

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Forth Quarter Ended 31 December 2016

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 31 Dec 2016 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2015 RM'000 (unaudited)	Current Year To date 31 Dec 2016 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Dec 2015 RM'000 (unaudited)
Revenue		17,349	14,585	65,871	60,098
Cost of sales		(12,690)	(9,540)	(46,138)	(41,663)
Gross profit		4,659	5,045	19,733	18,435
Other income		1,248	124	3,531	3,963
		5,907	5,169	23,264	22,398
Selling and distribution expenses		(279)	(547)	(842)	(1,684)
Administrative expenses		(2,658)	(2,012)	(7,479)	(7,135)
Other operating expenses		(494)	(166)	(1,219)	(1,375)
Finance costs		(121)	(53)	(327)	(317)
Share of (loss)/profit for an associate		11	(94)	45	14
Profit before taxation		2,366	2,297	13,442	11,901
Income tax expense	B6	(785)	207	(3,530)	(2,414)
Profit after taxation		1,581	2,504	9,912	9,487
Other Comprehensive Income/(Expenses)					
Currency translation difference		377	(54)	335	222
Share of associate's currency translation difference		-	(55)	(9)	426
Total Comprehensive Income		1,958	2,395	10,238	10,135
PROFIT AFTER TAXATION ATTRIBUTABLE TO					
Owners of The Company		1,581	2,510	9,905	9,489
Non-controlling interest		-	(6)	7	(2)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of The Company		1,958	2,401	10,231	10,137
Non-controlling interest		-	(6)	7	(2)
Earnings per share (sen):					
Basic	B11	2.01	3.19	12.60	12.07
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 2016. The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	As at end of current year quarter ended 31 Dec 2016 RM'000 (Unaudited)	Audited 31 Dec 2015 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	-	3,250
Property, plant and equipment	30,147	23,075
Investment property	10,557	2,296
Prepaid lease rental	6	397
Deferred Tax Assets	106	101
Other Investment	564	553
	<u>41,380</u>	<u>29,672</u>
CURRENT ASSETS		
Inventories	19,550	17,793
Trade receivables	20,814	16,926
Other receivables, prepayments and deposits	1,737	2,858
Amount owing by an associate	-	3,392
Amount owing by related parties	7	11
Tax recoverable	335	361
Fixed deposits with licensed banks	17,136	15,587
Cash and bank balances	8,235	8,850
	<u>67,814</u>	<u>65,778</u>
TOTAL ASSETS	<u>109,194</u>	<u>95,450</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Treasury shares	(510)	(510)
Share premium	1,531	1,531
Exchange fluctuation reserve	293	(33)
Retained profits	46,471	38,924
SHAREHOLDERS' EQUITY	<u>87,785</u>	<u>79,912</u>
Non-controlling interest	56	49
TOTAL EQUITY	<u>87,841</u>	<u>79,961</u>
NON-CURRENT AND DEFERRED LIABILITY		
Term loans	B8 9,433	4,935
Deferred taxation	1,602	1,133
	<u>11,035</u>	<u>6,068</u>
CURRENT LIABILITIES		
Trade payables	4,119	3,762
Other payables and accruals	3,377	3,510
Amount owing to directors	350	351
Amount owing to a related company	717	542
Short-term borrowings	B8 1,155	592
Bank overdrafts	B8 -	-
Dividend payable	-	5
Provision for taxation	600	659
	<u>10,318</u>	<u>9,421</u>
TOTAL LIABILITIES	<u>21,353</u>	<u>15,489</u>
TOTAL EQUITY AND LIABILITIES	<u>109,194</u>	<u>95,450</u>
Net Assets per share based on number of shares in issue (RM)	<u>1.12</u>	<u>1.02</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 2015 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 CHANGES IN EQUITY

For The Fourth Quarter Ended 31 December 2016

	← Attributable to Equity Holders of the Company		←		←		Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Attributable To Owners of The Company RM'000	Non-Controlling Interest RM'000	
12 months period ended 31 December 2015							
At 1 January 2015	40,000	(510)	1,531	(681)	31,417	-	71,757
Treasury Shares	-	-	-	-	-	-	-
Comprehensive Income	-	-	-	-	9,489	(2)	9,487
Profit for the financial period	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	222	-	-	222
Currency translation difference	-	-	-	426	-	-	426
Share of associate's currency translation difference	-	-	-	648	9,489	(2)	10,135
Total Comprehensive income	-	-	-	-	-	-	-
Contribution by and distributions to owners of the Company							
- Change in ownership interest in a subsidiary that does not result in loss of control	-	-	-	-	(12)	51	39
- Dividend paid	-	-	-	-	(1,970)	-	(1,970)
At 31 December 2015	40,000	(510)	1,531	(33)	38,924	49	79,961
12 months period ended 31 December 2016							
At 1 January 2016	40,000	(510)	1,531	(33)	38,924	49	79,961
Comprehensive Income	-	-	-	-	9,905	7	9,912
Profit for the financial period	-	-	-	-	-	-	-
Other Comprehensive Expenses	-	-	-	335	-	-	335
Currency translation difference	-	-	-	(9)	-	-	(9)
Share of associate's currency translation difference	-	-	-	326	9,905	7	10,238
Total Comprehensive income	-	-	-	-	-	-	-
Contribution by and distributions to owners of the Company							
- Dividend paid	-	-	-	-	(2,358)	-	(2,358)
At 31 December 2016	40,000	(510)	1,531	293	46,471	56	87,841

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 2015 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 2016

	Current Year Quarter 31 Dec 2016 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2015 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,442	11,901
Adjustments for:		
Write back allowance for doubtful debts	(706)	(359)
Allowance for doubtful debts	83	309
Write back for inventories written down	(45)	(294)
Inventories written down	1,137	283
Bad Debts written off	620	221
Dividends received	(9)	-
Reversal in provision for unrealised profits	-	(115)
Depreciation of property, plant and equipment	1,955	1,711
Depreciation of an investment property	93	-
Write back for Impairment losses on other receivables	-	(13)
Gain on deemed disposal of an associate	(972)	-
Gain on disposal of property, plant and equipment	(156)	(116)
Bargain Purchase Gain	(571)	-
Unrealised foreign exchange gain	(372)	(2,037)
Amortisation of prepaid lease rental	2	(53)
Interest expense	327	317
Interest income	(617)	(590)
Share of profit in an associate	(45)	(441)
Operating profit before working capital changes	<u>14,166</u>	<u>10,724</u>
Decrease in Inventories	(1,444)	147
(Increase)/Decrease in Trade & other receivables	(243)	8,781
(Decrease)/Increase in Trade & other payables	(1,788)	1,497
Increase in amount owing by an associate	-	(146)
Increase in amount owing to related parties	721	532
Decrease in amount owing to a related company	(542)	(675)
Cash inflow from operations	<u>10,870</u>	<u>20,860</u>
Interest paid	(327)	(317)
Net tax paid	<u>(3,618)</u>	<u>(2,785)</u>
Net cash inflow from operating activities	<u>6,925</u>	<u>17,758</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Repayment from/(Advance to) an associate	-	(470)
Interest received	617	590
Purchase of property, plant and equipment and prepaid lease	(2,467)	(3,684)
Proceeds from disposal of plant and equipment	3,114	115
Purchase of quoted shares	-	(553)
Proceeds from disposal of unquoted shares	-	39
Net cash flow on acquisition of a subsidiary	(4,546)	-
Placement of fixed deposits pledged	(43)	(103)
Net cash outflow for investing activities	<u>(3,325)</u>	<u>(4,066)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(2,363)	(1,965)
Dividends received	9	-
Net repayment of bills payables	-	(765)
Repayment of term loan	(573)	(2,603)
Repayment of hire purchase obligation	(100)	(367)
Repayment by directors	(1)	30
Net cash outflow for financing activities	<u>(3,028)</u>	<u>(5,670)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	572	8,022
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	319	648
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	<u>23,243</u>	<u>14,573</u>
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	<u>24,134</u>	<u>23,243</u>

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Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 December 2016. 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 2015 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 2016

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 2015. 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 2015.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2015 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 2015, 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 14 Regulatory Deferral Accounts

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 101: Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

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

A2. Changes in Accounting Policies (cont’d)

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transaction	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendment to MFRS 15: Effective Date of MFRS15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’	1 January 2018
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycles: • Amendments to MFRS 12: Clarification of the Scope of Standard	1 January 2017

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

A2. Changes in Accounting Policies (cont’d)

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
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Annual Improvements to MFRS Standards 2014 – 2016 Cycles:

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

January 2018

- * Entities that meet the specific criteria in MFRS 4.20B may choose to defer the application of MFRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

A3. Status of audit qualifications

The auditors' report on the financial statements for the financial year ended 31 December 2015 was not subject to any qualification.

A4. Seasonal and Cyclical Factors

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

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

A5. Nature and Amount of Exceptional and Extraordinary Items

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

A6. Changes in Estimates

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

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the financial quarter under review. Details of the treasury shares held are set out below:-

	No of shares purchased	Total consideration paid (RM)
At 1 January 2016	1,404,200	509,805.28
Share Buyback for the financial period	-	-
At 31 December 2016	<u>1,404,200</u>	<u>509,805.28</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.

A8. Dividend Paid

There was no dividend paid during the 3 month period ended 31 December 2016.

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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 31.12.2016 (Unaudited)		Preceding Year Corresponding Quarter Ended 31.12.2015 (Unaudited)	
	Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000	Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000
- Manufacturing, design & trading of electrical wiring accessories	17,172	2,630	13,933	2,371
- Trading & servicing of home appliances	177	(264)	652	(74)
	<u>17,349</u>	<u>2,366</u>	<u>14,585</u>	<u>2,297</u>
	Cumulative Current Year to Date Ended 31.12.2016 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 31.12.2015 (Unaudited)	
	Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000	Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000
- Manufacturing, design & trading of electrical wiring accessories	64,178	14,000	56,207	12,095
- Trading & servicing of home appliances	1,693	(558)	3,891	(194)
	<u>65,871</u>	<u>13,442</u>	<u>60,098</u>	<u>11,901</u>

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

A9. Segment information (Cont’d)

Geographical Segment

In determining the geographical segments of the Group, segment revenue is based on the country of operations.

The Group’s financial information analysed by geographical segment is as follows:

	Current Year Quarter Ended 31.12.2016		Preceding Year Corresponding Quarter Ended 31.12.2015	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	15,178	2,294	14,589	1,944
- Singapore	2,079	(345)	-	-
- Vietnam	92	417	(4)	353
	<u>17,349</u>	<u>2,366</u>	<u>14,585</u>	<u>2,297</u>

	Cumulative Current Year to Date Ended 31.12.2016		Cumulative Preceding Corresponding Year to Date Ended 31.12.2015	
	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000	(Unaudited) Revenue RM’000	(Unaudited) Profit/(Loss) Before Taxation RM’000
- Malaysia	63,324	13,032	60,094	11,472
- Singapore	2,453	(411)	-	-
- Vietnam	94	821	4	429
	<u>65,871</u>	<u>13,442</u>	<u>60,098</u>	<u>11,901</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 2016.

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	37,537

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

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:

Transaction parties	Nature of transaction	Current Year Quarter 31.12.2016 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2015 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2016 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2015 RM'000 (Unaudited)
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	216	195	226
High Project Electric Wire & Cables Manufactory (Fenghua) Limited (“HPC”)	Purchase of power cordset, trailing socket, cables, drum reel, etc	-	-	440	-
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	844	600	2,169	1,958
UMSC	Sales of electrical accessories, home appliances, etc	116	1	198	19
UMSC	Rental of warehouse	6	6	24	18
Neiken Switchgear (S) Pted Ltd (“NSS”)	Sales of electrical wiring accessories	-*	176	504	1,024

* There is no transaction during current year quarter as NSS has become subsidiary since 15 September 2016 onwards.

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

A16. Cash and cash equivalents

	At 31.12.2016 RM'000 (Unaudited)	At 31.12.2015 RM'000 (Unaudited)
Fixed deposits with licensed banks	17,136	15,587
Cash and bank balances	8,235	8,850
	<hr/>	<hr/>
	25,371	24,437
Less: Fixed Deposits pledged with licenced banks	(1,237)	(1,194)
	<hr/>	<hr/>
	<u>24,134</u>	<u>23,243</u>

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, Neiken Switchgear (VN) Co. Ltd and Neiken Electric (S) Pte Ltd (formerly known as Neiken Switchgear (S) Pte Ltd) have 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	4.4860
Singapore Dollar	3.1006

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

B1. Review of Performance

	Individual Quarter		Year to date	
	31.12.2016 RM'000 (unaudited)	31.12.2015 RM'000 (unaudited)	31.12.2016 RM'000 (unaudited)	31.12.2015 RM'000 (unaudited)
Revenue	17,349	14,585	65,871	60,098
Profit before taxation	2,366	2,297	13,442	11,901

The Group achieved revenue of RM17.3 million for the quarter ended 31 December 2016. This represents an increase of approximately 19% as compared to the corresponding quarter in the preceding year. This higher revenue is mainly due to the inclusion of the revenue of the new Singapore subsidiary and improvement in export sales, despite of a drop in demand of home appliance segment. Profit before taxation of the Group registered a marginal increase for the current quarter compared to 2015, mainly due to favourable foreign exchange movement mitigated the inventories written down.

The Group achieved cumulative revenue of RM65.9 million for the financial period to date, representing an increase of approximately 10% as compared to the preceding financial year to date. This is mainly due to the improvement for electrical wiring accessories segment and inclusion of the revenue of the Singapore subsidiary in this quarter, which surpassed the drop in the demand of home appliance segment.

Profit before taxation of the Group for the financial year to date registered an increase of approximately 13% as compared to corresponding period in the preceding year. This is mainly due to the gains recorded on the deemed disposal of the associate and bargain purchase of the Singapore subsidiary of RM0.97million and RM0.57million, respectively.

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

	Individual Quarter	
	31.12.2016 RM'000 (unaudited)	30.09.2016 RM'000 (unaudited)
Revenue	17,349	15,562
Profit before taxation	2,366	4,408

The Group achieved revenue of approximately RM17.3 million for the current quarter under review as compared to RM15.6 million in the previous quarter, registering an increase of approximately 11%, mainly due to the inclusion of the revenue of the Singapore subsidiary since the completion of the acquisition on 15 September 2016.

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

B2. Comment on Material Changes in the Profit Before Taxation for the Quarter Reported on as Compared With Immediate Preceding Quarter (cont'd)

Profit before taxation of the Group for the current quarter under review decreased, compared to the immediate preceding quarter, mainly due to the gain on deemed disposal of an associate and bargain purchase gain being recognised in the immediate preceding quarter in relation to the acquisition of the Singapore subsidiary.

B3. Current Year Prospects

Despite the challenges faced in 2016, the Group was resilient and have performed reasonably well and delivered another set of good results. In 2016, the Group was besotted by shrinking demand for home appliance segment, and adversely affected by the weak performance of the new Singapore subsidiary. Notwithstanding this, the Group still managed to sustain an overall profit due to the satisfactory performance in the electrical accessories segment.

The Group foresees 2017 to remain challenging, due to the headwinds in the local and export markets. The Group will strive to turnaround the operations in the home appliance and Singapore subsidiary.

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 31.12.2016 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.12.2015 RM'000 (unaudited)	Cumulative Current Year to Date 31.12.2016 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2015 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	7	135	83	309
Amortisation of prepaid lease payments	2	14	2	(53)
Bad debts written off	620	(135)	620	221
Depreciation of property, plant and equipment	596	452	1,955	1,711
Depreciation of investment property	40	-	93	-
Interest expenses	120	52	327	317
Inventories written down	566	17	1,137	283
Gain on foreign exchange - unrealised	(271)	327	(372)	(2,037)
- realised	(786)	(152)	(819)	(649)
Gain on disposal of plant and equipment	-	(62)	(156)	(116)
Gain on deemed disposal of an investment	11	-	(972)	-
Bargain purchase gain	-	-	(571)	-
Interest income	(132)	(178)	(617)	(590)
Writeback for inventory written down	-	(158)	(45)	(294)
Writeback for allowance for trade receivables	(667)	(91)	(706)	(359)
Writeback of allowance for other receivables	-	(13)	-	(13)

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 31.12.2016 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2015 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2016 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.12.2015 RM'000 (Unaudited)
Current tax Expense	785	(207)	3,530	2,414

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 year to date is higher as statutory rate, mainly due to disallowed expenses and non-availability of group relief for losses suffered by subsidiaries.

B7. Status of Corporate Proposals

There were no corporate proposals announced during the financial quarter under review.

B8. Group borrowings

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

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Ringgit Malaysia</u>			
Hire purchase payable	-	33	33
Term loan - short term	587	-	587
Term loan - long term	4,360	-	4,360
	<hr/>	<hr/>	<hr/>
<u>Singapore Dollar</u>			
Term loan - short term	4,947	33	4,980
Term loan - long term	535	-	535
	5,073	-	5,073
	<hr/>	<hr/>	<hr/>
	10,555	33	10,588
	<hr/>	<hr/>	<hr/>

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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 3.0 sen per ordinary share in respect of the financial year ended 31 December 2016, to be paid on 31 March 2017. This single tier interim dividend was approved by the Board of Directors on 22 February 2017.

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 31.12.2016 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2015 (Unaudited)	Cumulative Current Year to Date 31.12.2016 (Unaudited)	Preceding Corresponding Year to Date 31.12.2015 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>1,581</u>	<u>2,510</u>	<u>9,905</u>	<u>9,489</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>78,596</u>	<u>78,596</u>	<u>78,596</u>	<u>78,596</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>2.01</u>	<u>3.19</u>	<u>12.60</u>	<u>12.07</u>

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

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the group as at 31 December 2016, 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 31.12.2016 RM'000 (unaudited)	As at financial year ended 31.12.2015 RM'000 (audited)
Total retained earnings of the Group		
- Realised	62,038	51,193
- Unrealised	(649)	999
	<u>61,389</u>	<u>52,192</u>
Total retained earnings of an Associate		
- Realised	-	2,050
- Unrealised	-	-
	<u>61,389</u>	<u>54,242</u>
Less: Consolidation adjustments	<u>(14,918)</u>	<u>(15,318)</u>
Total retained earnings as per condensed consolidated statement of changes in equity	<u>46,471</u>	<u>38,924</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

B13. Disclosure In Relation To Any Agreement, Arrangement, Joint Venture Or Collaboration For The Purpose Of Bidding For Or Securing A Project Or Contract

There were no agreements, arrangement, joint venture or collaboration for the purpose of bidding for or securing a project or contract entered by the Company during the financial period under review.

B14. Authorisation for issue

The forth quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 22 February 2017.