

UMS-NEIKEN GROUP BERHAD (650473-V)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
For The First Quarter Ended 31 March 2007

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 31 Mar 2007 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2006 RM'000 (unaudited)	Current Year To date 31 Mar 2007 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Mar 2006 RM'000 (unaudited)
Revenue		25,957	22,934	25,957	22,934
Cost of sales		(22,022)	(18,691)	(22,022)	(18,691)
Gross profit		3,935	4,243	3,935	4,243
Other income		-	294	-	294
Selling and distribution expenses		(1,033)	(837)	(1,033)	(837)
Administrative expenses		(805)	(730)	(805)	(730)
Other operating expenses		(65)	(212)	(65)	(212)
Finance costs		(387)	(344)	(387)	(344)
Share of associate profit/(loss)		8	-	8	-
Profit before taxation		1,653	2,414	1,653	2,414
Income tax expense	B5	(421)	(601)	(421)	(601)
Profit after taxation		1,232	1,813	1,232	1,813
Earnings per share (sen):					
Basic	B13	1.54	2.71	1.54	2.71
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 2007. The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD (650473-V)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2007

	As at end of current year quarter ended 31 Mar 2007 RM'000 (Unaudited)	Audited 31 Dec 2006 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Investment in associates	104	96
Property, plant and equipment	16,871	16,966
Investment in shares	3	3
Development expenditure	1,102	1,075
Prepaid lease rental	577	671
	<u>18,657</u>	<u>18,811</u>
CURRENT ASSETS		
Inventories	18,242	18,624
Trade receivables	23,283	22,227
Other receivables, prepayments and deposits	3,089	2,195
Amount owing by associates	172	543
Amount owing by related parties	6,613	6,721
Tax recoverable	293	316
Fixed deposits with licensed banks	3,274	3,274
Cash and bank balances	1,722	780
	<u>56,688</u>	<u>54,680</u>
TOTAL ASSETS	<u>75,345</u>	<u>73,491</u>
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	1,531	1,531
Other reserve	92	92
Exchange fluctuation reserve	(814)	(552)
Retained profits	9,492	8,260
TOTAL EQUITY	<u>50,301</u>	<u>49,331</u>
NON-CURRENT AND DEFERRED LIABILITIES		
Term loans	-	-
Deferred taxation	1,679	1,679
	<u>1,679</u>	<u>1,679</u>
CURRENT LIABILITIES		
Trade payables	4,701	2,827
Other payables and accruals	816	952
Amount owing to related parties	-	3,071
Short-term borrowings	B9 15,209	12,803
Bank overdrafts	B9 2,329	2,366
Provision for taxation	310	462
	<u>23,365</u>	<u>22,481</u>
TOTAL LIABILITIES	25,044	24,160
TOTAL EQUITY AND LIABILITIES	<u>75,345</u>	<u>73,491</u>
Net Assets per share based on number of shares in issue (RM)	<u>0.63</u>	<u>0.62</u>

Note:

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

Net assets per share as at 31 March 2007 is arrived at based on the Group's Net Assets of RM50.30 million over the number of ordinary shares of in issue of 80,000,000 shares of RM0.50 each. Net Assets per share as at 31 December 2006 was arrived at based on the Group's Net Assets of RM49.33 million over the number of ordinary shares of 80,000,000 shares of RM0.50 each.

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The First Quarter Ended 31 March 2007

	← Non-distributable →					Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserve RM'000	Exchange Fluatuation Reserve RM'000	Negative Goodwill On Consolidation RM'000	Retained profits RM'000	
<u>3 months period ended 31 March 2006</u>							
At 1 January 2006 (as previously reported)	33,393	-	-	62	923	283	34,661
Effects of adopting FRS 3	-	-	-	-	(923)	923	-
At 1 January 2006 (as previously reported)	33,393	-	-	62	-	1,206	34,661
Issued pursuant to Rights Issue	1,857	-	-	-	-	-	1,857
Profit for the financial period	-	-	-	-	-	1,813	1,813
Net loss not recognised in the income statement - foreign exchange difference	-	-	-	(259)	-	-	(259)
At 31 March 2006	35,250	-	-	(197)	-	3,019	38,072
<u>3 months period ended 31 March 2007</u>							
At 1 January 2007	40,000	1,531	92	(552)	-	8,260	49,331
Net loss not recognised in the income statement - foreign exchange difference	-	-	-	(262)	-	-	(262)
Profit for the financial period	-	-	-	-	-	1,232	1,232
At 31 March 2007	40,000	1,531	92	(814)	-	9,492	50,301

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 2006 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For The First Quarter Ended 31 March 2007

	Current Year Quarter 31 Mar 2007 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Mar 2006 RM'000 (unaudited)
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,653	2,414
Adjustments for:		
Allowance for doubtful debts	-	(3)
Amortisation of development expenditure	54	54
Depreciation of property, plant and equipment	378	416
Gain on disposal of property, plant and equipment	-	(5)
Amortisation of prepaid lease rental	94	-
Interest expense	213	344
Interest income	(15)	(36)
Share of profit of an associate	(8)	-
Operating profit before working capital changes	<u>2,369</u>	<u>3,184</u>
Inventories	382	524
Receivables	(1,950)	(3,905)
Payables	<u>1,738</u>	<u>949</u>
Cash from operations	2,539	752
Interest paid	(213)	(344)
Tax paid	<u>(550)</u>	<u>(766)</u>
Net cash from operating activities	<u>1,776</u>	<u>(358)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to associates	371	227
Development expenditure incurred	(81)	(95)
Interest received	15	36
Purchase of property, plant and equipment and prepaid lease	(283)	(1,879)
Proceeds from disposal of equipment	-	21
Repayment by intermediate holding company	-	1,816
Repayment by related companies	-	2,301
Advances from/(Repayments to) related parties	<u>108</u>	<u>(240)</u>
Net cash from investing activities	<u>130</u>	<u>2,187</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	-	(1,440)
Net drawdown/(repayment) of bills payables	7,354	(862)
Repayments to related parties	(3,071)	-
Repayment of loans	(4,948)	(3,642)
Proceeds from issuance of shares	<u>-</u>	<u>1,857</u>
Net cash for financing activities	<u>(665)</u>	<u>(4,087)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,241	(2,258)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	(262)	(265)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	1,688	3,099
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	<u>2,667</u>	<u>576</u>
	A16	

Note:

This is prepared based on the consolidated results of the Group for the financial year ended 31 March 2007. The unaudited Condensed Cash Flow Statement should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.