

UMS-NEIKEN GROUP BERHAD (650473-V)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
For The Forth Quarter Ended 31 December 2009

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 31 Dec 2009 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2008 RM'000 (unaudited)	Current Year To date 31 Dec 2009 RM'000 (unaudited)	Preceding Year Corresponding Period 31 Dec 2008 RM'000 (unaudited)
Revenue		16,987	21,777	62,544	99,661
Cost of sales		(15,032)	(20,092)	(52,652)	(86,030)
Gross profit		1,955	1,685	9,892	13,631
Other income		783	(124)	1,567	1,504
Selling and distribution expenses		(747)	(497)	(2,004)	(3,547)
Administrative expenses		(1,966)	(2,321)	(4,850)	(5,083)
Other operating expenses		(1,091)	(902)	(1,921)	(2,597)
Finance costs		(36)	(301)	(314)	(1,378)
Share of associate profit/(loss)		(56)	28	-	35
Profit/(loss) before taxation		(1,158)	(2,432)	2,370	2,565
Income tax expense	B5	461	744	(237)	(505)
Profit/(loss) after taxation		(697)	(1,688)	2,133	2,060
ATTRIBUTABLE TO:					
Equity holders of the parent		(697)	(1,688)	2,133	2,060
Minority interests		-	-	-	-
Profit after taxation		(697)	(1,688)	2,133	2,060
Earnings per share (sen):					
Basic	B13	(0.87)	(2.11)	2.67	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 December 2009. 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 2008 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 December 2009

	Note	As at end of current year quarter ended 31 Dec 2009 RM'000 (Unaudited)	Audited 31 Dec 08 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Investment in associates		689	190
Property, plant and equipment		17,360	19,575
Investment in shares		-	-
Development expenditure		576	870
Prepaid lease rental		478	566
		<u>19,103</u>	<u>21,201</u>
CURRENT ASSETS			
Inventories		16,277	23,951
Trade receivables		19,424	24,148
Other receivables, prepayments and deposits		1,482	1,171
Amount owing by associates		34	710
Amount owing by related parties		236	3,222
Tax recoverable		959	1,746
Fixed deposits with licensed banks		3,418	637
Cash and bank balances		4,559	5,575
		<u>46,389</u>	<u>61,160</u>
TOTAL ASSETS		<u>65,492</u>	<u>82,361</u>
EQUITY AND LIABILITIES			
Share capital		40,000	40,000
Share premium		1,531	1,531
Other reserve		92	92
Exchange fluctuation reserve		(1,236)	(783)
Retained profits		10,661	9,368
TOTAL EQUITY		<u>51,048</u>	<u>50,208</u>
NON-CURRENT AND DEFERRED LIABILITIES			
Long term borrowings	B9	10	-
Deferred taxation		1,740	1,950
		<u>1,750</u>	<u>1,950</u>
CURRENT LIABILITIES			
Trade payables		5,661	9,027
Other payables and accruals		1,902	1,836
Amount owing to directors		206	56
Amount owing to a related company		-	550
Amount owing to related parties		491	-
Short-term borrowings	B9	4,220	17,045
Bank overdrafts	B9	-	1,689
Provision for taxation		214	-
		<u>12,694</u>	<u>30,203</u>
TOTAL LIABILITIES		14,444	32,153
TOTAL EQUITY AND LIABILITIES		<u>65,492</u>	<u>82,361</u>
Net Assets per share based on number of shares in issue (RM)		<u>0.64</u>	<u>0.63</u>

UMS-NEIKEN GROUP BERHAD (650473-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Fourth Quarter Ended 31 December 2009

	← Attributable to Equity Holders of the Company →		← Exchange →		← Distributable →	
	Share Capital RM'000	Share Premium RM'000	Non-distributable Other Reserve RM'000	Fluctuation Reserve RM'000	Retained profits RM'000	Total RM'000
<u>12 months period ended 31 December 2008</u>						
At 1 January 2008	40,000	1,531	92	(1,271)	8,137	48,489
Net loss not recognised in the income statement - foreign exchange difference	-	-	-	488	-	488
Profit for the financial period	-	-	-	-	2,060	2,060
Dividend paid	-	-	-	-	(829)	(829)
At 31 December 2008	40,000	1,531	92	(783)	9,368	50,208
<u>12 months period ended 31 December 2009</u>						
At 1 January 2009	40,000	1,531	92	(783)	9,368	50,208
Net loss not recognised in the income statement - foreign exchange difference	-	-	-	(453)	-	(453)
Profit for the financial period	-	-	-	-	2,133	2,133
Dividend paid	-	-	-	-	(840)	(840)
At 31 December 2009	40,000	1,531	92	(1,236)	10,661	51,048

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

UMS-NEIKEN GROUP BERHAD (650473-V)
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Forth Quarter Ended 31 December 2009

	Current Year Quarter 31 Dec 2009 RM'000 (unaudited)	Preceding Year Corresponding Quarter 31 Dec 2008 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,370	2,565
Adjustments for:		
Allowance/(write back) for doubtful debts	(161)	380
Bad debts written off	34	506
Provision for unrealised loss/(profit)	(208)	-
Amortisation of development expenditure	370	359
Depreciation of property, plant and equipment	2,495	2,687
Gain on disposal of property, plant and equipment	-	(30)
Unrealised exchange loss/(gain)	(251)	(808)
Amortisation of prepaid lease rental	88	(12)
Interest expense	314	1,090
Interest income	(27)	(93)
Share of profit of an associate	(9)	(35)
Operating profit before working capital changes	5,015	6,609
Inventories	7,882	(1,379)
Receivables	4,791	5,316
Payables	(3,301)	(1,352)
Cash from operations	14,387	9,194
Interest paid	(314)	(1,090)
Tax paid	554	(1,401)
Net cash from operating activities	14,626	6,703
CASH FLOWS FOR INVESTING ACTIVITIES		
Advances to associates	676	191
Development expenditure incurred	(76)	(278)
Interest received	27	93
Purchase of property, plant and equipment and prepaid lease	(745)	(3,650)
Proceeds from disposal of equipment	-	68
Refund for purchase of property land	467	-
Repayment to director	150	(90)
Repayments from related parties	3,477	2,758
Increase of share capital in associated co	(490)	-
Net cash for investing activities	3,486	(908)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(840)	(829)
Net drawdown/(repayment) of bills payables	(12,732)	(5,343)
Repayments to a related company	(550)	(572)
Hire Purchase Financing	-	250
Repayment of HP instalments	(83)	(303)
Net cash for financing activities	(14,205)	(6,797)
NET DECREASE IN CASH AND CASH EQUIVALENTS	3,907	(1,002)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE	(453)	488
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	4,523	5,037
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	7,977	4,523
	A16	

Note:

This is prepared based on the consolidated results of the Group for the financial year ended 31 December 2009. The unaudited Condensed Cash Flow Statement should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2008 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 2009

PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 ("FRS 134")

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with FRS 134 - 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 2008. 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 2008.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2008.

The Group has not applied in advance the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

FRSs/IC Interpretations	Effective date
Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010

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**PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD
134 ("FRS 134") (CONT'D)**

A2. Changes in Accounting Policies (Cont'd)

Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 ("FRS 134") (CONT'D)

A2. Changes in Accounting Policies (Cont'd)

IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
Annual Improvements to FRSs (2009)	1 January 2010

The above FRSs, IC Interpretations and amendments are not relevant to the Group's operations except as follows:

The revised FRS 3 (2010) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

The possible impacts of FRS 7 (including the subsequent amendments) and the revised FRS 139 (2010) on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 ("FRS 134") (CONT'D)

A2. Changes in Accounting Policies (Cont'd)

The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of the Group's financial statements in the next financial year.

The revised FRS 127 (2010) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of the revised FRS 127 (2010) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

Amendments to FRS 1 and FRS 127 remove the definition of "cost method" currently set out in FRS 127, and instead require an investor to recognise all dividend from subsidiaries, jointly controlled entities or associates as income in its separate financial statements. In addition, FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Company for the current financial year but may impact the accounting for future transactions or arrangements.

Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010) clarify that business combination among entities under common control and the contribution of a business upon the formation of a joint venture will not be accounted for under FRS 2. These amendments are expected to have no material impact on the financial statements of the Group's upon their initial application.

IC Interpretation 9 requires embedded derivatives to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date the entity first became a party to the contract. The possible impacts of IC Interpretation 9 on the financial statements upon its initial application are not disclosed by virtue of the exemptions given under the revised FRS 139 (2010).

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 ("FRS 134") (CONT'D)

A2. Changes in Accounting Policies (Cont'd)

IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

Amendments to IC Interpretation 9 are a consequential amendment from the revised FRS 3 (2010). These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

A3. Status of audit qualifications

The auditors' report on the financial statements for the financial year ended 31 December 2008 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.

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.

A8. Dividends Paid

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

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 ("FRS 134") (CONT'D)

A9. Segment information

Business Segment

The principal businesses of the Group are designing, manufacturing and trading of electrical wiring accessories which are substantially within a single business segment, and therefore, segmental reporting is deemed not necessary.

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 31.12.2009		Preceding Year Corresponding Quarter Ended 30.12.2008	
	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000	(Unaudited) Revenue RM'000	(Unaudited) Profit Before Taxation RM'000
Malaysia	12,080	(1,210)	10,211	(1,512)
Hong Kong	4,853	189	11,393	(603)
Vietnam	54	(137)	173	(317)
	<u>16,987</u>	<u>(1,158)</u>	<u>21,777</u>	<u>(2,432)</u>

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

Neiken Switchgear (S) Pte Ltd ("NSS"), a 50% associate had on 8 February 2010 entered a sales and purchase agreement for acquisition of 1 unit 1 storey factory for a total cash consideration of SGD1,418,725.84 and satisfied with internal generated fund and 70% of the purchase consideration granted by financial institution in Singapore.

A12. Effect of Changes in the Composition of the Group

On 9 December 2009, the Group has increased it's paid up capital in Neiken Switchgear (S) Pte Ltd ("NSS") from existing of 50,000 ordinary shares to 250,000 ordinary shares at SGD1.00 per share, for an amount of SGD200,000.00 (or it's equivalent of RM490,000.00), by remain it's 50% shareholding interest.

A13. Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets as of the end of the financial period to date.

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 ("FRS 134") (CONT'D)

A14. Commitments

The Group has not obtained any foreign exchange contract from a financial institution 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 31.12.2009 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2008 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2009 RM'000 (Unaudited)	Cumulative Preceding Year Corresponding Quarter 31.12.2008 RM'000 (Unaudited)
Ming Kee Manufactory Limited ("MKK")	Purchase of fuse link, screws, inserts, cables, plug, metalware, etc	372	317	1,258	1,116
MKK	Sales of power cordset, pvc, compound, etc	41	35	122	145
MKK	Office rental	17	16	51	63
MKK	Business Consultancy fee	27	27	82	103
Group Talent Ltd ("GTL")	Purchases of fuse	-	-	47	-
Supeready Elec (Fenghua) Co Ltd ("SE")	Sales of power cordset	3	-	10	-
Uni-Channel Enterprise Sdn Bhd	Sales of fan products	57	-	262	-
High Project Electric Wire & Cables Manufactory (Fenghua) Limited ("HPC")	Purchase of cable reel, power cordset, ect	457	5,427	2,249	23,943
United MS Cables Mfg Sdn. Bhd. ("UMSC")	Purchase of electrical wire	266	167	835	1,950

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

A16. Cash and cash equivalents

	At 31.12.2009 RM'000 (Unaudited)	At 31.12.2008 RM'000 (Audited)
Fixed deposits with licensed banks	3,418	637
Cash and bank balances	4,559	5,575
Bank overdraft	-	(1,689)
	<u>7,977</u>	<u>4,523</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, High Project Limited and Neiken Switchgear (VN) Co. Ltd had been translated at the exchange rates ruling at the balance sheet 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
Hong Kong Dollar	0.4416
United States Dollar	3.4245

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

B1. Review of Performance

	Individual Quarter		Year to date	
	31.12.2009 (RM'000)	31.12.2008 (RM'000)	31.12.2009 (RM'000)	31.12.2008 (RM'000)
Turnover	16,987	21,777	62,544	99,661
Profit before taxation	(1,158)	(2,432)	2,371	2,565

The Group achieved revenue of RM16.9 million for the quarter ended 31 December 2009 and RM62.5 million for the financial year to date. This represents a decrease of approximately 22% compared to the corresponding quarter in the preceding year and 37% for the financial year to date. The drop in revenue is mainly due to the drop in demand as a result of the global economic crisis, as well as the cessation of the cable reel business by Hong Kong subsidiary. The Group also suffered a lower loss as compared to the corresponding quarter in 2008 was mainly due to better margin and lower finance cost due to the reduction in the overall borrowings.

However, profit before taxation for the financial year to-date registered a slight decrease of 8% compared to the previous financial year. This is in line with the lower revenue, but it was offset by the better margin and lower finance cost as explained above.

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

	Individual Quarter	
	31.12.2009 (RM'000)	30.09.2009 (RM'000)
Turnover	16,987	17,051
(Loss)/Profit before taxation	(1,158)	1,602

The Group achieved revenue of approximately RM16.99 million for the current quarter under review as compared to RM17.05 million in the previous quarter, registering a decrease of approximately 1%.

The Group suffered a loss for the current quarter under review as compared to a profit in the immediate preceding quarter due to lower profit margin and also the write-off of obsolete inventories in the current quarter.

B3. Current Year Prospects

The Board expects the performance for year 2010 to be challenging, due to uneven recovery in the global economy as well as unfavourable movement in the exchange rate of the US dollar.

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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. Income Tax Expense

	Current Year Quarter 31.12.2009 RM'000 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2008 RM'000 (Unaudited)	Cumulative Current Year to Date 31.12.2009 RM'000 (Unaudited)	Cumulative Preceding Year Corresponding Quarter 31.12.2008 RM'000 (Unaudited)
Current tax Expense	<u>(461)</u>	<u>(744)</u>	<u>237</u>	<u>505</u>

Tax expense for the financial quarter ended 31 December 2009 is derived based on management's best estimate of the tax rate for the year.

The Group's effective tax rate for the current quarter and financial year to date are lower than the prevailing statutory tax rate is mainly due to the reinvestment allowance claims incurred by Malaysia manufacturing subsidiary.

B6. Unquoted Investments and/or Properties

There were no purchases or disposal of unquoted investments and/or properties in the quarter ended 31 December 2009.

B7. Quoted and marketable investments

There was not investment or disposal of quoted and marketable securities during the current quarter under review.

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

B8. Status of Corporate Proposals

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

B9. Group borrowings

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

	Short-Term (Secured) RM'000
Bill payables	4,152
Hire purchase payables – short term	68
– long term	10
Total	<u>4,230</u>

There are no foreign currency borrowings at the end of the reporting quarter.

B10. Off balance sheet financial instrument

There are no financial instruments with off balance sheet risk as at the date of this report.

B11. Changes in 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.

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

B12. Dividends

The Board of Directors is pleased to recommend a first and final gross dividend of 1.4 sen less 25% tax per ordinary share in respect of the financial year ended 31 December 2009, subject to approval of shareholders at the forthcoming annual general meeting of the Company. The entitlement and payment dates shall be announced in due course.

B13. 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 31.12.2009 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2008 (Unaudited)	Cumulative Current Year to Date 31.12.2009 (Unaudited)	Preceding Year Corresponding Quarter 31.12.2008 (Unaudited)
Profit attributable to Equity holders of parent (RM'000)	<u>(697)</u>	<u>(1,688)</u>	<u>2,133</u>	<u>2,060</u>
Weighted average number of ordinary shares of RM0.50 each in issue	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	<u>(0.87)</u>	<u>(2.11)</u>	<u>2.67</u>	<u>2.58</u>

The Company has an ESOS scheme in place. At the end of the financial period, there are 445,000 options granted to employees pursuant to the ESOS scheme. Diluted earnings per share are not disclosed herein as the options granted are deemed anti-dilutive.

UMS-NEIKEN GROUP BERHAD
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(Incorporated in Malaysia)

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

B14. 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.

B15. 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 25 February 2010.