

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Forth Quarter Ended 31 December 2013

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 31 Dec 2013 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2012 RM'000 (unaudited)	Current Year To date 31 Dec 2013 RM'000 (unaudited)	Preceding Year To date 31 Dec 2012 RM'000 (unaudited)
Revenue		14,839	15,840	61,987	61,971
Cost of sales		(10,927)	(11,454)	(44,963)	(45,667)
Gross profit		3,912	4,386	17,024	16,304
Other income		397	244	1,383	1,106
		4,309	4,630	18,407	17,410
Selling and distribution expenses		(484)	(601)	(1,706)	(1,900)
Administrative expenses		(2,250)	(1,946)	(6,488)	(5,790)
Other operating expenses		(1,190)	(359)	(1,794)	(1,486)
Finance costs		(131)	(41)	(423)	(192)
Share of (loss)/profit for an associate		(22)	9	322	263
<b>Profit before taxation</b>		232	1,692	8,318	8,305
Income tax expense	B6	(80)	(1)	(2,508)	(2,074)
(Loss)/Profit from Continuing Operation, net of tax		152	1,691	5,810	6,231
<u>Discontinued Operation</u>					
(Loss)/Profit from Discontinued Operation, net of tax	B12	-	36	(562)	105
<b>Profit after taxation</b>		152	1,727	5,248	6,336
<b>Other Comprehensive (Expenses)/Income</b>					
Currency translation difference		7	(3)	86	(56)
Currency translation difference from Discontinued Operation		-	(59)	439	(207)
<b>Total Comprehensive ((Expenses)/Income)</b>		159	1,665	5,773	6,073
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO Owners of The Company		152	1,727	5,248	6,336
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO Owners of The Company		159	1,665	5,773	6,073
<b>Earnings per share (sen):</b>					
Basic	B11	0.19	2.20	6.67	7.99
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 2013. The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the

**UMS-NEIKEN GROUP BERHAD (650473-V)**  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2013

		As at end of current year quarter ended 31 Dec 2013 RM'000 (Unaudited)	Audited 31 Dec 2012 RM'000 (Audited)
	Note		
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment in associates		2,258	1,935
Property, plant and equipment		23,866	11,772
Investment Property		2,318	-
Prepaid lease rental		345	336
Deferred Tax Assets		176	176
Other Investment		3	504
		<u>28,966</u>	<u>14,723</u>
<b>CURRENT ASSETS</b>			
Inventories		15,741	17,428
Trade receivables		18,894	23,372
Other receivables, prepayments and deposits		1,650	1,800
Amount owing by associates		2,916	1,365
Amount owing by related parties		-	146
Tax recoverable		80	158
Fixed deposits with licensed banks		8,201	5,989
Cash and bank balances		4,014	7,049
		<u>51,496</u>	<u>57,307</u>
Non-current assets classified as held for sale	B13	7,931	-
		<u>59,427</u>	<u>57,307</u>
<b>TOTAL ASSETS</b>		<u>88,393</u>	<u>72,030</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		40,000	40,000
Treasury shares		(508)	(487)
Share premium		1,531	1,531
Exchange fluctuation reserve		(1,736)	(2,261)
Retained profits		24,157	20,482
<b>TOTAL EQUITY</b>		<u>63,444</u>	<u>59,265</u>
<b>NON-CURRENT AND DEFERRED LIABILITY</b>			
Term loans		8,087	-
Deferred taxation		1,102	1,087
		<u>9,189</u>	<u>1,087</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		2,442	4,210
Other payables and accruals		5,210	3,271
Amount owing to directors		273	378
Amount owing to a related company		165	275
Short-term borrowings	B8	3,723	2,903
Provision for taxation		613	641
		<u>12,426</u>	<u>11,678</u>
Liabilities associated directly with assets held for sale	B13	3,334	-
		<u>15,760</u>	<u>11,678</u>
<b>TOTAL LIABILITIES</b>		24,949	12,765
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>88,393</u>	<u>72,030</u>
Net Assets per share based on number of shares in issue (RM)		<u>0.81</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

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

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

For The Forth Quarter Ended 31 December 2013

	← Attributable to Equity Holders of the Company →						Total RM'000
	← 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	
<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)
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	-	6,405	6,405
<u>Other Comprehensive Income</u>							
Currency translation difference from Continuing Operation	-	-	-	-	(56)	-	(56)
Currency translation difference from Discontinued Operation	-	-	-	-	(207)	-	(207)
Total Comprehensive income	-	-	-	-	(263)	6,405	6,142
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	-	(1,197)	(1,197)
- Transfer of ESOS reserve	-	-	-	(92)	-	92	-
At 31 December 2012	40,000	(487)	1,531	-	(2,261)	20,482	59,265
<b>12 months period ended 31 December 2013</b>							
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	-	-	-	-	-	5,248	5,248
<u>Other Comprehensive Expenses</u>							
Currency translation difference from Continuing Operation	-	-	-	-	86	-	86
Currency translation difference from Discontinued Operation	-	-	-	-	439	-	439
Total Comprehensive income	-	-	-	-	525	5,248	5,773
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	-	(1,573)	(1,573)
At 31 December 2013	40,000	(508)	1,531	-	(1,736)	24,157	63,444

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 Forth Quarter Ended 31 December 2013

	Current Year To date 31 Dec 2013 RM'000 (unaudited)	Preceding Year Corresponding To date 31 Dec 2012 RM'000 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation from continuing operation	8,318	8,305
(Loss)/Profit before taxation from discontinued operation	(673)	154
	<u>7,645</u>	<u>8,459</u>
Adjustments for:		
Write back allowance for doubtful debts	(33)	(101)
Allowance for doubtful debts	300	107
Write back for inventories written down	(108)	(455)
Inventories written down	276	185
Bad Debts/Deposits written off	18	49
Reversal in provision for unrealised profits	472	(16)
Amortisation of development expenditure	-	250
Depreciation of property, plant and equipment	1,449	1,827
Impairment losses on plant & machinery	-	459
Impairment losses on stocks	-	227
Write back for impairment losses on stocks	(48)	-
Impairment losses on investment	940	-
Gain on disposal of property, plant and equipment	(245)	(174)
Unrealised exchange gain	(534)	(269)
Amortisation of prepaid lease rental	(9)	23
Interest expense	418	228
Interest income	(330)	(176)
Share of profit in an associate	(323)	(223)
Operating profit before working capital changes	9,888	10,401
(Increase)/Decrease in Inventories	(1,878)	3,869
Decrease in Trade & other receivables	1,190	968
Increase/(Decrease) in Trade & other payables	3,295	(1,672)
(Increase)/Decrease in amount owing by an associate	(118)	1,105
Increase/(Decrease) in amount owing to related parties	139	(399)
Decrease in amount owing to a related company	100	(487)
Cash inflow from operations	12,617	13,785
Interest paid	(418)	(228)
Net tax paid	(2,475)	(2,308)
Net cash inflow from operating activities	<u>9,724</u>	<u>11,249</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Advance to an associate	(1,433)	(1,041)
Interest received	331	176
Purchase of property, plant and equipment and prepaid lease	(13,939)	(780)
Proceeds from disposal of plant and equipment	508	203
Purchase of investment property	(2,318)	-
Proceeds from disposal of unit trust investment	501	-
Treasury shares buy-back	(21)	(437)
Increase in cash & cash equivalents pledged with licenced banks	(2,212)	-
Net cash outflow for investing activities	<u>(18,584)</u>	<u>(1,879)</u>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Dividends paid	(1,573)	(1,197)
Net repayment of bills payables	256	(2,319)
Term loan financing	8,800	-
Repayment of TL instalments	(273)	-
Hire Purchase Financing	-	100
Repayment of HP instalments	125	(92)
Repayment to directors	(105)	(73)
Net cash outflow from/(for) financing activities	<u>7,230</u>	<u>(3,581)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,630)	5,789
<b>EFFECTS OF CHANGES IN FOREIGN EXCHANGE</b>	525	(263)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER</b>	7,049	8,017
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	<u>5,944</u>	<u>13,543</u>

**Note:**

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DEC 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, 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 (2011) : Employee Benefits

MFRS 127 (2011): Separate Financial Statements

MFRS 128 (2011): 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.

<b>MFRSs, Amendment to MFRSs and IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 9 (2009) : Financial Instruments	1 January 2015
MFRS 9 (2010) : 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 (2011): 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 PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)**

**A6. Changes in Estimates**

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

**A7. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the financial quarter under review, save for the purchases of the Company’s own shares as disclosed below:-

	<b>No of shares purchased</b>	<b>Total consideration paid (RM)</b>
At 1 January 2013	1,350,900	487,496.53
Share Buyback for the financial period	51,300	20,715.28
At 31 December 2013	<u>1,402,200</u>	<u>508,211.81</u>

The purchases were financed by internally generated funds. 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 31 December 2013.

**A8. Dividends Paid**

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

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**PART A: EXPLANATORY NOTES PURSUANT 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 31.12.2013 (Unaudited)		Preceding Year Corresponding Quarter Ended 31.12.2012 (Unaudited)	
	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
<b>Continuing operations:</b>				
- Manufacturing, design & trading of electrical wiring accessories	12,567	254	13,741	1,819
- Trading & servicing of home appliances	2,272	(22)	2,099	(127)
	<u>14,839</u>	<u>232</u>	<u>15,840</u>	<u>1,692</u>
<b>Discontinuing operations:</b>				
- Manufacturing, design & trading of electrical wiring accessories	-	-	3,641	71
	<u>-</u>	<u>-</u>	<u>3,641</u>	<u>71</u>
	<u>14,839</u>	<u>232</u>	<u>19,481</u>	<u>1,763</u>
	Cumulative Current Year to Date Ended 31.12.2013 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 31.12.2012 (Unaudited)	
	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
<b>Continuing operations:</b>				
- Manufacturing, design & trading of electrical wiring accessories	54,133	8,488	53,261	8,304
- Trading & servicing of home appliances	7,854	(170)	8,710	1
	<u>61,987</u>	<u>8,318</u>	<u>61,971</u>	<u>8,305</u>
<b>Discontinuing operations:</b>				
- Manufacturing, design & trading of electrical wiring accessories	10,681	(673)	18,828	154
	<u>10,681</u>	<u>(673)</u>	<u>18,828</u>	<u>154</u>
	<u>72,668</u>	<u>7,645</u>	<u>80,798</u>	<u>8,459</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 31.12.2013		Preceding Year Corresponding Quarter Ended 31.12.2012	
	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
Continuing operations:				
- Malaysia	14,834	483	15,840	1,639
- Vietnam	5	(251)	-	53
	<u>14,839</u>	<u>232</u>	<u>15,840</u>	<u>1,692</u>
Discontinuing operations:				
- Hong Kong	-	-	3,641	71
	<u>-</u>	<u>-</u>	<u>3,641</u>	<u>71</u>
	<u>14,839</u>	<u>232</u>	<u>19,481</u>	<u>1,763</u>
	Cumulative Current Year to Date Ended 31.12.2013		Cumulative Preceding Corresponding Year to Date Ended 31.12.2012	
	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
Continuing operations:				
- Malaysia	61,982	8,752	61,971	8,085
- Vietnam	5	(434)	-	220
	<u>61,987</u>	<u>8,318</u>	<u>61,971</u>	<u>8,305</u>
Discontinuing operations:				
- Hong Kong	10,681	(673)	18,827	154
	<u>10,681</u>	<u>(673)</u>	<u>18,827</u>	<u>154</u>
	<u>72,668</u>	<u>7,645</u>	<u>80,798</u>	<u>8,459</u>

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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 31 December 2013 other than the following :-

On 13 Feb 2014, United MS Electrical Mfg (M) Sdn Bhd ("UMSE" or "the Vendor"), had entered into a Sale and Purchase Agreement ("the SPA") with Acestahl Rubber Sdn Bhd (Company No. 909234-K) of No. 18/1, Jalan Anggerik Vanilla R31/R, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan ("ARSB" or "the Purchaser") for the disposal of all that piece of freehold land measuring approximately 42,182 square feet together with a one and a half (1 ½) storey warehouse bearing postal address known as Lot 659 (Sub Lot KS/E, Jalan Bukit Rawang Jaya, Batu 20, 48000 Rawang, Selangor forming part of the land held under master titles known as GM 4647 Lot 662 (formerly known as EMR 3485 Lot No. 662), GM 4651 Lot 657 (formerly known as EMR 2479 Lot No. 657), GM 4644 Lot 658 (formerly known as EMR 3487 Lot No. 658), GM 4649 Lot 659 (formerly known as EMR 2297 Lot No. 659), GRN 44737 Lot 3527 (formerly known as C.T. 20769 Lot 3527) and C.T. 20770 Lot No. 3528 all in Mukim of Rawang, Daerah Gombak, Negeri Selangor ("the Property") for a total cash consideration of RM5,580,000.00 ("Disposal Consideration") ("Proposed Disposal").

The proposed disposal will result in an estimated gain of RM2,210,000 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,

	<b>RM’000</b>
Corporate guarantee given to licenced banks for credit facilities granted to subsidiaries	36,453

**A14. Commitments**

The Group has not obtained any foreign exchange contract from a financial institution or capital commitment under quarter review.

**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:

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Transaction parties	Nature of transaction	Current Year Quarter 31.12.2013 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2012 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2013 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2012 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	103	179	464	832
MKK	Sales of power cordset	-	31	38	64
MKK	Office rental	-	15	-	60
MKK	Business Consultancy fee	-	24	-	95
Supeready Elec (Fenghua) Co Ltd ("SE")	Sales of power cordset	-	1	10	9
Group Talent Ltd ("GTL")	Purchases of fuse	-	-	83	-
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, drum reel, etc	-	-	871	665
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	682	570	2,627	1,629
UMSC	Sales of electrical accessories, home appliances, etc	-	-	43	126
UMSC	Sales of machinery, equipment	-	-	141	-
Cico Electrical Industries Sdn. Bhd. ("CICO")	Sales of machinery & equipment	-	-	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**

	<b>At 31.12.2013</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>At 31.12.2012</b> <b>RM'000</b> <b>(Unaudited)</b>
<u>Continuing Operations:-</u>		
Fixed deposits with licensed banks	8,201	6,494
 <u>Continuing Operations:-</u>		
Cash and bank balances	4,014	5,157
	4,014	5,157
<u>Discontinued Operation:-</u>		
Cash and bank balances	1,930	1,892
	5,944	7,049
	14,145	13,543

**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	0.4232
Chinese Renminbi	0.5422
United States Dollar	3.2815

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

**B1. Review of Performance**

	Individual Quarter		Year to date	
	31.12.2013 RM'000 (unaudited)	31.12.2012 RM'000 (unaudited)	31.12.2013 RM'000 (unaudited)	31.12.2012 RM'000 (unaudited)
Revenue:				
- Continuing operations	14,839	15,840	61,987	61,971
- Discontinuing operations	-	3,641	10,681	18,827
	<u>14,839</u>	<u>19,481</u>	<u>72,668</u>	<u>80,798</u>
Profit before taxation:				
- Continuing operations	232	1,692	8,318	8,305
- Discontinuing operations	-	71	(673)	154
	<u>232</u>	<u>1,763</u>	<u>7,645</u>	<u>8,459</u>

The Group achieved revenue of RM14.8 million for the quarter ended 31 December 2013 and RM72.7 million for the financial year to date. This represents a decrease of approximately 24% and 10% respectively as compared to the corresponding quarter in the preceding year and financial period to date. The decrease in revenue is mainly due to the lower revenue for the power cord set segment of the Hong Kong subsidiary which is classified under the Discontinued Operations and electrical wiring accessories segment by the Malaysian subsidiary.

The profit before taxation of the Group registered a decrease of approximately 87% and 10% respectively as compared to the corresponding quarter and financial year to date, mainly due to impairment loss for the Discontinued Operations of the Hong Kong subsidiary and start up operational cost for the Vietnam subsidiary.

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**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	
	31.12.2013 RM'000 (unaudited)	30.09.2013 RM'000 (unaudited)
Revenue:		
- Continuing operations	14,839	16,077
- Discontinuing operations	-	4,023
	<u>14,839</u>	<u>20,100</u>
Profit before taxation:		
- Continuing operations	232	2,465
- Discontinuing operations	-	(136)
	<u>232</u>	<u>2,329</u>

The Group achieved revenue of approximately RM14.8 million for the current quarter under review as compared to RM20.1 million in the previous quarter, registering a decrease of approximately 26%, mainly due to lower revenue in domestic sales demand of electrical wiring accessories segment and the power cord set segment of the Hong Kong subsidiary which is classified under the Discontinued Operations.

Profit before taxation of the Group for the current quarter under review decreased mainly due to impairment loss recognised for the Discontinued Operations of the Hong Kong subsidiary.

**B3. Current Year Prospects**

The financial performance of the Group for the year 2013 was satisfactory although it was affected by the weak performance and impairment loss recognised for the Discontinued Operations of the Hong Kong subsidiary.

The financial performance of the Group in 2014 will be affected by the exchange loss of approximately RM1 million that will be crystallised upon completion of the disposal of Hong Kong subsidiary in the first quarter of 2014. This loss will however be set off by the expected gain on the disposal of the property as mentioned in Note A11.

Other than the above, the Group expect the continuing operations to be positive especially strong US dollar will augur well for export.

**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 31.12.2013 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.12.2012 RM'000 (unaudited)	Cumulative Current Year to Date 31.12.2013 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2012 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	214	22	300	105
Amortisation of development expenditure	-	200	-	250
Amortisation of prepaid lease payments	-	3	(9)	23
Depreciation of property, plant and equipment	378	368	1,394	1,748
Bad debts/Deposits written off	-	-	18	49
Impairment losses on plant and equipment	-	170	-	459
Impairment losses on investment	940	-	940	-
Impairment losses on inventories	-	19	-	227
Interest expenses	126	77	418	228
Inventories written down	145	2	255	144
(Gain)/Loss on foreign exchange				
- unrealized	(79)	(79)	(554)	(322)
- realized	(83)	15	(169)	(48)
Gain on disposal of plant and equipment	(119)	(47)	(245)	(173)
Interest income	(84)	(76)	(329)	(176)
Writeback for inventory written down	(48)	(161)	(105)	(455)
Writeback of allowance for trade receivables	-	(3)	(33)	(101)
Writeback of impairment losses on inventories	(3)	-	(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 31.12.2013 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2012 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2013 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2012 RM'000 (Unaudited)
Current tax Expense:				
- Continuing operations	80	1	2,508	2,074
- Discontinuing operations	-	35	(111)	49
	<u>389</u>	<u>36</u>	<u>2,397</u>	<u>2,123</u>

Tax expense for the financial quarter ended 31 December 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 proposed disposal of the entire equity interest in the Hong Kong subsidiary has been completed on 21 February 2014.

**B8. Group borrowings**

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short-Term (Secured) RM'000
Hire Purchase Payables	133
Bill payables	3,151
Term loan – short term	439
Term loan – long term	8,087
Total	<u>11,810</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 2.5 sen per ordinary share in respect of the financial year ended 31 December 2013, to be paid on 31 March 2014. This single tier interim dividend was approved by the Board of Directors on 26 February 2014.

**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 31.12.2013 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2012 (Unaudited)	Cumulative Current Year to Date 31.12.2013 (Unaudited)	Preceding Corresponding Year to Date 31.12.2012 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):				
- Continuing operations	152	1,691	5,810	6,231
- Discontinuing operations	-	36	(562)	105
	<u>152</u>	<u>1,727</u>	<u>5,248</u>	<u>6,336</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,604</u>	<u>78,666</u>	<u>78,634</u>	<u>79,301</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)				
- Continuing operations	(0.19)	2.15	7.39	7.86
- Discontinuing operations	-	0.05	(0.71)	0.13
	<u>(0.19)</u>	<u>2.20</u>	<u>6.68</u>	<u>7.99</u>

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

**B12. Discontinued Operations**

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

	Individual Quarter		Year to date	
	31.12.2013 RM'000 (unaudited)	31.12.2012 RM'000 (unaudited)	31.12.2013 RM'000 (unaudited)	31.12.2012 RM'000 (unaudited)
Revenue	-	3,641	10,681	18,827
Cost of Goods Sold	-	(2,998)	(9,654)	(16,065)
Other Income	-	644	1,027	2,762
	-	17	166	83
	-	661	1,193	2,845
Selling and Distribution Expenses	-	(203)	(539)	(782)
Administration Expenses	-	(355)	(1,116)	(1,622)
Other Operating Expenses	-	(32)	(211)	(287)
(Loss)/profit Before Taxation	-	71	(673)	154
Income Tax Expenses	-	(35)	111	(49)
(Loss)/Profit After Taxation	-	36	(562)	105

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

	Individual Quarter		Year to date	
	31.12.2013 RM'000 (unaudited)	31.12.2012 RM'000 (unaudited)	31.12.2013 RM'000 (unaudited)	31.12.2012 RM'000 (unaudited)
(Loss)/profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	-	1	-	2
Depreciation of property, plant and equipment	-	21	55	79
Inventories written down	-	19	21	41
(Gain)/Loss on foreign exchange				
- unrealized	-	1	20	53
- realized	-	(35)	22	(33)
Interest income	-	-	(1)	(1)
Writeback for inventory written down	-	-	(3)	-

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

	Year to date 31.12.2013 RM'000 (unaudited)
Net cash for operating activities	(378)
Net cash for investing activities	(22)
Net cash for discontinued operation	(400)

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

**B13. Disposal Group Held For Sales**

As disclosed on 10 October 2013, the Company entered into a sale and purchase agreement to dispose of its entire equity interest in HPL. At 31 December 2013, the assets and liabilities of HPL group are classified as Assets and Liabilities Held for Sale, details of which are as follows:

	<b>At 31.12.2013</b> <b>RM'000</b> <b>(unaudited)</b>
<b><u>Assets classified as held for sale</u></b>	
Property, plant and equipment	113
Inventories	2,518
Trade receivables	3,093
Other receivables, deposits and prepayment	128
Amount owing by a related party	5
Tax Recoverable	144
Cash and bank balance	1,930
	<hr/> 7,931 <hr/>
<b><u>Liabilities classified as held for sale</u></b>	
Trade Payables	2,791
Other payables and accruals	333
Amount owing by a related party	210
	<hr/> 3,334 <hr/>

The cumulative expenses recognised in other comprehensive income relating to the disposal group is approximately RM1 million.

The disposal of HPL was completed on 21 February 2014.

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

**B14. Utilisation of Sales Proceeds**

Proceeds from the Proposed Disposal of HPL are expected to be utilised by UMS-Neiken Group in the following manner:

Details of utilisation of Proceeds from the Proposed Disposal	Estimated Amount of Proceeds Spent	Actual Spending At 31.12.13	Expected time frame for utilisation
	RM'000	RM'000	
Working capital of UMS-Neiken Group <sup>(1)</sup>	4,275	-	Within 12 months from the completion
Estimated expenses <sup>(2)</sup>	120	118	Within 3 months from the completion
Total gross proceeds	4,395	118	

Notes:

- <sup>(1)</sup> UMS-Neiken Group intends to utilise part of the proceeds from the Proposed Disposal to meet the Group's working capital requirements proportionately, as follows:
- (i) purchase of inventories (50%);
  - (ii) loan disbursements of UMS-Neiken Group's credit financing division (30%); and
  - (iii) payment of trade and other payables (including operating expenses)(20%).
- <sup>(2)</sup> Estimated expenses comprising professional fees for the Proposed Disposal.

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

**B15. Disclosure of realised and unrealised profits**

The breakdown of the retained profits of the group as at 31 December 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:-

	<b>As at financial period ended 31.12.2013 RM'000 (unaudited)</b>	<b>As at financial year ended 31.12.2012 RM'000 (audited)</b>
Total retained earnings of the Group		
- Realised	40,591	39,477
- Unrealised	(393)	(550)
	40,198	38,927
Total retained earnings of an Associate		
- Realised	1,067	656
- Unrealised	(9)	(9)
	41,256	39,574
Less: Consolidation adjustments	(17,099)	(19,092)
Total retained earnings as per condensed consolidated statement of changes in equity	24,157	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.

**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 forth quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 26 February 2014.