quarter under review as compared to RM21.93 million in the previous quarter, registering a decrease of approximately 8% due to weaker demand in export exports of electrical wiring accessories manufactured in Malaysia.

Profit before taxation of the Group for the current quarter under review decreased from RM2.860 million in the previous quarter to RM2.056 million due to lower margin in line of weaker sales demand, unfavourable US dollar exchange movement.

B3. Current Year Prospects

The world economic situation remains weak. The financial performance of the Group to-date has been reasonably resilient despite the challenges of an overall weak economic outlook. The Group expects the financial performance to be maintained for the last quarter of the year.

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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 30.09.2012 (unaudited)	Preceding Year Corresponding Quarter 30.09.2011 (unaudited)	Cumulative Current Year to Date 30.09.2012 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2011 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	3	9	85	76
Amortisation of development expenditure	16	25	50	126
Amortisation of prepaid lease payments	16	(17)	20	28
Depreciation of property, plant and equipment	440	559	1,438	1,668
Deposit written off	-	-	49	-
Impairment losses on plant and equipment	-	-	289	-
Impairment losses on stock	(50)	-	208	-
Interest expenses	50	68	151	175
Inventories written down	30	22	164	26
(Gain)/Loss on foreign exchange				
- unrealized	158	(333)	(191)	(539)
- realized	(75)	26	(61)	106
Gain on disposal of plant and equipment	-	(9)	(127)	(23)
Interest income	(29)	(23)	(100)	(43)
Writeback for inventory written down	(135)	(52)	(294)	(309)
Writeback of allowance for trade receivables	(23)	-	(98)	(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 30.09.2012 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2011 RM'000 (Unaudited)	Cumulative Current Year to Date 30.09.2012 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2011 RM'000 (Unaudited)
Current tax Expense	623	609	2,087	1,182

Tax expense for the financial quarter ended 30 September 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
Hire purchase payables	33
Bill payables	3,850
Total	<u>3,883</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. 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 September 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 30.09.2012 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2011 (Unaudited)	Cumulative Current Year to Date 30.09.2012 (Unaudited)	Preceding Corresponding Year to Date 30.09.2011 (Unaudited)
Profit attributable to Equity holders of parent (RM'000)	<u>1,433</u>	<u>1,377</u>	<u>4,609</u>	<u>2,912</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>79,696</u>	<u>79,811</u>	<u>79,642</u>	<u>79,811</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>1.80</u>	<u>1.73</u>	<u>5.79</u>	<u>3.65</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 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 30.09.2012 RM'000 (unaudited)	As at financial year ended 31.12.2011 RM'000 (audited)
Total retained earnings of the Group		
- Realised	38,847	37,105
- Unrealised	(1,195)	(909)
	37,652	36,196
Total retained earnings of an Associate		
- Realised	695	525
- Unrealised	(3)	(3)
	38,344	36,718
Less: Consolidation adjustments	(19,750)	(21,536)
Total retained earnings as per condensed consolidated statement of changes in equity	18,594	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 third quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 28 November 2012.