

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The First Quarter Ended 31 March 2013

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 31 Mar 2013 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2012 RM'000 (unaudited)	Current Year To date 31 Mar 2013 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Mar 2012 RM'000 (unaudited)
Revenue		18,486	19,121	18,486	19,121
Cost of sales		(14,179)	(15,082)	(14,179)	(15,082)
Gross profit		4,307 23%	4,039 21%	4,307 23%	4,039 21%
Other income		356	410	356	410
		4,663	4,449	4,663	4,449
Selling and distribution expenses		(527)	(471)	(527)	(471)
Administrative expenses		(1,502)	(1,542)	(1,502)	(1,542)
Other operating expenses		(306)	(667)	(306)	(667)
Finance costs		(27)	(41)	(27)	(41)
Share of profit for an associate		(53)	52	(53)	52
Profit before taxation		2,248	1,780	2,248	1,780
Income tax expense	B6	(664) -30%	(619) -35%	(664) -30%	(619) -35%
Profit after taxation		1,584	1,161	1,584	1,161
Other Comprehensive (Expenses)/Income					
Currency translation difference		117	(190)	117	(190)
Total Comprehensive Income		1,701	971	1,701	971
PROFIT AFTER TAXATION ATTRIBUTABLE TO Owners of The Company		1,584	1,161	1,584	1,161
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO Owners of The Company		1,701	971	1,701	971
Earnings per share (sen):					
Basic	B11	2.01	1.45	2.01	1.45
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 2013. 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 31 March 2013

	As at end of current year quarter ended 31 Mar 2013 RM'000 (Unaudited)	Audited 31 Dec 2012 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	1,882	1,935
Property, plant and equipment	11,657	11,772
Prepaid lease rental	335	336
Deferred Tax Assets	176	176
Other Investment	1,010	504
	<u>15,060</u>	<u>14,723</u>
CURRENT ASSETS		
Inventories	16,977	17,428
Trade receivables	23,964	23,372
Other receivables, prepayments and deposits	2,633	1,800
Amount owing by associates	2,131	1,365
Amount owing by related parties	80	146
Tax recoverable	214	158
Fixed deposits with licensed banks	3,891	5,989
Cash and bank balances	6,576	7,049
	<u>56,466</u>	<u>57,307</u>
TOTAL ASSETS	<u>71,526</u>	<u>72,030</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Treasury shares	(487)	(487)
Share premium	1,531	1,531
Exchange fluctuation reserve	(2,144)	(2,261)
Retained profits	20,493	20,482
TOTAL EQUITY	<u>59,393</u>	<u>59,265</u>
NON-CURRENT AND DEFERRED LIABILITY		
Deferred taxation	1,087	1,087
	<u>1,087</u>	<u>1,087</u>
CURRENT LIABILITIES		
Trade payables	4,336	4,210
Other payables and accruals	2,370	3,271
Amount owing to directors	26	378
Amount owing to a related company	347	275
Amount owing to related parties	337	-
Short-term borrowings	B8 2,550	2,903
Bank overdrafts	B8 682	-
Provision for taxation	398	641
	<u>11,046</u>	<u>11,678</u>
TOTAL LIABILITIES	<u>12,133</u>	<u>12,765</u>
TOTAL EQUITY AND LIABILITIES	<u>71,526</u>	<u>72,030</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.76</u>	<u>0.74</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 2012 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 2013

	Attributable to Equity Holders of the Company			Distributable		Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Non-distributable Other Reserve RM'000	Exchange Fluctuation Reserve RM'000	
3 months period ended 31 March 2012						
At 1 January 2012	40,000	(50)	1,531	92	(1,998)	15,182
Comprehensive Income Profit for the financial period	-	-	-	-	-	1,161
Other Comprehensive Income Currency translation difference	-	-	-	-	(190)	-
Total Comprehensive income	-	-	-	-	(190)	1,161
Contribution by and distributions to owners of the Company - Dividend paid	-	-	-	-	-	(1,197)
At 31 March 2012	40,000	(50)	1,531	92	(2,188)	15,146
3 months period ended 31 March 2013						
At 1 January 2013	40,000	(487)	1,531	-	(2,261)	20,482
Comprehensive Income Profit for the financial period	-	-	-	-	-	1,584
Other Comprehensive Expenses Currency translation difference	-	-	-	-	117	-
Total Comprehensive income	-	-	-	-	117	1,584
Contribution by and distributions to owners of the Company - Dividend paid	-	-	-	-	-	(1,573)
At 31 March 2013	40,000	(487)	1,531	-	(2,144)	20,493

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 2012 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 CASH FLOW
For The First Quarter Ended 31 March 2013

	Current Year Quarter 31 Mar 2013 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2012 RM'000 (unaudited)
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,248	1,780
Adjustments for:		
Write back allowance for doubtful debts	(2)	(54)
Allowance for doubtful debts	39	1
Write back for inventories written down	(24)	(40)
Inventories written down	20	96
Deposits written off	-	49
Reversal in provision for unrealised profits	(172)	(4)
Amortisation of development expenditure	-	17
Depreciation of property, plant and equipment	330	547
Impairment losses on plant & machinery	-	321
Write back for impairment losses on stocks	(48)	-
Gain on disposal of property, plant and equipment	(41)	(27)
Unrealised exchange gain	(42)	(143)
Amortisation of prepaid lease rental	1	15
Interest expense	27	41
Interest income	(82)	(31)
Share of profit in an associate	53	(53)
Operating profit before working capital changes	2,307	2,515
Decrease in Inventories	675	1,714
(Increase)/Decrease in Trade & other receivables	(1,421)	1,443
Decrease in Trade & other payables	(775)	(1,103)
Decrease in amount owing by an associate	52	41
Increase/(Decrease) in amount owing to related parties	403	(462)
Increase/(Decrease) in amount owing to a related company	72	(487)
Cash inflow from operations	1,313	3,661
Interest paid	(27)	(41)
Net tax paid	(963)	(273)
Net cash inflow from operating activities	323	3,347
CASH FLOWS (FROM)/FOR INVESTING ACTIVITIES		
Advance to an associate	(818)	(7)
Interest received	82	31
Purchase of property, plant and equipment and prepaid lease	(290)	(688)
Proceeds from disposal of plant and equipment	116	27
Purchase of unit trust investment	(506)	-
Decrease in cash & cash equivalents pledged with licenced banks	2,098	-
Net cash outflow (from)/for investing activities	682	(637)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(1,573)	(1,197)
Net repayment of bills payables	(345)	(1,906)
Hire Purchase Financing	-	100
Repayment of HP instalments	(8)	(17)
Repayment to directors	(352)	(222)
Net cash outflow for financing activities	(2,278)	(3,242)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,272)	(532)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	117	(190)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	7,049	8,017
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	5,894	7,295
	A16	

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 March 2013. 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 2012 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

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 2012. 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 2012.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2012 were prepared in accordance with MFRS. 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 2012.

During the financial period review, the following standards were effective as per below stated and applied by the Group.

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

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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)

MFRSs, Amendment to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
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
IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

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
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

A3. Status of audit qualifications

The auditors' report on the financial statements for the financial year ended 31 December 2012 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.

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

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.

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 2013	1,350,900	487,496.53
Share Buyback for the financial period	-	-
At 31 March 2013	<u>1,350,900</u>	<u>487,496.53</u>

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 March 2013.

A8. Dividends Paid

An interim single-tier dividend of 2.0 sen ordinary share amounting to approximately RM1,573,000 in respect of the financial year ended 31 December 2012 was paid on 29 March 2013.

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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 31.03.2013 (Unaudited)		Preceding Year Corresponding Quarter Ended 31.03.2012 (Unaudited)	
	Revenue RM'000	Profit Before Taxation RM'000	Revenue RM'000	Profit Before Taxation RM'000
Manufacturing, design & trading of electrical wiring accessories	16,673	2,251	17,649	1,862
Trading & servicing of home appliances	1,813	(3)	1,472	(82)
	<u>18,486</u>	<u>2,248</u>	<u>19,121</u>	<u>1,780</u>

	Cumulative Current Year to Date Ended 31.03.2013 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 31.03.2012 (Unaudited)	
	Revenue RM'000	Profit Before Taxation RM'000	Revenue RM'000	Profit Before Taxation RM'000
Manufacturing, design & trading of electrical wiring accessories	16,673	2,251	17,649	1,862
Trading & servicing of home appliances	1,813	(3)	1,472	(82)
	<u>18,486</u>	<u>2,248</u>	<u>19,121</u>	<u>1,780</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 31.03.2013 (Unaudited)		Preceding Year Corresponding Quarter Ended 31.03.2012 (Unaudited)	
	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
Malaysia	15,470	2,500	14,807	1,848
Hong Kong	3,016	(249)	4,314	(124)
Vietnam	-	(3)	-	56
	<u>18,486</u>	<u>2,248</u>	<u>19,121</u>	<u>1,780</u>

	Cumulative Current Year to Date Ended 31.03.2013 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 31.03.2012 (Unaudited)	
	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
Malaysia	15,470	2,500	14,807	1,848
Hong Kong	3,016	(249)	4,314	(124)
Vietnam	-	(3)	-	56
	<u>18,486</u>	<u>2,248</u>	<u>19,121</u>	<u>1,780</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 31 March 2013 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	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,

	RM'000
Approved and contracted for:-	
- Acquisition of freehold land with a 3 storey office building and a 1 storey factory	9,900
- Acquisition of a piece of 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 31.03.2013 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2012 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2013 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2012 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	292	236	292	236
MKK	Sales of power cordset	7	13	7	13
MKK	Office rental	15	15	15	15
MKK	Business Consultancy fee	23	23	23	23
Supeready Elec (Fenghua) Co Ltd ("SE")	Sales of power cordset	4	4	4	4
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, etc	79	431	79	431
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	955	39	955	39
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Sales of electrical accessories, home appliances, etc	1	113	1	113
Cico Electrical Industries Sdn. Bhd. ("CICO")	Sales of machinery & equipment	75	113	75	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 31.03.2013 RM'000 (Unaudited)	At 31.03.2012 RM'000 (Unaudited)
Fixed deposits with licensed banks	3,891	2,280
Cash and bank balances	6,576	5,527
Bank overdrafts	(682)	(512)
	9,785	7,295

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	0.3978
Chinese Renminbi	0.4973
United States Dollar	3.0885

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

B1. Review of Performance

	Individual Quarter		Year to date	
	31.03.2013 (RM'000)	31.03.2012 (RM'000)	31.03.2013 (RM'000)	31.03.2012 (RM'000)
Revenue	18,486	19,121	18,486	19,121
Profit before taxation	2,248	1,780	2,248	1,780

The Group achieved revenue of RM18.5 million for the quarter ended 31 March 2013 and for the financial year to date. This represents a decrease of approximately 3% as compared to the corresponding quarter in the preceding year and financial year to date. The decrease in revenue is mainly due to the weaker performance by the Hong Kong subsidiary, which continues to be affected by a weak UK economy and unfavourable exchange rate.

Profit before taxation of the Group registered an increase of approximately 26% as compared to the corresponding quarter and financial year to date. This is mainly due to higher profit margin and lower impairment losses. This is despite the effects of additional wages in the Malaysian operations as the minimum wages policy had been implemented since January 2013.

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

	Individual Quarter	
	31.03.2013 (RM'000)	31.12.2012 (RM'000)
Revenue	18,486	19,481
Profit before taxation	2,248	1,763

The Group achieved revenue of approximately RM18.49 million for the current quarter under review as compared to RM19.48 million in the previous quarter, registering a decrease of approximately 5%, mainly due to the weaker performance of the Hong Kong subsidiary.

Profit before taxation of the Group for the current quarter under review increased mainly due to higher profit margin and lower impairment losses.

B3. Current Year Prospects

The outlook for the year remains challenging due to the following factors. The Hong Kong subsidiary's performance is expected to be weak due to the slow UK economy and weakening of Pound Sterling. For the Malaysian operations, the strengthening of RM against the USD will add pressure to the profit margin. This is in addition to the higher costs due to the implementation of the minimum wages policy by the Malaysian Government with effect from January 2013.

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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 has embarked on plan to re-start the Vietnam operation in the current year to reduce the operational costs.

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 31.03.2013 (unaudited)	Preceding Year Corresponding Quarter 31.03.2012 (unaudited)	Cumulative Current Year to Date 31.03.2013 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2012 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	39	1	39	1
Amortisation of development expenditure	-	17	-	17
Amortisation of prepaid lease payments	1	15	1	15
Depreciation of property, plant and equipment	330	547	330	547
Deposit written off	-	49	-	49
Impairment losses on plant and equipment	-	321	-	321
Interest expenses	27	41	27	41
Inventories written down	20	96	20	96
(Gain)/Loss on foreign exchange				
- unrealized	(42)	(143)	(42)	(143)
- realized	(32)	(14)	(32)	(14)
Gain on disposal of plant and equipment	(41)	(27)	(41)	(27)
Interest income	(82)	(31)	(82)	(31)
Writeback for inventory written down	(24)	(40)	(24)	(40)
Writeback of allowance for trade receivables	(2)	(54)	(2)	(54)
Writeback of impairment losses on inventories	(48)	-	(48)	-

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 31.03.2013 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2012 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2013 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2012 RM'000 (Unaudited)
Current tax Expense	664	619	664	619

Tax expense for the financial quarter ended 31 March 2013 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 year to date is higher than the statutory rate, mainly due to higher depreciation over capital allowances.

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	682
Bill payables	2,550
Total	<u>3,232</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 does not recommend any interim dividend in respect of the financial year ending 31 March 2013 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 31.03.2013 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2012 (Unaudited)	Cumulative Current Year to Date 31.03.2013 (Unaudited)	Preceding Corresponding Year to Date 31.03.2012 (Unaudited)
Profit attributable to Equity holders of parent (RM'000)	1,584	1,161	1,584	1,161
Weighted average number of ordinary shares of RM0.50 each in issue	78,652	79,812	78,652	79,812
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	2.01	1.45	2.01	1.45

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

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 2013, 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 31.03.2013 RM'000 (unaudited)	As at financial year ended 31.12.2012 RM'000 (audited)
Total retained earnings of the Group		
- Realised	40,203	39,477
- Unrealised	(824)	(550)
	39,379	38,927
Total retained earnings of an Associate		
- Realised	615	656
- Unrealised	(8)	(9)
	39,986	39,574
Less: Consolidation adjustments	(19,493)	(19,092)
Total retained earnings as per condensed consolidated statement of changes in equity	20,493	20,482

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 29 May 2013.