

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Second Quarter Ended 30 June 2014

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year Quarter 30 Jun 2014 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2013 RM'000 (unaudited)	Current Year To date 30 Jun 2014 RM'000 (unaudited)	Preceding Year Corresponding Period 30 Jun 2013 RM'000 (unaudited)
Revenue		15,764	15,673	29,334	31,131
Cost of sales		(11,223)	(11,282)	(21,202)	(22,756)
Gross profit		4,541	4,391	8,132	8,375
Other income		296	411	518	743
		4,837	4,802	8,650	9,118
Selling and distribution expenses		(337)	(341)	(643)	(704)
Administrative expenses		(1,479)	(1,323)	(2,754)	(2,455)
Other operating expenses		(249)	(154)	(1,587)	(349)
Finance costs		(127)	(109)	(249)	(136)
Share of profit for an associate		148	200	317	147
Profit before taxation		2,793	3,075	3,734	5,621
Income tax expense	B6	(626)	(931)	(1,254)	(1,644)
Profit from Continuing Operation, net of tax		2,167	2,144	2,480	3,977
<u>Discontinued Operation</u>					
Loss from Discontinued Operation, net of tax	B12	-	(200)	-	(449)
Profit after taxation		2,167	1,944	2,480	3,528
Other Comprehensive (Expenses)/Income					
Currency translation difference		(30)	29	(34)	37
Currency translation difference from Discontinued Operation		-	188	912	297
Total Comprehensive Income		2,137	2,161	3,358	3,862
PROFIT AFTER TAXATION ATTRIBUTABLE TO Owners of The Company		2,167	1,944	2,480	3,528
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO Owners of The Company		2,137	2,161	3,358	3,862
Earnings per share (sen):					
Basic	B11	2.76	2.47	3.16	4.49
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 June 2014. 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 30 June 2014

	As at end of current year quarter ended 30 Jun 2014 RM'000 (Unaudited)	Audited 31 Dec 2013 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	2,678	2,360
Property, plant and equipment	23,681	23,850
Investment property	2,297	2,318
Prepaid lease rental	329	345
Deferred Tax Assets	176	176
Other Investment	-	3
	<u>29,161</u>	<u>29,052</u>
CURRENT ASSETS		
Inventories	17,719	15,377
Trade receivables	18,420	18,448
Other receivables, prepayments and deposits	2,054	1,538
Amount owing by associates	2,653	2,916
Amount owing by related parties	34	-
Tax recoverable	56	80
Fixed deposits with licensed banks	8,966	8,201
Cash and bank balances	4,752	4,014
	<u>54,654</u>	<u>50,574</u>
Non-current assets classified as held for sale	-	8,870
	<u>54,654</u>	<u>59,444</u>
TOTAL ASSETS	<u>83,815</u>	<u>88,496</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Treasury shares	(509)	(508)
Share premium	1,531	1,531
Exchange fluctuation reserve	(858)	(1,736)
Retained profits	24,775	24,260
TOTAL EQUITY	<u>64,939</u>	<u>63,547</u>
NON-CURRENT AND DEFERRED LIABILITY		
Term loans	B8 7,860	8,087
Deferred taxation	1,102	1,102
	<u>8,962</u>	<u>9,189</u>
CURRENT LIABILITIES		
Trade payables	2,646	2,442
Other payables and accruals	2,104	5,210
Amount owing to directors	32	273
Amount owing to a related company	315	165
Short-term borrowings	B8 4,263	3,723
Bank overdrafts	B8 67	-
Provision for taxation	487	613
	<u>9,914</u>	<u>12,426</u>
Liabilities associated directly with assets held for sale	-	3,334
	<u>9,914</u>	<u>15,760</u>
TOTAL LIABILITIES	<u>18,876</u>	<u>24,949</u>
TOTAL EQUITY AND LIABILITIES	<u>83,815</u>	<u>88,496</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.83</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 Second Quarter Ended 30 June 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>6 months period ended 30 June 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	-	-	-	-	-	3,528	3,528
<u>Other Comprehensive Income</u>							
Currency translation difference from Continuing Operation	-	-	-	-	37	-	37
Currency translation difference from Discontinued Operation	-	-	-	-	297	-	297
Total Comprehensive income	-	-	-	-	334	3,528	3,862
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	-	(1,573)	(1,573)
- Transfer of ESOS reserve	-	-	-	-	-	-	-
At 30 June 2013	40,000	(487)	1,531	-	(1,927)	22,437	61,554
<u>6 months period ended 30 June 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	-	-	-	-	-	2,480	2,480
<u>Other Comprehensive Expenses</u>							
Currency translation difference from Continuing Operation	-	-	-	-	(34)	-	(34)
Currency translation difference from Discontinued Operation	-	-	-	-	912	-	912
Total Comprehensive income	-	-	-	-	878	2,480	3,358
<u>Contribution by and distributions to owners of the Company</u>							
- Dividend paid	-	-	-	-	-	(1,965)	(1,965)
At 30 June 2014	40,000	(509)	1,531	-	(858)	24,775	64,939

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)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For The Second Quarter Ended 30 June 2014

	Current Year Quarter 30 Jun 2014 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30 Jun 2013 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operation	3,734	5,621
Loss before taxation from discontinued operation	-	(537)
	<u>3,734</u>	<u>5,084</u>
Adjustments for:		
Write back allowance for doubtful debts	(69)	(17)
Allowance for doubtful debts	25	39
Write back for inventories written down	(110)	(40)
Inventories written down	133	58
Reversal in provision for unrealised profits	(51)	(34)
Depreciation of property, plant and equipment	740	693
Write back for impairment losses on stocks	-	(48)
Loss on disposal of a subsidiary	1,119	-
Gain on disposal of property, plant and equipment	(0)	(102)
Unrealised exchange loss/(gain)	45	(291)
Amortisation of prepaid lease rental	16	(2)
Interest expense	249	135
Interest income	(205)	(154)
Share of profit in an associate	(318)	(147)
Operating profit before working capital changes	<u>5,307</u>	<u>5,174</u>
Increase in Inventories	(2,314)	(581)
(Increase)/Decrease in Trade & other receivables	(488)	1,271
Decrease in Trade & other payables	(2,902)	(1,090)
Decrease/(Increase) in amount owing by an associate	291	(114)
Increase in amount owing to related parties	281	214
Decrease in amount owing to a related company	(165)	(27)
Cash inflow from operations	<u>10</u>	<u>4,847</u>
Interest paid	(249)	(135)
Net tax paid	(1,355)	(1,210)
Net cash (outflow)/inflow from operating activities	<u>(1,594)</u>	<u>3,502</u>
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Advance to an associate	(28)	(846)
Interest received	205	154
Purchase of property, plant and equipment and prepaid lease	(550)	(12,035)
Proceeds from disposal of plant and equipment	-	294
Proceeds from disposal of unit trust investment	3	-
Purchase of unit trust investment	-	(514)
Proceeds from disposal of a subsidiary	4,504	-
Treasury shares buy-back	(1)	(1)
Net cash inflow/(outflow) from investing activities	<u>4,133</u>	<u>(12,948)</u>
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Dividends paid	(1,965)	(1,573)
Net advances of bills payables	610	1,736
Term loan financing	-	8,800
Repayment of term loan	(217)	(62)
Repayment of hire purchase obligation	(80)	(8)
Repayment to directors	(241)	(347)
Net cash (outflow)/inflow for financing activities	<u>(1,893)</u>	<u>8,546</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	646	(900)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	790	334
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	<u>12,215</u>	<u>13,038</u>
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	<u>13,651</u>	<u>12,472</u>

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 June 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
(Company No: 650473-V)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 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 and IC Interpretations (Including The Consequential Amendments)

MFRS 10: Consolidated Financial Statements

MFRS 11: Joint Arrangements

MFRS 12: Disclosure of Interests in Other Entities

MFRS 13: Fair Value Measurement

MFRS 119 (2011): Employee Benefits

MFRS 127 (2011): Separate Financial Statements

MFRS 128 (2011): Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS11 and MFRS 12: Transition Guidance

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

Annual Improvements to MFRs 2009 – 2011 cycle

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)**

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 and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) : Financial Instruments)
MFRS 9 (2010) : Financial Instruments) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)) announced) by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures))
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
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.

A4. Seasonal and Cyclical Factors

The Group’s business operations were not materially affected by any major seasonal or cyclical factors.

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

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

A5. Nature and Amount of Exceptional and Extraordinary Items

There were no items of unusual nature and/or amount affecting assets, liabilities, equity, net income or cash flow during the current quarter under review.

A6. Changes in Estimates

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

A7. Debt and Equity Securities

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

Date	No of shares purchased	Total consideration paid (RM)
29.04.2014	1,000	769.23
Share Buyback for the quarter ended	<u>1,000</u>	<u>769.23</u>
	No of shares purchased	Total consideration paid (RM)
At 1 January 2014	1,402,200	508,211.81
Share Buyback for the financial period	1,000	769.23
At 30 June 2014	<u>1,403,200</u>	<u>508,981.04</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 1,403,200 UMSNGB shares. None of the treasury shares held were resold or cancelled during the financial period ended 30 June 2014.

A8. Dividends Paid

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

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 30.06.2014 (Unaudited)		Preceding Year Corresponding Quarter Ended 30.06.2013 (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	13,914	2,755	13,630	3,038
- Trading & servicing of home appliances	1,850	18	2,043	37
	<u>15,764</u>	<u>2,793</u>	<u>15,673</u>	<u>3,075</u>
Discontinuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	-	-	3,570	(239)
	<u>-</u>	<u>-</u>	<u>3,570</u>	<u>(239)</u>
	<u>15,764</u>	<u>2,793</u>	<u>19,243</u>	<u>2,836</u>
	Cumulative Current Year to Date Ended 30.06.2014 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 30.06.2013 (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	25,938	3,807	27,312	5,587
- Trading & servicing of home appliances	3,396	(73)	3,819	34
	<u>29,334</u>	<u>3,734</u>	<u>31,131</u>	<u>5,621</u>
Discontinuing operations:				
- Manufacturing, design & trading of electrical wiring accessories	-	-	6,598	(537)
	<u>-</u>	<u>-</u>	<u>6,598</u>	<u>(537)</u>
	<u>29,334</u>	<u>3,734</u>	<u>37,729</u>	<u>5,084</u>

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

**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 30.06.2014		Preceding Year Corresponding Quarter Ended 30.06.2013	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit Before Taxation RM’000	Revenue RM’000	Profit Before Taxation RM’000
Continuing operations:				
- Malaysia	15,743	2,678	15,673	3,195
- Vietnam	21	115	-	(120)
	<u>15,764</u>	<u>2,793</u>	<u>15,673</u>	<u>3,075</u>
Discontinuing operations:				
- Hong Kong	-	-	3,570	(239)
	<u>-</u>	<u>-</u>	<u>3,570</u>	<u>(239)</u>
	<u>15,764</u>	<u>2,793</u>	<u>19,243</u>	<u>2,836</u>
	Cumulative Current Year to Date Ended 30.06.2014		Cumulative Preceding Corresponding Year to Date Ended 30.06.2013	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue RM’000	Profit Before Taxation RM’000	Revenue RM’000	Profit Before Taxation RM’000
Continuing operations:				
- Malaysia	29,301	1,048	31,131	5,744
- Vietnam	33	(78)	-	(123)
	<u>29,334</u>	<u>3,734</u>	<u>31,131</u>	<u>5,621</u>
Discontinuing operations:				
- Hong Kong	-	-	6,598	(537)
	<u>-</u>	<u>-</u>	<u>6,598</u>	<u>(537)</u>
	<u>29,334</u>	<u>3,734</u>	<u>37,729</u>	<u>5,084</u>

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

PART A: EXPLANATORY NOTES PERSUANT 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 June 2014 and up to date of this report.

A12. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A13. Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets as of the end of the financial period to date, save as disclosed below,

	RM'000
Corporate guarantee given to licenced banks for credit facilities granted to subsidiaries	36,390

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 :

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

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

A15. Significant Related Party Transactions (Cont’d)

Transaction parties	Nature of transaction	Current Year Quarter 30.06.2014 RM’000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2013 RM’000 (Unaudited)	Cumulative Current Year to Date 30.06.2014 RM’000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2013 RM’000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	69	59	361
MKK	Sales of power cordset	-	14	-	21
MKK	Office rental	-	(15)	-	-
MKK	Business Consultancy fee	-	(23)	-	-
Supeready Elec (Fenghua) Co Ltd ("SE")	Sales of power cordset	-	4	-	8
Group Talent Ltd ("GTL")	Purchases of fuse	-	52	-	52
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of power cordset, trailing socket, cables, drum reel, etc	16	567	262	646
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	1,308	376	1,968	1,331
UMSC	Sales of electrical accessories, home appliances, etc	-	42	-	43
UMSC	Sales of machinery, equipment	-	141	-	141
Neiken Switchgear (S) Pted Ltd ("NSS")	Sales of electrical wiring accessories	162	265	575	575
Cico Electrical Industries Sdn. Bhd. ("CICO")	Sales of machinery & equipment	-	-	-	75

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)

A16. Cash and cash equivalents

	At 30.06.2014	At 30.06.2013
	RM'000	RM'000
	(Unaudited)	(Unaudited)
<u>Continuing Operations:-</u>		
Fixed deposits with licensed banks	8,966	6,164
<u>Continuing Operations:-</u>		
Cash and bank balances	4,752	4,926
Bank overdraft	(67)	(390)
	<hr/>	<hr/>
	4,685	4,536
<u>Discontinued Operation:-</u>		
Cash and bank balances	-	1,772
	<hr/>	<hr/>
	4,685	6,308
	<hr/>	<hr/>
	13,651	12,472

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:-

	RM
United States Dollar	3.2110

UMS-NEIKEN GROUP BERHAD
(Company No: 650473-V)
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

	Individual Quarter		Year to date	
	30.06.2014 RM'000 (unaudited)	30.06.2013 RM'000 (unaudited)	30.06.2014 RM'000 (unaudited)	30.06.2013 RM'000 (unaudited)
Revenue:				
- Continuing operations	15,764	15,673	29,334	31,131
- Discontinuing operations	-	3,570	-	6,598
	<u>15,764</u>	<u>19,243</u>	<u>29,334</u>	<u>37,729</u>
Profit before taxation:				
- Continuing operations	2,793	3,075	3,734	5,621
- Discontinuing operations	-	(239)	-	(537)
	<u>2,793</u>	<u>2,836</u>	<u>3,734</u>	<u>5,084</u>

In regard to the continuing operations, the Group achieved revenue of RM15.8 million for the quarter ended 30 June 2014 which is a marginal increase compared to RM15.7 million for the corresponding quarter in the preceding year. The cumulative revenue for the financial year to-date meanwhile registered a slight decrease, to RM29.3 million from RM31.1 million in the preceding year. This represents a decrease of approximately 6%, mainly due to lower domestic sales demand.

There is no revenue for the discontinuing operations in the current quarter and year to date due to the completion of the disposal of HPL in the first quarter of 2014.

The profit before taxation of the Group for the continuing operations registered a decrease of approximately 9% for the quarter ended 30 June 2014, compared to the corresponding quarter in 2013, mainly due to the exchange loss suffered in the current year compared to exchange gain in 2013.

The profit before taxation of the Group for the continuing operations registered a decrease of approximately 34% for the cumulative year to date ended 30 June 2014, compared to the same corresponding cumulative period in 2013, mainly due to the exchange loss suffered in the current year compared to exchange gain in 2013, and the impairment loss of RM1.1 million suffered in the first quarter of 2014 upon completion of the disposal of discontinuing operations.

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	
	30.06.2014	31.03.2014
	RM'000	RM'000
	(unaudited)	(unaudited)
Revenue	15,764	13,570
Profit before taxation:	2,793	941

The Group achieved revenue of approximately RM15.8 million for the current quarter under review as compared to RM13.6 million in the previous quarter, registering an increase of approximately 16%, mainly due to the higher volume of sales achieved for the domestic electrical wiring accessories segment.

Profit before taxation of the Group for the current quarter under review also increased mainly due to higher profit margin as well as absence of impairment loss of RM1.1 million suffered in the preceding quarter upon completion of the disposal of the discontinuing operations.

B3. Current Year Prospects

The Board is cautiously optimistic that the results of the Group will be satisfactory for the current year.

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 30.06.2014 RM'000 (unaudited)	Preceding Year Corresponding Quarter 30.06.2013 RM'000 (unaudited)	Cumulative Current Year to Date 30.06.2014 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2013 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	-	-	25	39
Amortisation of prepaid lease payments	11	(3)	16	(2)
Depreciation of property, plant and equipment	370	363	740	693
Interest expenses	127	108	249	135
Inventories written down	101	38	133	58
Loss on disposal of investment in HPL	-	-	1,119	-
(Gain)/Loss on foreign exchange				
- unrealized	72	(249)	45	(291)
- realized	(59)	(51)	(99)	(19)
Gain on disposal of plant and equipment	-	(61)	-	(102)
Interest income	(98)	(72)	(205)	(154)
Writeback for inventory written down	(86)	(16)	(110)	(40)
Writeback of allowance for trade receivables	(45)	(15)	(69)	(17)
Writeback of impairment losses on inventories	-	-	-	(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 30.06.2014 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2013 RM'000 (Unaudited)	Cumulative Current Year to Date 30.06.2014 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 30.06.2013 RM'000 (Unaudited)
Current tax Expense:				
- Continuing operations	626	931	1,254	1,644
- Discontinuing operations	-	(39)	-	(88)
	<u>626</u>	<u>892</u>	<u>1,254</u>	<u>1,556</u>

The tax expense is derived based on management's best estimate of the tax rate for the year.

The Group's effective tax rate for the cumulative year to date is higher than the statutory rate, mainly due to the loss on disposal of the discontinuing operations which is not allowed for tax purposes.

B7. Status of Corporate Proposals

On 13 February 2014, the Group announced the proposed disposal of the freehold land measuring approximately 42,182 square feet together with a one and a half (1 ½) storey warehouse belonging to a subsidiary for a cash consideration of RM5.58 million. The proposed disposal is pending for 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:

	RM'000
Overdraft	67
Hire Purchase Payables	53
Bill payables	3,761
Term loan – short term	449
Term loan – long term	7,860
Total	<u>12,190</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 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 is disputing the claim as the goods supplied by the Plaintiff were defective. The case is now pending disposal at the court.

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 for the current 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 30.06.2014 (Unaudited)	Preceding Year Corresponding Quarter 30.06.2013 (Unaudited)	Cumulative Current Year to Date 30.06.2014 (Unaudited)	Preceding Corresponding Year to Date 30.06.2013 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):				
- Continuing operations	2,167	2,144	2,480	3,977
- Discontinuing operations	-	(200)	-	(449)
	<u>2,167</u>	<u>1,944</u>	<u>2,480</u>	<u>3,528</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,597</u>	<u>78,652</u>	<u>78,597</u>	<u>78,652</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)				
- Continuing operations	2.76	2.72	3.16	5.06
- Discontinuing operations	-	(0.25)	-	(0.57)
	<u>2.76</u>	<u>2.47</u>	<u>3.16</u>	<u>4.49</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	
	30.06.2014 RM'000 (unaudited)	30.06.2013 RM'000 (unaudited)	30.06.2014 RM'000 (unaudited)	30.06.2013 RM'000 (unaudited)
Revenue	-	3,570	-	6,598
Cost of Goods Sold	-	(3,367)	-	(6,072)
Other Income	-	203	-	526
	-	113	-	137
Selling and Distribution Expenses	-	316	-	663
Administration Expenses	-	(202)	-	(366)
Other Operating Expenses	-	(339)	-	(709)
Loss Before Taxation	-	(14)	-	(125)
	-	(239)	-	(537)
Income Tax Expenses	-	39	-	88
Loss After Taxation	-	(200)	-	(449)

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

	Individual Quarter		Year to date	
	30.06.2014 RM'000 (unaudited)	30.06.2013 RM'000 (unaudited)	30.06.2014 RM'000 (unaudited)	30.06.2013 RM'000 (unaudited)
Loss before taxation is arrived at after charging/(crediting):-				
Depreciation of property, plant and equipment	-	17	-	35
Inventories written down	-	8	-	8
(Gain)/Loss on foreign exchange				
- unrealized	-	(28)	-	23
- realized	-	4	-	4
Interest income	-	(1)	-	(1)
Writeback for inventory written down	-	(3)	-	(3)

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

	Year to date	Year to date
	30.06.2014 RM'000 (unaudited)	30.06.2013 RM'000 (unaudited)
Net cash for operating activities	-	(405)
Net cash for investing activities	-	(11)
Net cash for discontinued operation	-	(416)

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 June 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 30.06.2014 RM'000 (unaudited)	As at financial year ended 31.12.2013 RM'000 (audited)
Total retained earnings of the Group		
- Realised	40,060	40,592
- Unrealised	(858)	(393)
	39,202	40,199
Total retained earnings of an Associate		
- Realised	1,359	1,169
- Unrealised	(10)	(9)
	40,551	41,359
Less: Consolidation adjustments	(15,776)	(17,099)
Total retained earnings as per condensed consolidated statement of changes in equity	24,775	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 second quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 27 August 2014.