



UMS-NEIKEN GROUP BERHAD

(Company No. 650473-V)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 9,500,000 NEW ORDINARY SHARES OF RM0.50 EACH COMPRISING:

- 3,500,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF UMS-NEIKEN GROUP BERHAD AND ITS SUBSIDIARY COMPANIES; AND
- 6,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;

AND

OFFER FOR SALE OF 24,000,000 ORDINARY SHARES OF RM0.50 EACH RESERVED FOR BUMIPUTERA INVESTORS NOMINATED/APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

AT AN ISSUE/OFFER PRICE OF RM0.80 PER ORDINARY SHARE PAYABLE IN FULL UPON APPLICATION IN CONJUNCTION WITH THE LISTING OF UMS-NEIKEN GROUP BERHAD ON THE SECOND BOARD OF BURSA MALAYSIA SECURITIES BERHAD

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 4 HEREOF

Adviser and Underwriter



RHB SAKURA MERCHANT BANKERS BERHAD

(Company No. 19663-P)



THIS PROSPECTUS IS DATED 3 APRIL 2006

This Prospectus has been seen and approved by the Directors and Promoters of UMS-Neiken Group Berhad (“UMSN”) and the Offerors, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading. The Directors of UMSN hereby accept full responsibility for the consolidated profit forecast included in this Prospectus and confirm that the consolidated profit forecast has been prepared based on the assumptions made.

RHB Sakura Merchant Bankers Berhad, being the Adviser and Underwriter, acknowledges that based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue and Offer for Sale and is satisfied that the consolidated profit forecast (for which the Directors of UMSN are fully responsible) prepared for inclusion in this Prospectus has been stated by the Directors of UMSN after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

The Securities Commission (“SC”) had on 18 April 2005 approved the initial public offering and the approval of the SC shall not be taken to indicate that the SC recommends the initial public offering.

The SC shall not be liable for any non-disclosure on the part of UMSN and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Bursa Malaysia Securities Berhad (“Bursa Securities”) shall not be liable for any non-disclosure on the part of UMSN and takes no responsibility for the contents of this Prospectus, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The admission to the Official List of the Second Board of Bursa Securities is not to be taken as an indication of the merits of the invitation, UMSN or of its ordinary shares.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

The contents of an Electronic Prospectus (as defined herein) are as per the contents of the copy of this Prospectus registered by the SC. A copy of this Prospectus so registered is available on the website of RHB Bank Berhad at www.rhbbank.com.my and Malayan Banking Berhad at www.maybank2u.com.my (via hyperlinks to Bursa Securities' website at www.bursamalaysia.com), and on the website of CIMB Securities Sdn Bhd at www.eipocimb.com.

The applicant is advised that the Internet is not a fully secure medium, and that an Internet Share Application (as defined herein) is subject to the risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institution (as defined herein), which risks cannot be borne by the Internet Participating Financial Institution. Any applicant in doubt concerning the validity or integrity of an Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, the Adviser or the Issuing House. In the event of any discrepancies arising between the contents of an Electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In respect of any reference in this Prospectus to third party Internet sites (such Internet sites are hereinafter referred to as "Third Party Internet Sites"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, the applicant acknowledges and agrees that:

- (i) The Company does not endorse and is not affiliated in any way with the Third Party Internet Sites referred to in this Prospectus and is not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites, and that the applicant bears all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) The Company is not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of the applicant's agreements in connection with the Third Party Internet Sites, if any, and any loss or damage or costs that the applicant may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites and the use of or reliance on any data, information, files or other material provided thereon; and
- (iii) Any data, information, files or other material downloaded from the Third Party Internet Sites is done at the applicant's own discretion and risk. The Company shall bear no responsibility, liability or obligation whatsoever in respect of any damage to the applicant's computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institution, applicants are advised that:

- (i) The liability of the Internet Participating Financial Institution in respect of the integrity of the contents of an Electronic Prospectus is only to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institution which may be viewed *via* the applicant's web browser or other relevant software. The Internet Participating Financial Institution shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institution and thereafter communicated or disseminated in any manner to applicants or other parties.
- (ii) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the Internet is not a fully secure medium.

The Internet Participating Financial Institution shall not be subject to any liability whatsoever (whether in tort or contract or otherwise) for any loss, damage or costs whatsoever suffered or incurred by an applicant or any other person due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on an applicant's or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, and/or problems occurring during data transmission; which may result in inaccurate or incomplete copies of information being downloaded or displayed on an applicant's personal computer.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

This Prospectus is not intended to be and will not be issued, circulated or distributed and the IPO (as defined herein) will not be made or deemed to be made in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdiction other than the laws of Malaysia. The IPO to which this Prospectus relates is only available to persons receiving this Prospectus electronically or otherwise within Malaysia.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company of RM40,000,000 comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of Bursa Malaysia Securities Berhad is set out below:

EVENT	TENTATIVE DATE
Opening date of application	3 April 2006
Closing date of application	10 April 2006
Balloting date	13 April 2006
Allotment date	18 April 2006
Listing date	26 April 2006

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 P.M. ON 10 APRIL 2006 OR FOR SUCH FURTHER PERIOD(S) THAT THE DIRECTORS, OFFERORS AND UNDERWRITER MAY IN THEIR ABSOLUTE DISCRETION MUTUALLY DECIDE. SHOULD THERE BE AN EXTENSION OF THE CLOSING DATE, THE BALLOTING, ALLOTMENT AND LISTING DATES WILL BE EXTENDED ACCORDINGLY.

WHERE THE CLOSING DATE FOR THE APPLICATION IS EXTENDED FROM THE ORIGINAL CLOSING DATE, THE NOTICE OF SUCH EXTENSION(S) WILL BE ADVERTISED IN A WIDELY CIRCULATED ENGLISH AND BAHASA MALAYSIA NEWSPAPER IN MALAYSIA.

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DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout this Prospectus and the Application Forms:

“Act”	: Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof
“Acquisition of HPL”	: Acquisition by UMSN of 86.36% equity interest in HPL comprising 7,600,000 ordinary shares of HK\$1.00 each for a total purchase consideration of RM5,853,689, which was wholly satisfied through the issuance of 11,707,378 new Shares at par
“Acquisition of UMSE”	: Acquisition by UMSN of the entire issued and paid-up share capital of UMSE comprising 8,550,000 ordinary shares of RM1.00 each for a total purchase consideration of RM27,538,947, which was wholly satisfied through the issuance of 55,077,894 new Shares at par
“Acquisitions”	: Acquisition of UMSE and Acquisition of HPL, collectively
“ADA Code”	: ADA (Broker) Code
“ADA”	: Authorised Depository Agent
“Application Forms”	: The printed application forms for the application of the IPO Shares accompanying this Prospectus
“ASEAN”	: Association of Southeast Asian Nations
“ATM”	: Automated teller machine
“Authorised Financial Institution(s)”	: The authorised financial institutions, namely RHB Bank Berhad, Malayan Banking Berhad and CIMB Securities Sdn Bhd, participating in the Internet Share Applications, with respect to payments for the Issue Shares
“BNM”	: Bank Negara Malaysia
“Board”	: Board of Directors of UMSN
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“BWP”	: Botswana Pula
“By-Laws”	: By-laws governing the ESOS as set out in Section 15 of this Prospectus
“CDS”	: Central Depository System
“CESB”	: Chengco Enterprise Sdn Bhd (80294-U)
“China”	: The People’s Republic of China
“Dividend Payment”	: Declaration and dividend payment by UMSE and HPL to their respective shareholders prior to the Acquisitions out of the earnings generated from 1 January 2004 to 31 August 2005, which amounted to a total of RM10.95 million
“EBITDA”	: Earnings before interest, taxation, depreciation and amortisation

DEFINITIONS (cont'd)

“Electronic Share Application”	: The application for the Issue Shares through a Participating Financial Institution’s ATM
“Electronic Prospectus”	: A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to compact disks that functions as read only memory or floppy disks
“EPS”	: Earnings per share
“ESOS” or “Scheme”	: Establishment of an employees’ share option scheme by UMSN for the granting of Options to eligible Directors and employees of UMSN ESOS Group to subscribe for new Shares according to the terms as set out in the By-Laws in Section 15 of this Prospectus
“FIC”	: Foreign Investment Committee
“FIC Guidelines”	: FIC’s guidelines on Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests
“Flotation Scheme”	: Revaluation of Landed Properties, Dividend Payment, Acquisitions, Transfer of HPL, Rights Issue, Offer for Sale, Public Issue and Listing, collectively
“FYE”	: Financial year(s) ended
“GDP”	: Gross domestic product
“HK\$”	: Hong Kong dollar
“Hong Kong”	: Hong Kong Special Administrative Region
“HPE”	: High Project Electric Wire & Cables Manufactory (Fenghua) Limited (72514783-5)
“HPL”	: High Project Limited (442873), a wholly-owned subsidiary of UMSN
“ICT”	: Information and communication technology
“Internet Participating Financial Institution(s)”	: The institutions participating in the Internet Share Applications, namely RHB Bank Berhad, Malayan Banking Berhad and CIMB Securities Sdn Bhd
“Internet Share Application”	: The application for the Issue Shares through an online share application service provided by the Internet Participating Financial Institutions
“IPO” or “Initial Public Offering”	: Initial public offering of UMSN Shares comprising the Public Issue and Offer for Sale collectively
“IPO Price”	: Issue/offer price of RM0.80 per Issue/Offer Share pursuant to the IPO
“IPO Shares”	: Issue Shares and Offer Shares, collectively
“Issue Shares”	: 9,500,000 new Shares to be issued pursuant to the Public Issue
“JKR”	: Jabatan Kerja Raya Malaysia
“Listing”	: Admission of UMSN to the Official List of the Second Board of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of UMSN of RM40,000,000 comprising 80,000,000 Shares on the Second Board of Bursa Securities

DEFINITIONS *(cont'd)*

“Listing Requirements”	: Listing Requirements of Bursa Securities and any amendments thereof
“Market Day”	: A day on which the stock market of Bursa Securities is opened for trading in securities
“MIDFCCS”	: MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)
“Ming Kee”	: Ming Kee Manufactory Ltd (37061)
“MITI”	: Ministry of International Trade and Industry
“MPS”	: Majlis Perbandaran Selayang
“NAP”	: Neiken Africa (Proprietary) Limited (Co. 2005/1590), an associated company of UMSE
“NSS”	: Neiken Switchgear (S) Pte Ltd (200301169N), an associated company of UMSE
“NSVN”	: Neiken Switchgear (VN) Co Ltd (265/GP-KCN-BD), a wholly-owned subsidiary of UMSE
“NTA”	: Net tangible assets
“OEM”	: Original equipment manufacturer
“OBM”	: Original brand manufacturer
“Offer for Sale”	: Offer for sale by the Offerors of 24,000,000 Offer Shares to Bumiputera investors nominated/approved by MITI, at an IPO Price of RM0.80 per Share, payable in full upon application
“Offer Shares”	: 24,000,000 Shares to be offered pursuant to the Offer for Sale
“Offerors”	: Offerors in respect of the Offer for Sale, namely UMSH, Paul Ip Tai Hoi, Cheng Wong, Lawrence Lee, Andrew Pang Chun Yue, Mah Chin Heng and Cheng Onn, collectively
“Options”	: The right of a grantee to subscribe for a certain number of new UMSN Shares granted or to be granted and the contract constituted by an acceptance in the manner indicated in Clause 6 of the By-Laws pursuant to the Scheme
“Participating Financial Institutions”	: Participating financial institutions for Electronic Share Application as listed in Section 17.5 of this Prospectus
“PAT”	: Profit after tax
“PBT”	: Profit before tax
“PE Multiple”	: Price earnings multiple
“Promoters”	: UMSH, Paul Ip Tai Hoi and Cheng Wong, collectively
“Public Issue”	: Public issue of 9,500,000 Issue Shares to the eligible Directors, employees and business associates of the UMSN Group and to the Malaysian public at an IPO Price of RM0.80 per Share, payable in full upon application
“R&D”	: Research and development

DEFINITIONS *(cont'd)*

“Revaluation of Landed Properties”	: Revaluation of certain landed properties of UMSE and the incorporation of the revaluation surplus of RM719,029 (net of deferred tax), based on the net book value as at 31 August 2005, into UMSE’s books
“Rights Issue”	: Rights issue of 3,714,528 new Shares at par on the basis of approximately 195 new Shares for every 3,506 Shares held subsequent to the completion of the Acquisitions
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“RMB”	: Chinese Yuan Renminbi
“SC”	: Securities Commission
“SC Guidelines”	: Policies and Guidelines on Issue/Offer of Securities issued by the SC and amendments thereof
“SG\$”	: Singapore Dollars
“SIRIM QAS”	: SIRIM QAS International Sdn Bhd
“Transfer of HPL”	: Transfer of UMSE’s entire investment in HPL to UMSN comprising 1,200,000 ordinary shares of HK\$1.00 each representing 13.64% of the issued and paid-up share capital of HPL for a total purchase consideration of RM924,552 satisfied by an amount owing by UMSN to UMSE
“UK”	: United Kingdom
“Underwriting Agreement”	: Underwriting agreement dated 9 March 2006 entered into between the Company and RHB Sakura as set out in Section 3.9 of this Prospectus
“UMSC”	: United MS Cables Mfg. Sdn Bhd (339247-X)
“UMSE”	: United MS Electrical Mfg. (M) Sdn Bhd (65814-V), a wholly-owned subsidiary of UMSN
“UMSE Group”	: UMSE and its wholly-owned subsidiary, namely NSVN
“UMSH”	: United MS Holdings Sdn Bhd (232150-T)
“UMSN ESOS Group”	: UMSN and its subsidiaries as defined in Section 5 of the Act, excluding subsidiaries that are dormant
“UMSN “ or “Company”	: UMS-Neiken Group Berhad (650473-V)
“UMSN Group” or “Group”	: UMSN and its wholly-owned subsidiaries, namely UMSE, HPL and NSVN
“UMSN Shares” or “Shares”	: Ordinary shares of RM0.50 each in UMSN
“US”	: United States of America
“US\$”	: US Dollars
“VND”	: Vietnamese Dong

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