

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Third Quarter Ended 30 September 2013

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 30 Sept 2013 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sept 2012 RM'000 (unaudited)	Current Year To date 30 Sept 2013 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Sept 2012 RM'000 (unaudited)
Revenue		16,077	14,658	47,148	46,131
Cost of sales		(11,346)	(10,457)	(34,036)	(34,213)
Gross profit		4,731	4,201	13,112	11,918
Other income		250	49	986	862
		4,981	4,250	14,098	12,780
Selling and distribution expenses		(518)	(625)	(1,222)	(1,299)
Administrative expenses		(1,783)	(1,599)	(4,238)	(3,844)
Other operating expenses		(255)	(81)	(604)	(1,127)
Finance costs		(157)	(50)	(292)	(151)
Share of profit for an associate		197	97	344	254
Profit before taxation		2,465	1,992	8,086	6,613
Income tax expense	B6	(783)	(613)	(2,428)	(2,073)
Profit from Continuing Operation, net of tax		1,682	1,379	5,658	4,540
<u>Discontinued Operation</u>					
(Loss)/Profit from Discontinued Operation, net of tax	B12	(114)	54	(562)	69
Profit after taxation		1,568	1,433	5,096	4,609
Other Comprehensive (Expenses)/Income					
Currency translation difference from Continuing Operation		42	(63)	79	(53)
Currency translation difference from Discontinued Operation		142	(230)	439	(148)
Total Comprehensive Income		1,752	1,140	5,614	4,408
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO					
Owners of The Company		1,568	1,433	5,096	4,609
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of The Company		1,752	1,140	5,614	4,408
Earnings per share (sen):					
Basic	B11				
- continuing operation		2.14	1.73	7.19	5.70
- discontinuing operation		(0.15)	0.07	(0.71)	0.09
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 2013. The unaudited Condensed

UMS-NEIKEN GROUP BERHAD (650473-V)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	As at end of current year quarter ended 30 Sept 2013 RM'000 (Unaudited)	Audited 31 Dec 2012 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	2,279	1,935
Property, plant and equipment	22,941	11,772
Prepaid lease rental	345	336
Deferred Tax Assets	176	176
Other Investment	1,025	504
	<u>26,766</u>	<u>14,723</u>
CURRENT ASSETS		
Inventories	15,263	17,428
Trade receivables	18,567	23,372
Other receivables, prepayments and deposits	2,218	1,800
Amount owing by associates	2,931	1,365
Amount owing by related parties	2	146
Tax recoverable	355	158
Fixed deposits with licensed banks	6,713	5,989
Cash and bank balances	4,762	7,049
	<u>50,811</u>	<u>57,307</u>
Non-current assets classified as held for sale	8,871	-
	<u>59,682</u>	<u>57,307</u>
TOTAL ASSETS	<u>86,448</u>	<u>72,030</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Treasury shares	(508)	(487)
Share premium	1,531	1,531
Exchange fluctuation reserve	(1,743)	(2,261)
Retained profits	24,005	20,482
TOTAL EQUITY	<u>63,285</u>	<u>59,265</u>
NON-CURRENT AND DEFERRED LIABILITY		
Term loans	8,641	-
Deferred taxation	1,087	1,087
	<u>9,728</u>	<u>1,087</u>
CURRENT LIABILITIES		
Trade payables	2,099	4,210
Other payables and accruals	1,812	3,271
Amount owing to directors	31	378
Amount owing to a related company	247	275
Short-term borrowings	3,957	2,903
Bank overdrafts	213	-
Provision for taxation	1,742	641
	<u>10,101</u>	<u>11,678</u>
Liabilities associated directly with assets held for sale	3,334	-
	<u>13,435</u>	<u>11,678</u>
TOTAL LIABILITIES	<u>23,163</u>	<u>12,765</u>
TOTAL EQUITY AND LIABILITIES	<u>86,448</u>	<u>72,030</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.80</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 Third Quarter Ended 30 September 2013

	← Attributable to Equity Holders of the Company →						
	← Non-distributable →				Distributable		
	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	Total RM'000
<u>9 months period ended 30 September 2012</u>							
At 1 January 2012	40,000	(50)	1,531	92	(1,998)	15,182	54,757
Treasury Shares	-	(84)	-	-	-	-	(84)
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	-	4,609	4,609
<u>Other Comprehensive Income</u>							
Currency translation difference from Continuing Operation	-	-	-	-	(53)	-	(53)
Currency translation difference from Discontinued Operation	-	-	-	-	(148)	-	(148)
Total Comprehensive income	-	-	-	-	(201)	4,609	4,408
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	-	(1,197)	(1,197)
At 30 September 2012	40,000	(134)	1,531	92	(2,199)	18,594	57,884
<u>9 months period ended 30 September 2013</u>							
At 1 January 2013	40,000	(487)	1,531	-	(2,261)	20,482	59,265
Treasury Shares	-	(21)	-	-	-	-	(21)
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	-	5,096	5,096
<u>Other Comprehensive Expenses</u>							
Currency translation difference from Continuing Operation	-	-	-	-	79	-	79
Currency translation difference from Discontinued Operation	-	-	-	-	439	-	439
Total Comprehensive income	-	-	-	-	518	5,096	5,614
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	-	(1,573)	(1,573)
At 30 September 2013	40,000	(508)	1,531	-	(1,743)	24,005	63,285

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)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For The Third Quarter Ended 30 September 2013

	Current Year Quarter 30 Sept 2013 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Sept 2012 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operation	8,086	6,613
(Loss)/Profit before taxation from discontinued operation	(673)	83
	<u>7,413</u>	<u>6,696</u>
Adjustments for:		
Write back allowance for doubtful debts	(33)	(98)
Allowance for doubtful debts	86	85
Write back for inventories written down	(57)	(294)
Inventories written down	131	164
Bad Debts/Deposits written off	18	49
Reversal in provision for unrealised profits	(6)	(14)
Amortisation of development expenditure	-	50
Depreciation of property, plant and equipment	1,071	1,438
Impairment losses on plant & machinery	-	289
Impairment losses on stocks	-	208
Write back for impairment losses on stocks	(48)	-
Gain on disposal of property, plant and equipment	(126)	(127)
Unrealised exchange gain	(455)	(191)
Amortisation of prepaid lease rental	(9)	20
Interest expense	292	151
Interest income	(246)	(100)
Share of profit in an associate	(344)	(253)
Operating profit before working capital changes	<u>7,687</u>	<u>8,073</u>
(Increase)/Decrease in Inventories	(779)	2,674
Decrease/(Increase) in Trade & other receivables	1,034	(175)
Decrease in Trade & other payables	(447)	(1,459)
(Increase)/Decrease in amount owing by an associate	(173)	80
Increase in amount owing to related parties	138	354
Decrease in amount owing to a related company	182	(487)
Cash inflow from operations	<u>7,642</u>	<u>9,060</u>
Interest paid	(292)	(151)
Net tax paid	(1,556)	(1,016)
Net cash inflow from operating activities	<u>5,794</u>	<u>7,893</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance to an associate	(1,393)	(20)
Interest received	246	100
Purchase of property, plant and equipment and prepaid lease	(12,625)	(850)
Proceeds from disposal of plant and equipment	381	203
Purchase of unit trust investment	(521)	-
Treasury shares buy-back	(21)	(84)
Decrease in cash & cash equivalents pledged with licenced banks	(724)	-
Net cash outflow from investing activities	<u>(14,657)</u>	<u>(651)</u>
CASH FLOWS FOR/(FROM) FINANCING ACTIVITIES		
Dividends paid	(1,573)	(1,197)
Net repayment of bills payables	1,062	(1,364)
Term loan financing	8,800	-
Repayment of TL instalments	(159)	-
Hire Purchase Financing	-	100
Repayment of HP instalments	(8)	(67)
Repayment to directors	(347)	(186)
Net cash outflow for/(from) financing activities	<u>7,775</u>	<u>(2,714)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,088)</u>	<u>4,528</u>
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	518	(201)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	<u>7,049</u>	<u>8,017</u>
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	<u>6,479</u>	<u>12,344</u>

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 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 30 SEPT 2013

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

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134 - Interim Financial Reporting, IAS 34 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 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. 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, except for the adoption of the following new Malaysia Financial Reporting Standards ("MFRSs"), Amendment to MFRSs and IC Interpretation.

MFRSs, Amendment to MFRSs and IC Interpretations

MFRS 10 : Consolidated Financial Statements

MFRS 11 : Joint Arrangement

MFRS 12 : Disclosures of Interest in Other Entities

MFRS 13 : Fair Value Measurement

MFRS 119 (Revised) : Employee Benefits

MFRS 127 : Separate Financial Statements

MFRS 128 : Investment in Associates and Joint Ventures

Amendments to MFRS 7: Disclosure - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS101 : Presentation of Items of Other Comprehensive Income

IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRS 2009 – 2011 cycle

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

A2. Changes in Accounting Policies (cont’d)

At date of authorization of these interim financial statements, the following MFRSs, Amendment to MFRSs and IC Interpretation was issued but not yet effective and have not been applied by the Group.

MFRSs, 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 and MFRS 7: 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
Amendments to MFRS 136: Recovery Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation Of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	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.

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)
27.08.2013	45,300	18,220.54
28.08.2013	5,000	2,005.60
Share Buyback for the quarter ended	<u>50,300</u>	<u>20,226.14</u>
	No of shares purchased	Total consideration paid (RM)
At 1 January 2013	1,350,900	487,496.53
Share Buyback for the financial period	51,300	20,715.28
At 30 September 2013	<u>1,402,200</u>	<u>508,211.81</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 1,402,200 UMSNGB shares. None of the treasury shares held were resold or cancelled during the financial period ended 30 September 2013.

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 30.09.2013		Preceding Year Corresponding Quarter Ended 30.09.2012	
	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
Continuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	14,351	2,647	11,894	1,850
- Trading & servicing of home appliances	1,726	(182)	2,764	142
	<u>16,077</u>	<u>2,465</u>	<u>14,658</u>	<u>1,992</u>
Discontinuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	4,023	(136)	5,613	64
	<u>4,023</u>	<u>(136)</u>	<u>5,613</u>	<u>64</u>
	<u>20,100</u>	<u>2,329</u>	<u>20,271</u>	<u>2,056</u>
	Cumulative Current Year to Date Ended 30.09.2013		Cumulative Preceding Corresponding Year to Date Ended 30.09.2012	
	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
Continuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	41,566	8,234	39,501	6,486
- Trading & servicing of home appliances.	5,582	(148)	6,630	127
	<u>47,148</u>	<u>8,086</u>	<u>46,131</u>	<u>6,613</u>
Discontinuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	10,681	(673)	15,186	83
	<u>10,681</u>	<u>(673)</u>	<u>15,186</u>	<u>83</u>
	<u>57,829</u>	<u>7,413</u>	<u>61,317</u>	<u>6,696</u>

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PART A: EXPLANATORY NOTES PERSUANT 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 30.09.2013		Preceding Year Corresponding Quarter Ended 30.09.2012	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM'000	Profit Before Taxation RM'000	Revenue RM'000	Profit Before Taxation RM'000
Continuing operations:				
- Malaysia	16,077	2,525	14,658	1,939
- Vietnam	-	(60)	-	53
	<u>16,077</u>	<u>2,465</u>	<u>14,658</u>	<u>1,992</u>
Discontinuing operations:				
- Hong Kong	4,023	(136)	5,613	64
	<u>4,023</u>	<u>(136)</u>	<u>5,613</u>	<u>64</u>
	<u>20,100</u>	<u>2,329</u>	<u>20,271</u>	<u>2,056</u>
	Cumulative Current Year to Date Ended 30.09.2013		Cumulative Preceding Corresponding Year to Date Ended 30.09.2012	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM'000	Profit Before Taxation RM'000	Revenue RM'000	Profit Before Taxation RM'000
Continuing operations:				
- Malaysia	47,148	8,269	46,131	6,446
- Vietnam	-	(183)	-	167
	<u>47,148</u>	<u>8,086</u>	<u>46,131</u>	<u>6,613</u>
Discontinuing operations:				
- Hong Kong	10,681	(673)	15,186	83
	<u>10,681</u>	<u>(673)</u>	<u>15,186</u>	<u>83</u>
	<u>57,829</u>	<u>7,413</u>	<u>61,317</u>	<u>6,696</u>

UMS-NEIKEN GROUP BERHAD

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

A10. Revaluation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

There was no revaluation of property, plant and equipment during the financial quarter under review.

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

There were no significant events subsequent to 30 September 2013 other than the following :-

On 10 October 2013, UMS-Neiken Group Berhad ("UMS-Neiken" or "the Company"), had entered into a Sale of Share Agreement ("SSA") with IP TAI HOI PAUL of Flat A, 9/F, Fook Shing Industrial Building, 1A Yuk Yat Street, Tokwawan, Kowloon, Hong Kong for the disposal of its entire shareholding in High Project Limited ("HPL" or "the Hong Kong subsidiary"), a wholly-owned subsidiary of the Company, consisting of Eight Million and Eight Hundred Thousand (8,800,000) ordinary shares of a nominal value of Hong Kong Dollar One (HKD1.00) each, equivalent to the entire issued and paid-up capital of HPL to the Purchaser for a total sale consideration of Hong Kong Dollar Ten Million Seven Hundred Ninety Six Thousand (HKD10,796,000.00) or approximately RM4,395,000.00 only.["Proposed Disposal"].

The proposed disposal will result in an estimated loss of RM2,617,000 approximately, upon completion. The proposed disposal is currently pending completion.

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.

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

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	36,432
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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 a piece of 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 30.09.2013 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2012 RM'000 (Unaudited)	Cumulative Current Year to Date 30.09.2013 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2012 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	164	361	653
MKK	Sales of power cordset	17	7	38	33
MKK	Office rental	-	15	-	45
MKK	Business Consultancy fee	-	24	-	71
Supeready Elec (Fenghua) Co Ltd ("SE")	Sales of power cordset	2	2	10	8
Group Talent Ltd ("GTL")	Purchases of fuse	31	-	83	-
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, drum reel, etc	225	112	871	665
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	614	498	1,945	1,059
UMSC	Sales of electrical accessories, home appliances, etc	-	13	43	126
UMSC	Sales of machinery, equipment	-	-	141	-
Cico Electrical Industries Sdn. Bhd. ("CICO")	Sales of machinery & equipment	24	-	99	-

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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 30.09.2013 RM'000 (Unaudited)	At 30.09.2012 RM'000 (Unaudited)
<u>Continuing Operations:-</u>		
Fixed deposits with licensed banks	6,713	5,735
 <u>Continuing Operations:-</u>		
Cash and bank balances	4,762	6,609
Bank overdrafts	(213)	-
	4,549	6,609
<u>Discontinued Operation:-</u>		
Cash and bank balances	1,930	-
	6,479	6,609
	13,192	12,344

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	0.4201
Chinese Renminbi	0.5324
United States Dollar	3.2575

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

B1. Review of Performance

	Individual Quarter		Year to date	
	30.09.2013 RM'000 (unaudited)	30.09.2012 RM'000 (unaudited)	30.09.2013 RM'000 (unaudited)	30.09.2012 RM'000 (unaudited)
Revenue:				
- Continuing operations	16,077	14,658	47,148	46,131
- Discontinuing operations	4,023	5,613	10,681	15,186
	<u>20,100</u>	<u>20,271</u>	<u>57,829</u>	<u>61,317</u>
Profit before taxation:				
- Continuing operations	2,465	1,992	8,086	6,613
- Discontinuing operations	(136)	64	(673)	83
	<u>2,329</u>	<u>2,056</u>	<u>7,413</u>	<u>6,696</u>

The Group achieved revenue of RM20.1 million for the quarter ended 30 September 2013 and RM57.8 million for the financial year to date. This represents a decrease of approximately 1% and 6% respectively as compared to the corresponding quarter in the preceding year and financial period 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, classified under Discontinued Operations as explained under Note A11 above.

The profit before taxation of the Group registered an increase of approximately 13% and 11% as compared to the corresponding quarter and financial year to date, mainly due to better profit margin achieved by electrical wiring accessories segment by Malaysia subsidiary and favourable USD exchange movement, despite the loss suffered by the Hong Kong subsidiary.

UMS-NEIKEN GROUP BERHAD*(Company No: 650473-V)**(Incorporated in Malaysia)***PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS****B2. Comment on Material Changes in the Profit Before Taxation for the Quarter Reported on as Compared With Immediate Preceding Quarter**

	Individual Quarter	
	30.09.2013 RM'000 (unaudited)	30.06.2013 RM'000 (unaudited)
Revenue:		
- Continuing operations	16,077	15,673
- Discontinuing operations	4,023	3,570
	<u>20,100</u>	<u>19,243</u>
Profit before taxation:		
- Continuing operations	2,465	3,076
- Discontinuing operations	(136)	(240)
	<u>2,329</u>	<u>2,836</u>

The Group achieved revenue of approximately RM20.1 million for the current quarter under review as compared to RM19.24 million in the previous quarter, registering an increase of approximately 4%, due to higher revenue in all segments.

Profit before taxation of the Group for the current quarter under review decreased mainly due to higher operating costs incurred.

B3. Current Year Prospects

The Group expects the rest of the year to remain challenging. The results for the last quarter can be affected by the loss arising from the disposal of the Hong Kong subsidiary, if the disposal is completed before the end of the last quarter.

B4. Variance of Actual Profit and Forecast Profit of the Group

The disclosure requirements for explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

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

B5. Profit for The Period

	Current Year Quarter 30.09.2013 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.09.2012 RM'000 (unaudited)	Cumulative Current Year to Date 30.09.2013 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2012 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	47	2	86	83
Amortisation of development expenditure	-	16	-	50
Amortisation of prepaid lease payments	(7)	16	(9)	20
Depreciation of property, plant and equipment	358	420	1,016	1,380
Bad debts/Deposits written off	18	-	18	49
Impairment losses on plant and equipment	-	-	-	289
Impairment losses on inventories	-	(50)	-	208
Interest expenses	157	50	292	151
Inventories written down	73	9	110	142
(Gain)/Loss on foreign exchange				
- unrealized	(161)	156	(475)	(243)
- realized	(56)	(76)	(86)	(63)
Gain on disposal of plant and equipment	(24)	-	(126)	(127)
Interest income	(92)	(29)	(245)	(99)
Writeback for inventory written down	(17)	(135)	(57)	(294)
Writeback of allowance for trade receivables	(16)	(23)	(33)	(98)
Writeback of impairment losses on inventories	-	-	(45)	-

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 30.09.2013 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2012 RM'000 (Unaudited)	Cumulative Current Year to Date 30.09.2013 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.09.2012 RM'000 (Unaudited)
Current tax Expense:				
- Continuing operations	783	613	2,428	2,073
- Discontinuing operations	(22)	10	(111)	14
	<u>761</u>	<u>623</u>	<u>2,317</u>	<u>2,087</u>

Tax expense for the financial quarter ended 30 September 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 and losses incurred by some subsidiaries.

B7. Status of Corporate Proposals

The status of the outstanding corporate proposal is disclosed in Note A11.

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	213
Bill payables	3,957
Term loan	8,641
Total	<u>12,811</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 30 September 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 30.09.2013 (Unaudited)	Preceding Year Corresponding Quarter 30.09.2012 (Unaudited)	Cumulative Current Year to Date 30.09.2013 (Unaudited)	Preceding Corresponding Year to Date 30.09.2012 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):				
- Continuing operations	1,682	1,379	5,658	4,540
- Discontinuing operations	(114)	54	(562)	69
	<u>1,568</u>	<u>1,433</u>	<u>5,096</u>	<u>4,609</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,604</u>	<u>79,696</u>	<u>78,634</u>	<u>79,642</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)				
- Continuing operations	2.14	1.73	7.19	5.70
- Discontinuing operations	(0.15)	0.07	(0.71)	0.09
	<u>1.99</u>	<u>1.80</u>	<u>6.48</u>	<u>5.79</u>

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

B12. Discontinued Operation

Analysis of the results of the discontinued operations is as follows,

	Individual Quarter		Year to date	
	30.09.2013 RM'000 (unaudited)	30.09.2012 RM'000 (unaudited)	30.09.2013 RM'000 (unaudited)	30.09.2012 RM'000 (unaudited)
Revenue	4,023	5,613	10,681	15,186
Cost of Goods Sold	(3,584)	(4,892)	(9,654)	(13,068)
Other Income	439	721	1,027	2,118
	91	20	166	66
Selling and Distribution Expenses	530	741	1,193	2,184
Administration Expenses	(173)	(162)	(539)	(579)
Other Operating Expenses	(407)	(450)	(1,116)	(1,267)
Loss Before Taxation	(86)	(65)	(211)	(255)
	(136)	64	(673)	83
Income Tax Expenses	22	(10)	111	(14)
Loss After Taxation	(114)	54	(562)	69

Included in loss before taxation from the discontinued operation are the following:-

	Individual Quarter		Year to date	
	30.09.2013 RM'000 (unaudited)	30.09.2012 RM'000 (unaudited)	30.09.2013 RM'000 (unaudited)	30.09.2012 RM'000 (unaudited)
Loss before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	-	1	-	2
Depreciation of property, plant and equipment	20	20	55	58
Inventories written down	-	21	21	22
(Gain)/Loss on foreign exchange				
- unrealized	(3)	2	20	52
- realized	11	1	22	2
Interest income	-	-	(1)	(1)
Writeback for inventory written down	-	-	(3)	-

The cash flows attributable to the discontinued operation are the following:-

	Year to date 30.09.2013 RM'000 (unaudited)
Net cash for operating activities	(378)
Net cash for investing activities	(22)
Net cash for discontinued operation	(400)

UMS-NEIKEN GROUP BERHAD*(Company No: 650473-V)**(Incorporated in Malaysia)***PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (CONT'D)****B13. Disclosure of realised and unrealised profits**

The breakdown of the retained profits of the group as at 30 September 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 30.09.2013 RM'000 (unaudited)	As at financial year ended 31.12.2012 RM'000 (audited)
Total retained earnings of the Group		
- Realised	43,332	39,477
- Unrealised	(580)	(550)
	<u>42,752</u>	<u>38,927</u>
Total retained earnings of an Associate		
- Realised	927	656
- Unrealised	(9)	(9)
	<u>43,670</u>	<u>39,574</u>
Less: Consolidation adjustments	<u>(19,665)</u>	<u>(19,092)</u>
Total retained earnings as per condensed consolidated statement of changes in equity	<u>24,005</u>	<u>20,482</u>

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.

B14. 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.

B15. 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 22 November 2013.