

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The First Quarter Ended 31 March 2017

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current	Preceding	Current	Preceding
		Year	Year	Year	Year
		Quarter	Corresponding	To date	Corresponding
		31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
		RM'000	RM'000	RM'000	RM'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue		18,615	15,865	18,615	15,865
Cost of sales		(12,357)	(10,705)	(12,357)	(10,705)
Gross profit		6,258	5,160	6,258	5,160
Other income		712	615	712	615
		6,970	5,775	6,970	5,775
Selling and distribution expenses		(202)	(50)	(202)	(50)
Administrative expenses		(1,699)	(1,259)	(1,699)	(1,259)
Other operating expenses		(927)	(1,629)	(927)	(1,629)
Finance costs		(82)	(65)	(82)	(65)
Share of (loss)/profit for an associate		-	3	-	3
Profit before taxation		4,060	2,775	4,060	2,775
Income tax expense	B6	(1,071)	(750)	(1,071)	(750)
Profit after taxation		2,989	2,025	2,989	2,025
Other Comprehensive Income/(Expenses)					
Currency translation difference		116	(178)	116	(178)
Share of associate's currency translation difference		-	(152)	-	(152)
Total Comprehensive Income		3,105	1,695	3,105	1,695
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO					
Owners of The Company		2,980	2,029	2,980	2,029
Non-controlling interest		9	(4)	9	(4)
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO					
Owners of The Company		3,096	1,699	3,096	1,699
Non-controlling interest		9	(4)	9	(4)
Earnings per share (sen):					
Basic	B11	3.79	2.58	3.79	2.58
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 2017. The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	As at end of current year quarter ended 31 Mar 2017 RM'000 (Unaudited)	Audited 31 Dec 2016 RM'000 (Audited)
Note		
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	30,069	30,153
Investment property	10,658	10,557
Deferred Tax Assets	106	106
Other Investment	576	564
	<u>41,409</u>	<u>41,380</u>
CURRENT ASSETS		
Inventories	18,110	19,550
Trade receivables	22,812	20,814
Other receivables, prepayments and deposits	2,383	1,737
Amount owing by related parties	12	7
Tax recoverable	279	335
Fixed deposits with licensed banks	15,641	17,136
Cash and bank balances	6,497	8,235
	<u>65,734</u>	<u>67,814</u>
TOTAL ASSETS	<u>107,143</u>	<u>109,194</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,000	40,000
Treasury shares	(510)	(510)
Share premium	1,531	1,531
Exchange fluctuation reserve	409	293
Retained profits	47,093	46,471
SHAREHOLDERS' EQUITY	<u>88,523</u>	<u>87,785</u>
Non-controlling interest	65	56
TOTAL EQUITY	<u>88,588</u>	<u>87,841</u>
NON-CURRENT AND DEFERRED LIABILITY		
Term loans	8,243	9,433
Deferred taxation	1,599	1,602
	<u>9,842</u>	<u>11,035</u>
CURRENT LIABILITIES		
Trade payables	3,558	4,119
Other payables and accruals	3,177	3,377
Amount owing to directors	12	350
Amount owing to a related company	276	717
Short-term borrowings	1,146	1,155
Bank overdrafts	-	-
Dividend payable	-	-
Provision for taxation	544	600
	<u>8,713</u>	<u>10,318</u>
TOTAL LIABILITIES	<u>18,555</u>	<u>21,353</u>
TOTAL EQUITY AND LIABILITIES	<u>107,143</u>	<u>109,194</u>
Net Assets per share based on number of shares in issue (RM)	<u>1.13</u>	<u>1.12</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 2016 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 2017

	← Attributable to Equity Holders of the Company		→		Total RM'000
	Share Capital RM'000	Non-distributable Treasury Shares RM'000	Share Premium RM'000	Distributable To Owners of The Company RM'000	
3 months period ended 31 March 2016					
At 1 January 2016	40,000	(510)	1,531	38,924	79,961
Treasury Shares	-	-	-	-	-
Comprehensive Income	-	-	-	2,029	2,025
Profit for the financial period	-	-	-	(4)	
Other Comprehensive Income	-	-	-	-	(178)
Currency translation difference	-	-	-	-	(152)
Share of associate's currency translation difference	-	-	-	(330)	
Total Comprehensive income	-	-	-	2,029	1,695
Contribution by and distributions to owners of the Company					
- Dividend paid	-	-	-	(2,358)	(2,358)
At 31 March 2016	40,000	(510)	1,531	38,595	79,298
3 months period ended 31 December 2017					
At 1 January 2017	40,000	(510)	1,531	46,471	87,841
Comprehensive Income	-	-	-	2,980	2,989
Profit for the financial period	-	-	-	9	
Other Comprehensive Expenses	-	-	-	-	116
Currency translation difference	-	-	-	-	-
Share of associate's currency translation difference	-	-	-	116	
Total Comprehensive income	-	-	-	2,980	3,105
Contribution by and distributions to owners of the Company					
- Dividend paid	-	-	-	(2,358)	(2,358)
At 31 March 2017	40,000	(510)	1,531	47,093	88,588

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 2016 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 2017

	Note	Current Year Quarter 31 Mar 2017 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2016 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,060	2,775
Adjustments for:			
Write back allowance for doubtful debts		(81)	(39)
Allowance for doubtful debts		14	29
Write back for inventories written down		(275)	(19)
Inventories written down		125	217
Bad Debts written off		49	-
Depreciation of property, plant and equipment		591	410
Depreciation of an investment property		51	11
Gain on disposal of property, plant and equipment		(6)	(100)
Unrealised foreign exchange loss		526	1,361
Amortisation of prepaid lease rental		-	30
Interest expense		82	65
Interest income		(147)	(134)
Share of profit in an associate		-	149
Operating profit before working capital changes		<u>4,989</u>	<u>4,755</u>
Decrease in Inventories		1,591	1,388
Increase in Trade & other receivables		(3,152)	(2,340)
Decrease in Trade & other payables		(761)	(2,692)
Decrease in amount owing by an associate		-	42
Increase in amount owing to related parties		271	145
Decrease in amount owing to a related company		<u>(2,015)</u>	<u>(542)</u>
Cash inflow from operations		923	756
Interest paid		(82)	(65)
Net tax paid		<u>(1,075)</u>	<u>(578)</u>
Net cash (outflow)/inflow from operating activities		<u>(234)</u>	<u>113</u>
CASH FLOWS (FROM)/FOR INVESTING ACTIVITIES			
Repayment from an associate		-	144
Interest received		147	134
Purchase of property, plant and equipment and prepaid lease		(677)	(652)
Proceeds from disposal of plant and equipment		24	132
Repayment by a related company		1,298	-
Placement of fixed deposits pledged		<u>(6)</u>	<u>(6)</u>
Net cash inflow/(outflow) for investing activities		<u>786</u>	<u>(248)</u>
CASH FLOWS FOR FINANCING ACTIVITIES			
Dividends paid		(2,358)	(2,358)
Repayment of term loan		(1,174)	(133)
Repayment of hire purchase obligation		(25)	(33)
Repayment by directors		<u>(338)</u>	<u>(339)</u>
Net cash outflow for financing activities		<u>(3,895)</u>	<u>(2,863)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,343)	(2,998)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE		110	(266)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER		<u>24,134</u>	<u>23,243</u>
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16	<u>20,901</u>	<u>19,979</u>

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 31 March 2017. 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 2016 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 MARCH 2017

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 2016. 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 2016.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 31 December 2016 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 2016, 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 PERSUANT 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 PURSUANT 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 2016 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 PURSUANT 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 2017	1,404,200	509,805.28
Share Buyback for the financial period	-	-
At 31 March 2017	<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 127 of the Companies Act 2016.

A8. Dividend Paid

An interim single-tier dividend of 3.0 sen ordinary share amounting to approximately RM2,358,000 in respect of the financial year ended 31 December 2016 was paid on 31 March 2017.

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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 31.03.2017 (Unaudited)		Preceding Year Corresponding Quarter Ended 31.03.2016 (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	18,505	4,112	14,911	2,790
- Trading & servicing of home appliances	110	(52)	954	(15)
	<u>18,615</u>	<u>4,060</u>	<u>15,865</u>	<u>2,775</u>
	Cumulative Current Year to Date Ended 31.03.2017 (Unaudited)		Cumulative Preceding Corresponding Year to Date Ended 31.03.2016 (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	18,505	4,112	14,911	2,790
- Trading & servicing of home appliances	110	(52)	954	(15)
	<u>18,615</u>	<u>4,060</u>	<u>15,865</u>	<u>2,775</u>

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

A9. Segment information (Cont’d)

Geographical Segment

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

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

	Current Year Quarter Ended 31.03.2017		Preceding Year Corresponding Quarter Ended 31.03.2016	
	(Unaudited) Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000
- Malaysia	16,883	3,682	15,859	2,571
- Singapore	1,732	104	-	-
- Vietnam	-	274	6	204
	<u>18,615</u>	<u>4,060</u>	<u>15,865</u>	<u>2,775</u>
	Cumulative Current Year to Date Ended 31.03.2017		Cumulative Preceding Corresponding Year to Date Ended 31.03.2016	
	(Unaudited) Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit/(Loss) Before Taxation RM'000
- Malaysia	16,883	3,682	15,859	2,571
- Singapore	1,732	104	-	-
- Vietnam	-	274	6	204
	<u>18,615</u>	<u>4,060</u>	<u>15,865</u>	<u>2,775</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 March 2017.

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	37,481

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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 31.03.2017 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2016 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2017 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2016 RM'000 (Unaudited)
Ming Kee Manufactory Limited (“MKK”)	Purchase of fuse link, screws, inserts, cables, plug, metalware, hollow rivet, etc	-	43	-	43
High Project Electric Wire & Cables Manufactory (Fenghua) Limited (“HPC”)	Purchase of power cordset, trailing socket, cables, drum reel, etc	-	440	-	440
United MS Cables Mfg Sdn. Bhd. (“UMSC”)	Purchase of electrical wire	314	250	314	250
UMSC	Sales of electrical accessories, home appliances, etc	116	8	116	8
UMSC	Rental of warehouse	6	6	6	6
Neiken Switchgear (S) Pted Ltd (“NSS”)	Sales of electrical wiring accessories	-*	257	-*	257

* NSS is no longer regarded as a related party as it had become a wholly owned subsidiary of the Group with effect from 15 September 2016.

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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 31.03.2017 RM'000 (Unaudited)	At 31.03.2016 RM'000 (Unaudited)
Fixed deposits with licensed banks	15,641	13,767
Cash and bank balances	6,497	7,373
	<hr/>	<hr/>
	22,138	21,140
Less: Fixed Deposits pledged with licenced banks	(1,237)	(1,161)
	<hr/>	<hr/>
	20,901	19,979

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	4.4230
Singapore Dollar	3.1643

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

B1. Review of Performance

	Individual Quarter		Year to date	
	31.03.2017 RM'000 (unaudited)	31.03.2016 RM'000 (unaudited)	31.03.2017 RM'000 (unaudited)	31.03.2016 RM'000 (unaudited)
Revenue	18,615	15,865	18,615	15,865
Profit before taxation	4,060	2,775	4,060	2,775

The Group achieved revenue of RM18.6 million for the quarter ended 31 March 2017. This represents an increase of approximately 17% as compared to the corresponding quarter in the preceding year. This higher revenue is mainly due to the inclusion of the revenue of Singapore subsidiary and improvement in the local demand for electrical wiring accessories segment, despite a drop in the sales of the home appliance segment.

Profit before taxation of the Group registered an increase for the current quarter compared to 2016, mainly due to higher profit margin in line of higher sales, favourable foreign exchange movement and write back of allowance for inventory obsolescence.

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

	Individual Quarter	
	31.03.2017 RM'000 (unaudited)	31.12.2016 RM'000 (unaudited)
Revenue	18,615	17,349
Profit before taxation	4,060	2,366

The Group achieved revenue of approximately RM18.6 million for the current quarter under review as compared to RM17.3 million in the immediate preceding quarter, registering an increase of approximately 7%, mainly due to the improvement in local sales of electrical wiring accessories segment.

Profit before taxation of the Group for the current quarter under review increased, compared to the immediate preceding quarter, mainly due to the higher profit margin in line of improved sale demand and write back of allowance for inventory obsolescence.

B3. Current Year Prospects

Despite the challenges of increases in raw material and operating costs, the performance of the Group for the first quarter of 2017 remained resilient and robust which was underpinned by good demand in the local market for the electrical wiring accessories segment. The Group is cautiously optimistic that the overall performance of the Group can be sustained for the rest of the year, although demand may be affected if prices continue to be affected by inflationary pressures.

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

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.

B5. Profit for The Period

	Current Year Quarter 31.03.2017 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31.03.2016 RM'000 (unaudited)	Cumulative Current Year to Date 31.03.2017 RM'000 (unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2016 RM'000 (unaudited)
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for trade receivables	14	29	14	29
Amortisation of prepaid lease payments	1	30	1	30
Bad debts written off	49	-	49	-
Depreciation of property, plant and equipment	590	410	590	410
Depreciation of investment property	51	11	51	11
Interest expenses	82	65	82	65
Inventories written down	125	217	125	217
Loss/(Gain) on foreign exchange				
- unrealised	526	1,361	526	1,361
- realised	(509)	(297)	(509)	(297)
Gain on disposal of plant and equipment	(6)	(100)	(6)	(100)
Interest income	(147)	(134)	(147)	(134)
Writeback for inventory written down	(275)	(19)	(275)	(19)
Writeback of allowance for trade receivables	(81)	(39)	(81)	(39)

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 31.03.2017 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2016 RM'000 (Unaudited)	Cumulative Current Year to Date 31.03.2017 RM'000 (Unaudited)	Cumulative Preceding Corresponding Year to Date 31.03.2016 RM'000 (Unaudited)
Current tax Expense	1,071	750	1,071	750

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 higher non-tax deductible expenses and non-availability of group relief for losses suffered by a subsidiary.

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	-	8	8
Term loan - short term	591	-	587
Term loan - long term	3,202	-	4,360
	<hr/>	<hr/>	<hr/>
<u>Singapore Dollar</u>			
Term loan - short term	3,793	8	3,801
Term loan - long term	547	-	547
	5,041	-	5,041
	<hr/>	<hr/>	<hr/>
	9,381	8	9,389
	<hr/>	<hr/>	<hr/>

UMS-NEIKEN GROUP BERHAD*(Company No: 650473-V)**(Incorporated in Malaysia)***PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS (CONT'D)****B9. Material litigation**

Neither UMSN nor any of its subsidiary companies are engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries

B10. Dividends

The Board does not recommend any interim dividend in respect of the financial year ending 31 December 2017 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 31.03.2017 (Unaudited)	Preceding Year Corresponding Quarter 31.03.2017 (Unaudited)	Cumulative Current Year to Date 31.03.2017 (Unaudited)	Preceding Corresponding Year to Date 31.03.2017 (Unaudited)
Profit attributable to Equity holders of parent (RM'000):	<u>2,980</u>	<u>2,029</u>	<u>2,980</u>	<u>2,029</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>3.79</u>	<u>2.58</u>	<u>3.79</u>	<u>2.58</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. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the group as at 31 March 2017, 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 31.03.2017 RM'000 (unaudited)	As at financial year ended 31.12.2016 RM'000 (audited)
Total retained earnings of the Group		
- Realised	63,552	62,531
- Unrealised	(1,533)	(1,142)
	62,019	61,389
Less: Consolidation adjustments	(14,926)	(14,918)
Total retained earnings as per condensed consolidated statement of changes in equity	47,093	46,471

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 first quarterly report was authorised for issued by the Board of Directors in accordance with the resolution of the directors on 23 May 2017.