

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS AT 31 MARCH 2008**

	As at 31-Mar-08 RM'000	As at 31-Dec-07 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	26,841	21,580
Property development projects	661	2,704
Investment properties	425	425
Prepaid lease payments	1,422	1,428
Investment in associates	7,547	6,350
Other investments	6,340	3,053
Intangible assets	3,904	3,824
	<u>47,140</u>	<u>39,364</u>
Current Assets		
Inventories	57,958	57,311
Trade and other receivables	43,531	41,186
Tax recoverable	728	273
Cash and bank balances	16,779	20,202
	<u>118,996</u>	<u>118,972</u>
TOTAL ASSETS	<u>166,136</u>	<u>158,336</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	68,281	68,281
Treasury shares	(8,381)	(7,710)
Reserves	13,717	13,820
Retained profits	45,536	42,249
Total equity attributable to shareholders	<u>119,153</u>	<u>116,640</u>
Minority interests	6,875	6,544
Total equity	<u>126,028</u>	<u>123,184</u>
Non-current liabilities		
Borrowings	4,055	1,003
Deferred tax liabilities	499	453
	<u>4,554</u>	<u>1,456</u>
Current liabilities		
Trade and other payables	17,822	18,270
Short term borrowings	15,597	14,448
Provision for taxation	2,135	978
	<u>35,554</u>	<u>33,696</u>
Total liabilities	<u>40,108</u>	<u>35,152</u>
TOTAL EQUITY AND LIABILITIES	<u>166,136</u>	<u>158,336</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THREE MONTHS ENDED 31 MARCH 2008**

	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2008 RM '000	2007 RM '000	2008 RM '000	2007 RM '000
Revenue	31,212	24,813	31,212	24,813
Operating expenses	(26,424)	(21,199)	(26,424)	(21,199)
Other operating income	320	311	320	311
Operating profit	5,108	3,925	5,108	3,925
Interest expense	(399)	(227)	(399)	(227)
Interest income	49	31	49	31
Share results of associates	212	151	212	151
Profit before tax	4,970	3,880	4,970	3,880
Tax expense	(1,366)	(1,060)	(1,366)	(1,060)
Profit for the period	3,604	2,820	3,604	2,820
Attributable to:				
Shareholders of the Company	3,287	2,764	3,287	2,764
Minority interests	317	56	317	56
Profit for the period	3,604	2,820	3,604	2,820
Basic earnings per share (sen)	2.66	2.07	2.66	2.07
Diluted earnings per share (sen)	2.66	2.07	2.66	2.07

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR THREE MONTHS ENDED 31 MARCH 2008**

	Cumulative quarter 3 months ended 31 March	
	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,970	3,880
Adjustments	692	354
Operating profit before working capital changes	5,662	4,234
Changes in working capital	(3,330)	(3,463)
Cash generated from operations	2,332	771
Interest paid	(399)	(231)
Tax paid	(709)	(373)
Net cash generated from operating activities	1,224	167
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase and disposal of property, plant and equipment	(231)	(1,788)
Other investments	(4,204)	382
Net cash used in investing activities	(4,435)	(1,406)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	38	1,421
Net of purchase and disposal of treasury shares	(671)	(2,371)
Net change in borrowings	(252)	1,725
Net cash from financing activities	(885)	775
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,096)	(464)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	18,282	8,689
Effect of foreign exchange rates changes	(104)	(10)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	14,082	8,215
THE CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	16,779	12,882
Overdrafts	(2,697)	(4,667)
	14,082	8,215

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
FOR THREE MONTHS ENDED 31 MARCH 2008**

(RM'000)	Non-distributable						Distributable			
	Attributable to shareholders of the Company									
	Share capital	Share premium	Treasury shares	Revaluation reserve	Capital reserve	Exchange fluctuation reserve	Retained profits	Total	Minority interests	Total equity
Balance as at 1 January 2008	68,281	13,163	(7,710)	378	892	(613)	42,249	116,640	6,544	123,184
Effect of deferred taxation	-	-	-	(13)	-	-	-	(13)	-	(13)
Translation differences	-	-	-	-	-	(90)	-	(90)	-	(90)
Purchase of treasury shares	-	-	(671)	-	-	-	-	(671)	-	(671)
Changes in equity interest	-	-	-	-	-	-	-	-	14	14
Net profit for the period	-	-	-	-	-	-	3,287	3,287	317	3,604
Balance as at 31 March 2008	68,281	13,163	(8,381)	365	892	(703)	45,536	119,153	6,875	126,028
Balance as at 1 January 2007	67,200	11,939	(4,931)	206	892	(262)	30,255	105,299	5,515	110,814
Translation differences	-	-	-	-	-	3	-	3	-	3
Issue of shares pursuant to ESOS	751	255	-	-	-	-	-	1,006	-	1,006
Purchase of treasury shares	-	-	(2,371)	-	-	-	-	(2,371)	-	(2,371)
Change in equity interest	-	-	-	-	-	-	-	-	203	203
Net profit for the year	-	-	-	-	-	-	2,764	2,764	56	2,820
Balance as at 31 March 2007	67,951	12,194	(7,302)	206	892	(259)	33,019	106,701	5,774	112,475

The condensed consolidated statements of change in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

NOTES TO THE INTERIM FINANCIAL REPORT

- SELECTED EXPLANATORY NOTES UNDER FRS 134 – INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with Financial Reporting Standard 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2007.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2007. The explanatory notes attached to the interim financial statements provides an explanation of the 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 2007.

A2 Auditors’ report on preceding annual financial statements

The auditors’ report of the annual financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

A3 Seasonal or cyclical factors

The Group performance is not materially affected by seasonal or cyclical factors.

A4 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial period-to-date.

A5 Changes in estimates

There were no changes in estimates that have material effect in the current quarter and financial period-to-date results.

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during financial period ended 31 March 2008 save for share buy-back. During financial period ended 31 March 2008, the Company repurchased 827,800 of its own shares in the open market.

As at 31 March 2008, a total of 13,483,566 repurchase shares, representing 9.87% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM8.381 million.

A7 Dividend paid

No dividend has been paid for the financial period under review.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

A8 Segment information

By business segment

	Valves, instruments and fittings RM'000	Heat and steam engineering RM'000	Electronic RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	22,618	1,274	1,923	5,397	-	31,212
Inter-segment revenue	9,494	15	28	223	(9,760)	-
Total revenue	32,112	1,289	1,951	5,620	(9,760)	31,212
Segment results	4,284	151	78	595	-	5,108
Interest expense						(399)
Interest income						49
Share of results of associates						212
Profit before tax						4,970
Tax expense						(1,366)
Profit after tax						3,604
Minority interests						(317)
Net profit for financial period ended 31 March 2008						3,287

A9 Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the annual financial statements for financial year ended 31 December 2007.

A10 Material post balance sheet events

There were no material events subsequent to the end of the financial period ended 31 March 2008 as at the date of this report.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during financial period ended 31 March 2008 save for on 31 March 2008, Unimech Capital Sdn Bhd ("UMC"), a wholly owned subsidiary of UGB, subscribed for 1,200,000 ordinary shares of RM1.00 each of MKT Marketing Sdn. Bhd. ("MKT") for cash consideration of RM1,200,000. Subsequent to the subscription, MKT becomes a 30% associate company of UMC.

A12 Changes in contingent liabilities or contingent assets

There were no material changes in the contingent liabilities for the Group since the last financial year ended 31 December 2007.

A13 Capital commitments

	31-Mar-08 RM'000
Property, plant and equipment	
Approved but not contracted for	500



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

A14 Related party transactions

	3 months ended 31-Mar-08 RM'000
Purchases from a company in which certain directors of the Company have interests	39
Sales to a company in which certain directors of the Company have interests	174



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

NOTES TO THE INTERIM FINANCIAL REPORT

- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of performance for current quarter and financial year to-date

For the first quarter ended 31 March 2008, the Group recorded revenue of RM31.212 million, representing an improvement of 25.8% over prior year corresponding quarter's revenue of RM24.813 million. The increase of the revenue was due principally to the increase in demand in valve and fitting products. The increase in revenue, correspondingly increase the profit before taxation by 28.1% to RM4.970 million from RM3.880 million reported in prior year's corresponding quarter.

B2 Comparison with preceding quarter's results

The revenue and profit before taxation for the current quarter and preceding quarter is summarised as follows:

	3 months ended 31-Mar-08 RM'000	3 months ended 31-Dec-07 RM'000	Variance	
			RM'000	%
Revenue	31,212	28,835	2,377	8.2
Profit before taxation	4,970	6,297	(1,327)	(21.1)

The revenue for current quarter ended 31 March 2008 increased by 8.2% as compared to preceding quarters'. A higher revenue was reported in current year quarter as compared to preceding quarter's was mainly due to the increase in demand in valve and fitting products. Nevertheless, the profit before taxation decreased by 21.1% was mainly due to gain on disposal of investments in preceding quarter.

B3 Current year prospects

The Group continues to focus on expanding its valve, instrument and fitting businesses by enhancing and improving its product quality, products with high value added content and manufacturing efficiency. The Group continues its efforts to identify promising targets, in particular business complement to Group's existing businesses for partnership, joint ventures or acquisition in order to further improve the Group's profitability. Barring any unforeseen circumstances, the Board expects the Group to achieve a double digit growth in its profit for financial year ending 31 December 2008.

B4 Profit forecast

Not applicable as no profit forecast was published.

B5 Income tax expense

	Current quarter 3 months ended 31-Mar-08 RM'000	Cumulative quarter 3 months ended 31-Mar-08 RM'000
Current period provision	1,366	1,366
Deferred taxation	-	-
	1,366	1,366

B6 Sale of unquoted investments and properties

There was no disposal of unquoted investments or properties during the financial period under review.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008
B7 Purchase or disposal of quoted investments

During current quarter and cumulative quarter ended 31 March 2008, the purchased of quoted investments were amounted to RM3.229 million. The disposal of quoted investments for the current quarter and cumulative quarter ended 31 March 2008 are as follows:

	Current quarter 3 months ended 31-Mar-08 RM'000	Cumulative quarter 3 months ended 31-Mar-08 RM'000
Disposal of quoted investment (proceeds)	79	79
Cost of purchase (at cost)	22	22
Gain on disposal	<u>57</u>	<u>57</u>

B8 Status of corporate proposals and status of utilisation of proceeds raised

There was no corporate proposal being carried out during the period under review.

B9 Group borrowings and debt securities

Total Group borrowings as at 31 March 2008 are as follows:

	Borrowings RM'000
Current	
Secured borrowings	2,335
Unsecured borrowings	<u>13,262</u>
	15,597
Non-current	
Secured borrowings	4,055
Unsecured borrowings	<u>-</u>
	4,055
Total borrowings	19,652

B10 Off balance sheet financial instruments

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

B11 Changes in material litigation

The Group is not engaged in any material litigation as at the date of this report.

B12 Dividend

The Directors recommend the payment of a first and final dividend of 4.0 sen per share less income tax at 26%. The proposed dividend payment is amounted to RM3.668 million based on the issued and paid-up capital as at 31 December 2007 of 123,905,568 ordinary shares of RM0.50 each (excluding treasury shares held by the Company). The proposed dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

B13 Earnings per share

	Current quarter 3 months ended 31-Mar-08	Cumulative quarter 3 months ended 31-Mar-08
Profit for the period (RM'000)	3,287	3,287
Amount attributable to minority interests (RM'000)	317	317
Net profit attributable to shareholders (RM'000)	<u>3,604</u>	<u>3,604</u>
Basic earnings per share		
Weighted average number of ordinary shares in issue ('000)	123,460	123,460
Basic earnings per share (sen)	2.66	2.66

By order of the Board

Dato' Lim Cheah Chooi
Chairman

Dated this 28 May 2008