

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Forth Quarter Ended 31 December 2012

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 31 Dec 2012 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2011 RM'000 (unaudited)	Current Year To date 31 Dec 2012 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Dec 2011 RM'000 (unaudited)
Revenue		19,481	20,733	80,798	79,638
Cost of sales		(14,452)	(15,155)	(61,732)	(64,093)
Gross profit		5,029	5,578	19,066	15,545
Other income		261	24	1,189	1,017
		5,290	5,602	20,255	16,562
Selling and distribution expenses		(803)	(1,502)	(2,682)	(3,273)
Administrative expenses		(2,302)	(2,314)	(7,412)	(6,723)
Other operating expenses		(389)	(633)	(1,772)	(1,386)
Finance costs		(42)	(54)	(193)	(229)
Share of profit for an associate		9	(19)	263	223
<b>Profit before taxation</b>		1,763	1,080	8,459	5,174
Income tax expense	B6	(36)	89	(2,123)	(1,093)
<b>Profit after taxation</b>		1,727	1,169	6,336	4,081
<b>Other Comprehensive (Expenses)/Income</b>					
Currency translation difference		(62)	(74)	(263)	93
<b>Total Comprehensive Income</b>		1,665	1,095	6,073	4,174
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO</b>					
Owners of The Company		1,727	1,169	6,336	4,081
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>					
Owners of The Company		1,665	1,095	6,073	4,174
<b>Earnings per share (sen):</b>					
Basic	B11	2.20	1.46	7.99	5.11
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 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)**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2012

	Note	As at end of current year quarter ended 31 Dec 2012 RM'000 (Unaudited)	Audited 31 Dec 2011 RM'000 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment in associates		1,945	1,722
Property, plant and equipment		11,772	13,308
Development expenditure		-	250
Prepaid lease rental		336	359
Deferred Tax Assets		176	176
		<u>14,229</u>	<u>15,815</u>
<b>CURRENT ASSETS</b>			
Inventories		17,428	21,238
Trade receivables		23,365	24,072
Other receivables, prepayments and deposits		1,800	1,848
Amount owing by associates		1,365	1,429
Amount owing by related parties		147	14
Tax recoverable		156	141
Fixed deposits with licensed banks		6,494	2,763
Cash and bank balances		7,049	6,023
		<u>57,804</u>	<u>57,528</u>
<b>TOTAL ASSETS</b>		<u>72,033</u>	<u>73,343</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		40,000	40,000
Treasury shares		(487)	(50)
Share premium		1,531	1,531
Other reserve		92	92
Exchange fluctuation reserve		(2,261)	(1,998)
Retained profits		20,321	15,182
<b>TOTAL EQUITY</b>		<u>59,196</u>	<u>54,757</u>
<b>NON-CURRENT AND DEFERRED LIABILITY</b>			
Deferred taxation		1,165	1,357
		<u>1,165</u>	<u>1,357</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		4,367	6,288
Other payables and accruals		3,337	3,088
Amount owing to directors		149	222
Amount owing to a related company		-	487
Amount owing to related parties		275	541
Short-term borrowings	B8	2,903	5,214
Bank overdrafts	B8	-	769
Provision for taxation		641	620
		<u>11,672</u>	<u>17,229</u>
<b>TOTAL LIABILITIES</b>		<u>12,837</u>	<u>18,586</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>72,033</u>	<u>73,343</u>
Net Assets per share based on number of shares in issue (RM)		<u>0.75</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)**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For The Fourth Quarter Ended 31 December 2012

	Attributable to Equity Holders of the Company				Distributable	Total	
	Share Capital	Treasury Shares	Share Premium	Other Reserve			Exchange Fluctuation Reserve
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>12 months period ended 31 December 2011</b>							
At 1 January 2011	40,000	(49)	1,531	92	(2,091)	11,903	51,386
Treasury Shares	-	(1)	-	-	-	-	(1)
Comprehensive Income	-	-	-	-	-	4,117	4,117
Profit for the financial period	-	-	-	-	-	4,117	4,117
Other Comprehensive Income	-	-	-	-	93	-	93
Currency translation difference	-	-	-	-	93	-	93
Total Comprehensive income	-	-	-	-	93	4,117	4,210
Dividend paid	-	-	-	-	-	(838)	(838)
At 31 December 2011	40,000	(50)	1,531	92	(1,998)	15,182	54,757
<b>12 months period ended 31 December 2012</b>							
At 1 January 2012	40,000	(50)	1,531	92	(1,998)	15,182	54,757
Treasury Shares	-	(437)	-	-	-	-	(437)
Comprehensive Income	-	-	-	-	-	6,336	6,336
Profit for the financial period	-	-	-	-	-	6,336	6,336
Other Comprehensive Expenses	-	-	-	-	(263)	-	(263)
Currency translation difference	-	-	-	-	(263)	-	(263)
Total Comprehensive income	-	-	-	-	(263)	6,336	6,073
Dividend paid	-	-	-	-	-	(1,197)	(1,197)
At 31 December 2012	40,000	(487)	1,531	92	(2,261)	20,321	59,196

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 Forth Quarter Ended 31 December 2012

Note	Current Year Quarter 31 Dec 2012 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2011 RM'000 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	8,459	5,174
Adjustments for:		
Write back allowance for doubtful debts	(101)	(25)
Allowance for doubtful debts	107	156
Write back for inventories written down	(455)	(261)
Inventories written down	185	83
Deposits written off	49	-
(Reversal)/Provision for unrealised profits	(16)	28
Amortisation of development expenditure	250	76
Depreciation of property, plant and equipment	1,827	2,234
Impairment losses on plant & machinery	459	293
Impairment losses on stocks	227	-
Gain on disposal of property, plant and equipment	(174)	(23)
Goodwill written off	-	-
Unrealised exchange gain	(269)	(492)
Amortisation of prepaid lease rental	23	36
Interest expense	228	229
Interest income	(176)	(87)
Share of profit in an associate	(223)	(223)
Operating profit before working capital changes	<u>10,401</u>	<u>7,198</u>
Decrease/(Increase) in Inventories	3,869	(1,427)
Increase/(Increase) in Trade & other receivables	968	(4,424)
(Decrease)/Increase in Trade & other payables	(1,672)	1,945
Decrease/(Increase) in amount owing by an associate	1,105	(1,199)
(Decrease)/Increase in amount owing to related parties	(399)	825
Decrease in amount owing to a related company	<u>(487)</u>	<u>(178)</u>
Cash inflow from operations	13,785	2,740
Interest paid	(228)	(229)
Net tax paid	<u>(2,308)</u>	<u>(868)</u>
Net cash inflow from operating activities	<u>11,249</u>	<u>1,643</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Advance to an associate	(1,041)	-
Interest received	176	87
Purchase of property, plant and equipment and prepaid lease	(780)	(377)
Proceeds from disposal of plant and equipment	203	9
Treasury shares buy-back	(437)	(1)
Repayment to directors	<u>(73)</u>	<u>125</u>
Net cash outflow for investing activities	<u>(1,952)</u>	<u>(157)</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividends paid	(1,197)	(838)
Net repayment of bills payables	(2,319)	(1,512)
Hire Purchase Financing	100	-
Repayment of HP instalments	<u>(92)</u>	<u>-</u>
Net cash outflow for financing activities	<u>(3,508)</u>	<u>(2,350)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,789	(864)
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>	(263)	93
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>	<u>8,017</u>	<u>8,788</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	<u>13,543</u>	<u>8,017</u>

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**Note:**

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

<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 for the purchases of the Company's own shares as disclosed below:-

Date	No of shares purchased	Total consideration paid (RM)
08.10.2012	15,100	5,320.59
09.10.2012	6,000	2,071.62
10.10.2012	10,000	3,433.02
12.10.2012	11,000	3,828.14
17.10.2012	21,000	7,391.08
19.10.2012	43,000	15,067.94
02.11.2012	30,000	10,879.04
08.11.2012	5,000	1,905.57
09.11.2012	6,000	2,251.67
16.11.2012	57,000	21,779.47
20.11.2012	10,000	3,783.13
21.11.2012	50,000	18,602.25
23.11.2012	10,000	3,783.13
28.11.2012	33,000	12,277.95
29.11.2012	293,700	117,084.94
30.11.2012	10,000	4,033.20
03.12.2012	66,600	26,786.89
04.12.2012	20,000	8,044.00
07.12.2012	184,900	73,914.75
12.12.2012	13,000	5,235.56
13.12.2012	15,000	6,035.80
Share Buyback for the quarter ended	910,300	353,509.74
	No of shares purchased	Total consideration paid (RM)
At 1 January 2012	188,500	49,554.97
Share Buyback for the financial year	1,162,400	437,941.56
At 31 December 2012	1,350,900	487,496.53

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

**A7. Debt and Equity Securities (Cont'd)**

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 number of treasury shares held is 1,350,900 UMSNGB shares. None of the treasury shares held were resold or cancelled during the financial period ended 31 December 2012.

**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 31.12.2012		Preceding Year Corresponding Quarter Ended 31.12.2011	
	(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	17,382	1,890	17,871	964
Trading & servicing of home appliances	2,099	(127)	2,862	116
	<u>19,481</u>	<u>1,763</u>	<u>20,733</u>	<u>1,080</u>

	Cumulative Current Year to Date Ended 31.12.2012		Cumulative Preceding Corresponding Year to Date Ended 31.12.2011	
	(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	72,088	8,458	71,179	4,764
Trading & servicing of home appliances	8,710	1	8,459	410
	<u>80,798</u>	<u>8,459</u>	<u>79,638</u>	<u>5,174</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 31.12.2012 (Unaudited)		Preceding Year Corresponding Quarter Ended 31.12.2011 (Unaudited)	
	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
Malaysia	15,840	1,639	15,698	686
Hong Kong	3,641	71	5,035	313
Vietnam	-	53	-	81
	<u>19,481</u>	<u>1,763</u>	<u>20,733</u>	<u>1,080</u>

	Cumulative Current Year to Date Ended 31.12.2012 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 31.12.2011 (Unaudited)	
	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
Malaysia	61,970	8,085	60,634	4,710
Hong Kong	18,828	154	18,974	232
Vietnam	-	220	30	232
	<u>80,798</u>	<u>8,459</u>	<u>79,638</u>	<u>5,174</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 PURSUANT 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 31 December 2012 other than the followings :-

- 1) On 8 January 2013, Neiken Switchgear (S) Pte Ltd ("NSS"), a 50% associate had entered into a sale and purchase agreement with Chiu Teng 8 Pte. Ltd. (UEN No. 201119602C) for the acquisition of 1 unit 1 storey factory, comprising an estimated floor area of 319 square metre, for a total cash consideration of SGD2.827 million (including goods and service tax of SGD0.184 million) or equivalent to RM7.068 million.
- 2) On 6 February 2013, our wholly-owned subsidiary, namely UMS-Neiken (M) Sdn Bhd ("UMSNSB"), entered into a sale and purchase agreement with KG Power (M) Sdn Bhd (Company No. 782820-M), for the acquisition of a piece of freehold land measuring approximately 12,342 square metre together with a single factory three (3) storey office building erected thereon and bearing postal address at Lot 48, Jalan Industri 2/1, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan for a total cash consideration of RM11 million.

The purchases for the above 2 properties shall be satisfied via a combination of internally generated funds and borrowings.

**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 PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD 134 ("MFRS 134") (CONT'D)**

**A15. Significant Related Party Transactions**

Details of the recurrent related party transactions ("RRPT"), which had been entered into in the ordinary course of business and have been established under terms that were mutually agreed between the parties, are as follows :-

Transaction parties	Nature of transaction	Current Year Quarter 31.12.2012 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2011 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2012 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2011 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	179	409	832	860
MKK	Sales of power cordset	31	58	64	589
MKK	Office rental	15	15	60	59
MKK	Business Consultancy fee	24	24	95	93
Group Talent Ltd ("GTL")	Purchases of fuse	-	-	-	30
Supeready Elec (Fenghua) Co Ltd ("SE")	Sales of power cordset	1	2	9	17
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, etc	-	706	665	1,157
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	570	952	1,629	2,518
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Sales of electrical accessories	-	-	126	-

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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 31.12.2012 RM'000 (Unaudited)	At 31.12.2011 RM'000 (Unaudited)
Fixed deposits with licensed banks	6,494	2,763
Cash and bank balances	7,049	6,023
Bank overdrafts	-	(769)
	13,543	8,017

**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	0.3945
Chinese Renminbi	0.4909
United States Dollar	3.0583

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

**B1. Review of Performance**

	Individual Quarter		Year to date	
	31.12.2012 (RM'000)	31.12.2011 (RM'000)	31.12.2012 (RM'000)	31.12.2011 (RM'000)
Revenue	19,481	20,733	80,798	79,638
Profit before taxation	1,763	1,080	8,459	5,174

The Group achieved revenue of RM19.5 million for the quarter ended 31 December 2012 and RM80.8 million for the financial year to date. This represents a decrease of approximately 6% and an increase of approximately 1% respectively as compared to the corresponding quarter in the preceding year and financial year to date. The decrease in revenue is mainly due to a drop in the revenue for the power cord set segment of the Hong Kong subsidiary which was affected by weak demand from the slowdown in the economy of the UK market for the quarter under review. The decrease was however mitigated by the improvement recorded in the electrical wiring accessories segment of Malaysian subsidiary.

Profit before taxation of the Group registered an increase of approximately 87% and 68% respectively as compared to the corresponding quarter and financial year to date, due mainly to higher profit margin and cost saving from improved efficiencies and cost control measures.

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

	Individual Quarter	
	31.12.2012 (RM'000)	30.09.2012 (RM'000)
Revenue	19,481	20,271
Profit before taxation	1,763	2,056

The Group achieved revenue of approximately RM19.48 million for the current quarter under review as compared to RM20.27 million in the previous quarter, registering a decrease of approximately 4%, mainly due to the weaker performance of the Hong Kong subsidiary as explained in B1 above.

Profit before taxation of the Group for the current quarter under review decreased marginally in line with the decrease in revenue.

**B3. Current Year Prospects**

The financial performance of the Group has been resilient and satisfactory for FY2012, where the Group has managed to improve its profit after taxation by almost 54% although there was only a marginal 1% increase in revenue. This was due to the continuous efforts of the Group to increase margins and contain costs.

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

**B3. Current Year Prospects (Cont'd)**

The Group expects the performance for 2013 to remain challenging, as the economic outlook in the Middle East and the UK continue to be uncertain. In addition, the Group would also face costs pressure arising from the adverse effects of the minimum wage regulation which has come into force in 2013 in Malaysia. The Group has taken measures to mitigate some of the costs pressure, through the possible relocation of the some of the manufacturing activities to other lower cost area.

**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 31.12.2012 (unaudited)	Preceding Year Corresponding Quarter 31.12.2011 (unaudited)	Cumulative Current Year to Date 31.12.2012 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2011 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	22	80	107	156
Amortisation of development expenditure	200	(50)	250	76
Amortisation of prepaid lease payments	3	8	23	36
Depreciation of property, plant and equipment	389	566	1,827	2,234
Deposit written off	-	-	49	-
Impairment losses on plant and equipment	170	293	459	293
Impairment losses on stock	19	-	227	-
Interest expenses	77	54	228	229
Inventories written down	21	-	185	-
(Gain)/Loss on foreign exchange				
- unrealized	(78)	47	(269)	(492)
- realized	(20)	(29)	(81)	77
Gain on disposal of plant and equipment	(47)	-	(174)	(23)
Interest income	(76)	(44)	(176)	(87)
Writeback for inventory written down	(161)	14	(455)	(178)
Writeback of allowance for trade receivables	(3)	-	(101)	(25)

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

**B5. Profit for The Period (Cont'd)**

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.

**B6. Income Tax Expense**

	Current Year Quarter 31.12.2012 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2011 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2012 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2011 RM'000 (Unaudited)
Current tax Expense	36	(89)	2,123	1,093

Tax expense for the financial quarter ended 31 December 2012 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 is lower than the statutory rate, mainly due reversal of over-provision of tax expenses in previous quarters.

However, the Group's effective tax rate for the current year to date is approximate to the statutory rate.

**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:

	<b>Short-Term (Secured) RM'000</b>
Hire purchase payables	8
Bill payables	2,895
Total	<u>2,903</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 2 sen per ordinary share in respect of the financial year ended 31 December 2012, to be paid on 29 March 2013. This single tier interim dividend was approved by the Board of Directors on 25 February 2013.

**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 31.12.2012 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2011 (Unaudited)	Cumulative Current Year to Date 31.12.2012 (Unaudited)	Preceding Corresponding Year to Date 31.12.2011 (Unaudited)
Profit attributable to Equity holders of parent (RM'000)	1,727	1,169	6,336	4,081
Weighted average number of ordinary shares of RM0.50 each in issue	78,666	79,812	79,301	79,812
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	2.20	1.46	7.99	5.11



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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 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 31.12.2012 RM'000 (unaudited)	As at financial year ended 31.12.2011 RM'000 (audited)
Total retained earnings of the Group		
- Realised	40,333	37,105
- Unrealised	(921)	(909)
	39,412	36,196
Total retained earnings of an Associate		
- Realised	661	525
- Unrealised	(3)	(3)
	40,070	36,718
Less: Consolidation adjustments	(19,749)	(21,536)
Total retained earnings as per condensed consolidated statement of changes in equity	20,321	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 forth quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 25 February 2013.