

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The First Quarter Ended 31 March 2014

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 31 Mar 2014 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2013 RM'000 (unaudited)	Current Year To date 31 Mar 2014 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Mar 2013 RM'000 (unaudited)
Revenue		13,570	15,458	13,570	15,458
Cost of sales		(9,979)	(11,474)	(9,979)	(11,474)
Gross profit		3,591	3,984	3,591	3,984
Other income		222	332	222	332
		3,813	4,316	3,813	4,316
Selling and distribution expenses		(306)	(363)	(306)	(363)
Administrative expenses		(1,275)	(1,132)	(1,275)	(1,132)
Other operating expenses		(1,338)	(195)	(1,338)	(195)
Finance costs		(122)	(27)	(122)	(27)
Share of (loss)/profit for an associate		169	(53)	169	(53)
Profit before taxation		941	2,546	941	2,546
Income tax expense	B6	(628)	(713)	(628)	(713)
Profit from Continuing Operation, net of tax		313	1,833	313	1,833
<u>Discontinued Operation</u>					
Loss from Discontinued Operation, net of tax	B12	-	(249)	-	(249)
Profit after taxation		313	1,584	313	1,584
Other Comprehensive (Expenses)/Income					
Currency translation difference		(4)	8	(4)	8
Currency translation difference from Discontinued Operation		-	109	-	109
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries.		912	-	912	-
Total Comprehensive ((Expenses)/Income)		1,221	1,701	1,221	1,701
(LOSS)/PROFIT AFTER TAXATION					
ATTRIBUTABLE TO					
Owners of The Company		313	1,584	313	1,584
TOTAL COMPREHENSIVE (EXPENSES)/INCOME					
ATTRIBUTABLE TO					
Owners of The Company		1,221	1,701	1,221	1,701
Earnings per share (sen):					
Basic	B11	0.40	2.01	0.40	2.01
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 2014. The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	As at end of current year quarter ended 31 Mar 2014 RM'000 (Unaudited)	Audited 31 Dec 2013 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	2,530	2,360
Property, plant and equipment	23,906	23,850
Investment property	2,308	2,318
Prepaid lease rental	340	345
Deferred Tax Assets	176	176
Other Investment	3	3
	<u>29,263</u>	<u>29,052</u>
CURRENT ASSETS		
Inventories	17,458	15,377
Trade receivables	17,206	18,448
Other receivables, prepayments and deposits	2,527	1,538
Amount owing by associates	2,924	2,916
Tax recoverable	86	80
Fixed deposits with licensed banks	8,064	8,201
Cash and bank balances	4,638	4,014
	<u>52,903</u>	<u>50,574</u>
Non-current assets classified as held for sale	-	8,870
	<u>52,903</u>	<u>59,444</u>
TOTAL ASSETS	<u>82,166</u>	<u>88,496</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Treasury shares	(508)	(508)
Share premium	1,531	1,531
Exchange fluctuation reserve	(828)	(1,736)
Retained profits	22,608	24,260
TOTAL EQUITY	<u>62,803</u>	<u>63,547</u>
NON-CURRENT AND DEFERRED LIABILITY		
Term loans	B8 7,974	8,087
Deferred taxation	1,102	1,102
	<u>9,076</u>	<u>9,189</u>
CURRENT LIABILITIES		
Trade payables	2,785	2,442
Other payables and accruals	2,453	5,210
Amount owing to directors	26	273
Amount owing to a related company	312	165
Short-term borrowings	B8 3,862	3,723
Bank overdrafts	B8 394	-
Provision for taxation	455	613
	<u>10,287</u>	<u>12,426</u>
Liabilities associated directly with assets held for sale	-	3,334
	<u>10,287</u>	<u>15,760</u>
TOTAL LIABILITIES	<u>19,363</u>	<u>24,949</u>
TOTAL EQUITY AND LIABILITIES	<u>82,166</u>	<u>88,496</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.80</u>	<u>0.81</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 2013 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 2014

	← 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	
<u>3 months period ended 31 March 2013</u>							
At 1 January 2013	40,000	(487)	1,531	-	(2,261)	20,482	59,265
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	-	1,584	1,584
<u>Other Comprehensive Income</u>							
Currency translation difference from Continuing Operation	-	-	-	-	8	-	8
Currency translation difference from Discontinued Operation	-	-	-	-	109	-	109
Total Comprehensive income	-	-	-	-	117	1,584	1,701
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	-	(1,573)	(1,573)
- Transfer of ESOS reserve	-	-	-	-	-	-	-
At 31 March 2013	40,000	(487)	1,531	-	(2,144)	20,493	59,393
<u>3 months period ended 31 March 2014</u>							
At 1 January 2014	40,000	(508)	1,531	-	(1,736)	24,260	63,547
<u>Comprehensive Income</u>							
Profit for the financial period	-	-	-	-	-	313	313
<u>Other Comprehensive Expenses</u>							
Currency translation difference from Continuing Operation	-	-	-	-	(4)	-	(4)
Foreign currency translation reserve reclassification adjustment to profit or loss on disposal of investment in subsidiaries.	-	-	-	-	912	-	912
Total Comprehensive income	-	-	-	-	908	313	1,221
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	-	(1,965)	(1,965)
At 31 March 2014	40,000	(508)	1,531	-	(828)	22,608	62,803

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 2013 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 2014

	Note	Current Year Quarter 31 Mar 2014 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2013 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operation		941	2,546
(Loss)/Profit before taxation from discontinued operation	B12	-	(298)
		<u>941</u>	<u>2,248</u>
Adjustments for:			
Write back allowance for doubtful debts		(24)	(2)
Allowance for doubtful debts		25	39
Write back for inventories written down		(24)	(24)
Inventories written down		32	20
Reversal in provision for unrealised profits		149	(172)
Depreciation of property, plant and equipment		370	330
Write back for impairment losses on stocks		-	(48)
Loss on disposal of a subsidiary		1,119	-
Gain on disposal of property, plant and equipment		-	(41)
Unrealised exchange gain		(28)	(42)
Amortisation of prepaid lease rental		5	1
Interest expense		122	27
Interest income		(107)	(82)
Share of profit in an associate		(170)	53
Operating profit before working capital changes		<u>2,408</u>	<u>2,307</u>
(Increase)/Decrease in Inventories		(2,237)	675
Decrease/(Increase) in Trade & other receivables		280	(1,421)
Decrease in Trade & other payables		(2,414)	(775)
Decrease in amount owing by an associate		13	52
Increase in amount owing to related parties		312	403
(Decrease)/Increase in amount owing to a related company		(165)	72
Cash (outflow)/inflow from operations		<u>(1,803)</u>	<u>1,313</u>
Interest paid		(122)	(27)
Net tax paid		(792)	(963)
Net cash (outflow)/inflow from operating activities		<u>(2,716)</u>	<u>323</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Advance to an associate		(21)	(818)
Interest received		107	82
Purchase of property, plant and equipment and prepaid lease		(416)	(290)
Proceeds from disposal of plant and equipment		-	116
Proceeds from disposal of unit trust investment		-	(506)
Proceeds from disposal of a subsidiary		4,504	-
Net cash outflow from investing activities		<u>4,174</u>	<u>(1,416)</u>
CASH FLOWS FOR FINANCING ACTIVITIES			
Dividends paid		(1,965)	(1,573)
Net advances/(repayment) of bills payables		174	(345)
Repayment of term loan		(108)	-
Repayment of hire purchase obligation		(40)	(8)
Repayment to directors		(247)	(352)
Net cash outflow for financing activities		<u>(2,186)</u>	<u>(2,278)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(728)	(3,370)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE		821	117
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER		12,215	13,038
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16	12,308	9,785

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 March 2014. 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 2013 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD
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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

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 2013. 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 2013.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2013 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 2013, 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

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recovery Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation Of Hedge Accounting

IC Interpretation 21 Levies

UMS-NEIKEN GROUP BERHAD
(Company No: 650473-V)
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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 (2009) : Financial Instruments	1 January 2015
MFRS 9 (2010) : Financial Instruments	1 January 2015
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	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 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

A3. Status of audit qualifications

The auditors’ report on the financial statements for the financial year ended 31 December 2013 was not subject to any qualification.

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(Company No: 650473-V)
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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONT’D)

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.

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 2014	1,402,200	508,211.81
Share Buyback for the financial period	-	-
At 31 March 2014	<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 March 2014.

A8. Dividends Paid

An interim single-tier dividend of 2.5 sen ordinary share amounting to approximately RM1,965,000 in respect of the financial year ended 31 December 2013 was paid on 31 March 2014.

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

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 31.03.2014		Preceding Year Corresponding Quarter Ended 31.03.2013	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM'000	Profit Before Taxation RM'000	Revenue RM'000	Profit Before Taxation RM'000
Continuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	12,003	1,033	13,657	2,549
- Trading & servicing of home appliances	1,567	(92)	1,813	(3)
	<u>13,570</u>	<u>941</u>	<u>15,470</u>	<u>2,546</u>
Discontinuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	-	-	3,016	(298)
	<u>-</u>	<u>-</u>	<u>3,016</u>	<u>(298)</u>
	<u>13,570</u>	<u>941</u>	<u>18,486</u>	<u>2,248</u>
	Cumulative Current Year to Date Ended 31.03.2014		Cumulative Preceding Corresponding Year to Date Ended 31.03.2013	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM'000	Profit Before Taxation RM'000	Revenue RM'000	Profit Before Taxation RM'000
Continuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	12,003	1,033	13,657	2,549
- Trading & servicing of home appliances	1,567	(92)	1,813	(3)
	<u>13,570</u>	<u>941</u>	<u>15,470</u>	<u>2,546</u>
Discontinuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	-	-	3,016	(298)
	<u>-</u>	<u>-</u>	<u>3,016</u>	<u>(298)</u>
	<u>13,570</u>	<u>941</u>	<u>18,486</u>	<u>2,248</u>

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 (Company No: 650473-V)
 (Incorporated in Malaysia)

**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 31.03.2014		Preceding Year Corresponding Quarter Ended 31.03.2013	
	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
Continuing operations:				
- Malaysia	13,558	1,048	15,470	2,549
- Vietnam	12	(107)	-	(3)
	<u>13,570</u>	<u>941</u>	<u>15,470</u>	<u>2,546</u>
Discontinuing operations:				
- Hong Kong	-	-	3,016	(298)
	<u>-</u>	<u>-</u>	<u>3,016</u>	<u>(298)</u>
	<u>13,570</u>	<u>941</u>	<u>18,486</u>	<u>2,248</u>
			Cumulative Preceding Corresponding Year to Date Ended 31.03.2013	
	Cumulative Current Year to Date Ended 31.03.2014		(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000
	(Unaudited) Revenue RM’000	(Unaudited) Profit Before Taxation RM’000		
Continuing operations:				
- Malaysia	13,558	1,048	15,470	2,549
- Vietnam	12	(107)	-	(3)
	<u>13,570</u>	<u>941</u>	<u>15,470</u>	<u>2,546</u>
Discontinuing operations:				
- Hong Kong	-	-	3,016	(298)
	<u>-</u>	<u>-</u>	<u>3,016</u>	<u>(298)</u>
	<u>13,570</u>	<u>941</u>	<u>18,486</u>	<u>2,248</u>

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(Company No: 650473-V)
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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 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, other than the followings.

The disposal of High Project Limited (“HPL”) was completed on 21 February 2014. Upon completion, HPL ceased to be a subsidiary of the Group.

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	36,434

A14. Commitments

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

UMS-NEIKEN GROUP BERHAD
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(Incorporated in Malaysia)

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 31.03.2014 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2013 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2014 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2013 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	59	292	59	292
MKK	Sales of power cordset	-	7	-	7
MKK	Office rental	-	15	-	15
MKK	Business Consultancy fee	-	23	-	23
Supeready Elec (Fenghua) Co Ltd ("SE")	Sales of power cordset	-	4	-	4
Group Talent Ltd ("GTL")	Purchases of fuse	-	-	-	-
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, drum reel, etc	246	79	246	79
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	660	955	660	955
UMSC	Sales of electrical accessories, home appliances, etc	-	1	-	1
UMSC	Sales of machinery, equipment	-	-	-	-
Cico Electrical Industries Sdn. Bhd. ("CICO")	Sales of machinery & equipment	-	75	-	75

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

A16. Cash and cash equivalents

	At 31.03.2014 RM'000 (Unaudited)	At 31.03.2013 RM'000 (Unaudited)
<u>Continuing Operations:-</u>		
Fixed deposits with licensed banks	8,064	3,891
 <u>Continuing Operations:-</u>		
Cash and bank balances	4,638	4,757
Bank overdraft	(394)	(682)
	<hr/> 4,244	<hr/> 4,075
<u>Discontinued Operation:-</u>		
Cash and bank balances	-	1,819
	<hr/> 4,244	<hr/> 5,894
	<hr/> 12,308	<hr/> 9,785

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 subsidiary, 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:-

United States Dollar	RM 3.2655
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

	Individual Quarter		Year to date	
	31.03.2014 RM'000 (unaudited)	31.03.2013 RM'000 (unaudited)	31.03.2014 RM'000 (unaudited)	31.03.2013 RM'000 (unaudited)
Revenue:				
- Continuing operations	13,570	15,470	13,570	15,470
- Discontinuing operations	-	3,016	-	3,016
	<u>13,570</u>	<u>18,486</u>	<u>13,570</u>	<u>18,486</u>
Profit before taxation:				
- Continuing operations	941	2,546	941	2,546
- Discontinuing operations	-	(298)	-	(298)
	<u>941</u>	<u>2,248</u>	<u>941</u>	<u>2,248</u>

The Group achieved revenue of RM13.6 million for the quarter ended 31 March 2014 and for the financial year to date. This represents a decrease of approximately 27% as compared to the corresponding quarter in the preceding year and financial period to date. The decrease in revenue is mainly due to the completion of the disposal of HPL.

The profit before taxation of the Group registered a decrease of approximately 58% as compared to the corresponding quarter and financial year to date, mainly due to the loss on disposal of HPL of RM1.1 million. This relates to the crystallization of foreign exchange loss in relation to the investment in HPL.

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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	
	31.03.2014	31.12.2013
	RM'000	RM'000
	(unaudited)	(unaudited)
Revenue	13,570	14,839
Profit before taxation:	941	232

The Group achieved revenue of approximately RM13.6 million for the current quarter under review as compared to RM14.8 million in the previous quarter, registering a decrease of approximately 9%, mainly due to lower revenue in domestic sales demand of electrical wiring accessories segment.

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

B3. Current Year Prospects

The Group expects the results for the year to be challenging. In 2013, the Group had re-commenced its manufacturing activities in Vietnam as part of its strategies to broaden its manufacturing facilities to a lower cost country. The recent riot turmoil in Vietnam is being closely watched by the Group. The Group was not directly affected by the riot but as a precautionary measure, the Group has temporarily suspended its operations for a few days before restarting when the situation stabilises.

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.

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

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

B5. Profit for The Period

	Current Year Quarter 31.03.2014 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.03.2013 RM'000 (unaudited)	Cumulative Current Year to Date 31.03.2014 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2013 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
- Allowance for trade receivables	25	39	300	39
- Amortisation of prepaid lease payments	5	1	(9)	1
- Depreciation of property, plant and equipment	370	312	1,394	312
- Interest expenses	122	27	418	27
- Inventories written down	32	12	255	12
- Loss on disposal of investment in HPL	1,119	-	-	-
(Gain)/Loss on foreign exchange				
- unrealized	(28)	(93)	(554)	(93)
- realized	(40)	28	(169)	28
- Gain on disposal of plant and equipment	-	(41)	(245)	(41)
- Interest income	(107)	(82)	(329)	(82)
- Writeback for inventory written down	(24)	(21)	(105)	(21)
- Writeback of allowance for trade receivables	(24)	(2)	(33)	(2)
- Writeback of impairment losses on inventories	-	(48)	(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.

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

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

B6. Income Tax Expense

	Current Year Quarter 31.03.2014 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2013 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2014 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2013 RM'000 (Unaudited)
Current tax Expense:				
- Continuing operations	628	713	628	713
- Discontinuing operations	-	(49)	-	(49)
	<u>628</u>	<u>664</u>	<u>628</u>	<u>664</u>

Tax expense for the financial quarter ended 31 March 2014 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 loss on disposal of Hong Kong subsidiary and losses incurred by some subsidiaries.

B7. Status of Corporate Proposals

A subsidiary, United MS Electrical Mfg (M) Sdn Bhd ("UMSE" or "the Vendor"), had on 13 February 2014 entered into a Sale and Purchase Agreement ("the SPA") with Acestahl Rubber Sdn Bhd (Company No. 909234-K) ("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, for a total cash consideration of RM5,580,000.00. This is pending completion.

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

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

B8. Group borrowings

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

	Short-Term (Secured) RM'000
Overdraft	394
Hire Purchase Payables	93
Bill payables	3,325
Term loan – short term	444
Term loan – long term	7,974
Total	<u>12,230</u>

There are no foreign currency borrowings at the end of the reporting quarter.

B9. Material litigation

On 16 May 2014, its wholly-owned subsidiary company, United MS Electrical Mfg. (M) Sdn Bhd (Company No. 65814-V) ("the Defendant") had been served with a copy of Writ Summons and Statement of Claim both dated 28 April 2014 by Yutaka Sangyo Industries (M) Sdn Bhd (Company No. 240897-K) ("the Plaintiff") claiming for the sum of RM214,134.20 in relation to the defective goods supplied by the Plaintiff to the Defendant in their course of business during the period from March 2013 up to February 2014. In this regard, the Defendant intends to dispute the claim and will appoint its solicitors to advise and defend against the said legal suit. The Company shall make the necessary announcements to update on the development of the said legal suit in due course.

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

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

B10. Dividends

The Board does not recommend any interim dividend in respect of the financial year ending 31 March 2014 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 31.03.2014 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2013 (Unaudited)	Cumulative Current Year to Date 31.03.2014 (Unaudited)	Preceding Corresponding Year to Date 31.03.2013 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):				
- Continuing operations	313	1,833	313	1,833
- Discontinuing operations	-	(249)	-	(249)
	<u>313</u>	<u>1,584</u>	<u>313</u>	<u>1,584</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,598</u>	<u>78,652</u>	<u>78,598</u>	<u>78,652</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)				
- Continuing operations	0.40	2.33	0.40	2.33
- Discontinuing operations	-	(0.32)	-	(0.32)
	<u>0.40</u>	<u>2.01</u>	<u>0.40</u>	<u>2.01</u>

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. Discontinued Operations

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

	Individual Quarter		Year to date	
	31.03.2014 RM'000 (unaudited)	31.03.2013 RM'000 (unaudited)	31.03.2014 RM'000 (unaudited)	31.03.2013 RM'000 (unaudited)
Revenue	-	3,028	-	3,028
Cost of Goods Sold	-	(2,705)	-	(2,705)
Other Income	-	323	-	323
	-	24	-	24
Selling and Distribution Expenses	-	347	-	347
Administration Expenses	-	(164)	-	(164)
Other Operating Expenses	-	(370)	-	(370)
(Loss)/profit Before Taxation	-	(111)	-	(111)
Income Tax Expenses	-	(298)	-	(298)
(Loss)/Profit After Taxation	-	49	-	49
	-	(249)	-	(249)

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

	Individual Quarter		Year to date	
	31.03.2014 RM'000 (unaudited)	31.03.2013 RM'000 (unaudited)	31.03.2014 RM'000 (unaudited)	31.03.2013 RM'000 (unaudited)
(Loss)/profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	-	-	-	-
Depreciation of property, plant and equipment	-	18	-	18
Inventories written down	-	8	-	8
(Gain)/Loss on foreign exchange				
- unrealized	-	51	-	51
- realized	-	4	-	4
Interest income	-	-	-	-
Writeback for inventory written down	-	(3)	-	(3)

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

	Year to date 31.03.2014 RM'000 (unaudited)
Net cash for operating activities	-
Net cash for investing activities	-
Net cash for discontinued operation	-

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. Utilisation of Sales Proceeds

The proceeds from the disposal of HPL have been utilised in the following manner :-

Details of utilisation of Proceeds from the Disposal	Estimated Amount of Proceeds Spent	Actual Spending At 31.03.14	Expected time frame for utilisation
	RM'000	RM'000	
Working capital of UMS-Neiken Group			Completed
i) Purchase of inventories	2,138	2,145	
ii) Loan disbursements	1,282	1,237	
iii) Payment for trade and other payables	855	855	
Sub total	4,275	4,237	
Estimated expenses	120	119	Completed
Total gross proceeds	4,395	4,356	

The actual receipt of proceed consideration approximated to RM4.504 million and its variances is foreign exchange difference.

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

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

B14. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the group as at 31 March 2014, 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 31.03.2014 RM'000 (unaudited)	As at financial year ended 31.12.2013 RM'000 (audited)
Total retained earnings of the Group		
- Realised	38,118	40,592
- Unrealised	(705)	(393)
	37,412	40,199
Total retained earnings of an Associate		
- Realised	1,193	1,169
- Unrealised	(10)	(9)
	38,595	41,359
Less: Consolidation adjustments	(15,988)	(17,099)
Total retained earnings as per condensed consolidated statement of changes in equity	22,607	24,260

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.

B15. 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.

B16. 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 27 May 2014.