

**UCHI TECHNOLOGIES BERHAD**

(Company No. 457890-A)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2008**

(The figures have not been audited)

	Note	Individual 3 months ended March 31		Cumulative 3 months ended March 31	
		2008	2007	2008	2007
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>36,816</b>	<b>38,954</b>	<b>36,816</b>	<b>38,954</b>
<b>Operating Profit</b>		<b>17,620</b>	<b>20,066</b>	<b>17,620</b>	<b>20,066</b>
<b>Other Income</b>		<b>1,566</b>	<b>1,291</b>	<b>1,566</b>	<b>1,291</b>
<b>Profit Before Tax</b>		<b>19,186</b>	<b>21,357</b>	<b>19,186</b>	<b>21,357</b>
<b>Income Tax Expenses</b>	18	<b>(614)</b>	<b>(243)</b>	<b>(614)</b>	<b>(243)</b>
<b>Net Profit for the Period</b>		<b>18,572</b>	<b>21,114</b>	<b>18,572</b>	<b>21,114</b>
Basic earnings per ordinary share of RM0.20 each (sen)	27	<b>4.96</b>	5.65	<b>4.96</b>	5.65
Diluted earnings per ordinary share of RM0.20 each (sen)	27	<b>4.96</b>	5.65	<b>4.96</b>	5.65

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended December 31, 2007.

**UCHI TECHNOLOGIES BERHAD**  
(Company No. 457890-A)

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS OF MARCH 31, 2008**

(The figures have not been audited)

	Note	As of March 31, 2008 RM'000	Audited as of December 31, 2007 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		21,453	20,109
Prepaid lease payments		8,018	8,043
Other investment	20	4,632	12,332
Deferred tax assets	28	365	365
		<u>34,468</u>	<u>40,849</u>
<b>Current Assets</b>			
Inventories		20,713	22,503
Trade and other receivables		22,728	20,208
Other assets		2,016	646
Current tax assets		1,106	1,136
Short-term deposits		117,530	145,949
Cash and bank balances		2,980	1,936
		<u>167,073</u>	<u>192,378</u>
<b>TOTAL ASSETS</b>		<b>201,541</b>	<b>233,227</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	26	75,015	75,015
Less: Treasury shares, at cost	26	(7,603)	-
		<u>67,412</u>	<u>75,015</u>
Reserves		27,895	27,996
Retained earnings		91,292	72,709
<b>Total Equity</b>		<b>186,599</b>	<b>175,720</b>
<b>Non-current Liabilities</b>			
Deferred tax liabilities	28	1,303	1,303
<b>Current Liabilities</b>			
Trade and other payables		11,018	16,202
Provision for rework and warranty		2,400	2,400
Current tax liabilities		128	-
Dividend payable		93	37,508
Bank Overdraft		-	94
		<u>13,639</u>	<u>56,204</u>
<b>Total Liabilities</b>		<b>14,942</b>	<b>57,507</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>201,541</b>	<b>233,227</b>
Net assets per share of RM0.20 each (RM)		0.53	0.47

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended December 31, 2007

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED MARCH 31, 2008**

(The figures have not been audited)

Note	Non-Distributable				Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Revaluation / Translation/ Merger Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	
Balance as of January 1, 2007	74,788	21,672	-	2,031	692	93,589	192,772
Currency translation differences	-	-	-	(258)	-	-	(258)
Share-based payment under ESOS	-	-	-	-	431	-	431
Net profit after tax for the period	-	-	-	-	-	21,114	21,114
Balance as of March 31, 2007	<u>74,788</u>	<u>21,672</u>	<u>-</u>	<u>1,773</u>	<u>1,123</u>	<u>114,703</u>	<u>214,059</u>
Balance as of January 1, 2008	75,015	25,173	-	1,427	1,396	72,709	175,720
Repurchase of 4,232,300 Treasury Shares	-	-	(7,603)	-	-	-	(7,603)
Currency translation differences	-	-	-	(240)	-	-	(240)
Share-based payment under ESOS	-	-	-	-	151	-	151
Share-based payment under ESOS forfeited	-	-	-	-	(12)	11	(1)
Net profit after tax for the period	-	-	-	-	-	18,572	18,572
Balance as of March 31, 2008	<u>75,015</u>	<u>25,173</u>	<u>(7,603)</u>	<u>1,187</u>	<u>1,535</u>	<u>91,292</u>	<u>186,599</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended December 31, 2007

**UCHI TECHNOLOGIES BERHAD**  
(Company No. 457890-A)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2008**

(The figures have not been audited)

	3 months ended March 31	
	2008 RM'000	2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	19,186	21,357
Adjustments for :		
Non-cash items	556	781
Non-operating items	(1,992)	(826)
Operating profit before working capital changes	17,750	21,312
Net changes in current assets	(2,763)	(3,785)
Net changes in current liabilities	(5,184)	(2,447)
<b>Cash generated from operations</b>	<b>9,803</b>	<b>15,080</b>
Tax paid	(456)	(252)
<b>Net cash generated from operating activities</b>	<b>9,347</b>	<b>14,828</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,804	1,634
Dividend received	136	21
Proceeds from disposal of property, plant and equipment	20	-
Proceeds from disposal of investment	8,412	-
Purchase of property, plant and equipment	(1,742)	(29)
<b>Net cash (used in)/ generated from investing activities</b>	<b>8,630</b>	<b>1,626</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(37,415)	(36,362)
Payment for share buy-back	(7,603)	-
<b>Net cash used in financing activities</b>	<b>(45,018)</b>	<b>(36,362)</b>
Exchange translation differences	(240)	(258)
<b>NET CASH DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(27,281)</b>	<b>(20,166)</b>
<b>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF PERIOD</b>	<b>146,656</b>	<b>166,962</b>
<b>CASH AND CASH EQUIVALENTS AS OF END OF PERIOD</b>	<b>119,375</b>	<b>146,796</b>
Short term deposits	117,530	144,041
Cash and bank balances	2,980	3,890
	<b>120,510</b>	<b>147,931</b>
Less : short-term deposit held as security value	(1,135)	(1,135)
	<b>119,375</b>	<b>146,796</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended December 31, 2007

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED MARCH 31, 2008**

**1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad (Bursa Securities), including compliance with the Financial Reporting Standard (FRS) 134<sub>2004</sub>, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB).

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted by the Group in the audited financial statements for the year ended December 31, 2007.

The preparation of an interim financial report in conformity with FRS134<sub>2004</sub>, *Interim Financial Reporting* requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended December 31, 2007.

**2. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the preceding annual financial statements was not subject to any qualification.

**3. SEASONAL OR CYCLICAL FACTORS**

The Group serves a wide base of multi national companies in the consumer and industrial electrical and electronic appliances industries. The demand for the Group's products in the normal course of event is seasonal with demand peaking during the third quarter of the year.

**4. UNUSUAL MATERIAL EVENT**

There was no unusual material event during the reporting quarter.

**5. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates of amount from either the prior interim period or prior financial years.

**6. CHANGES IN DEBT AND EQUITY SECURITIES**

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the three months ended March 31, 2008:

- (a) During the three months ended March 31, 2008, the Company purchased 4,232,300 of its issued share capital from the open market for an average price of RM1.80 per share. The purchased transactions were financed by the internally generated funds. The shares purchases are being held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965.
- (b) Of the total 375,076,800 issued and fully paid ordinary shares, 4,232,300 are held as treasury shares by the Company. As at March 31, 2008, the number of outstanding shares in issue and fully paid is 370,844,500 ordinary shares of RM0.20 each.

## 7. DIVIDENDS PAID

	3 months ended March 31	
	2008 RM'000	2007 RM'000
Interim tax exempt dividend of 6 Sen per ordinary share of RM0.20 each, for 2006	-	22,436
Special interim dividend I of 1 Sen gross per ordinary share of RM0.20 each, less tax, for 2006	-	2,730
Special tax exempt interim dividend II of 3 Sen per ordinary share of RM0.20 each, for 2006	-	11,218
Interim tax exempt dividend of 6 Sen per ordinary share of RM0.20 each, for 2007	22,505	-
Special tax exempt interim dividend of 4 Sen per ordinary share of RM0.20 each, for 2007	15,003	-
	<u>37,508</u>	<u>36,384</u>

## 8. REVENUE

	3 months ended March 31		3 months ended March 31	
	2008 RM'000	2007 RM'000	2008 USD'000	2007 USD'000
Revenue	<u>36,816</u>	<u>38,954</u>	<u>11,443</u>	<u>11,121</u>

## 9. SEGMENT REPORTING

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<b>March 31, 2008</b>						
<b>Revenue</b>						
External sales	-	36,810	6	-	-	36,816
Inter-segment sales	330	10,291	248	-	(10,869)	-
Total revenue	<u>330</u>	<u>47,101</u>	<u>254</u>	<u>-</u>	<u>(10,869)</u>	<u>36,816</u>
<b>Results</b>						
Profit/(loss) before tax	(612)	19,216	224	(29)	387	19,186
Income tax expense	(49)	(540)	(25)	-	-	(614)
Net profit/(loss) for the year	<u>(661)</u>	<u>18,676</u>	<u>199</u>	<u>(29)</u>	<u>387</u>	<u>18,572</u>
<b>Other information</b>						
Capital additions	46	2,337	-	-	-	2,383
Depreciation and amortization	23	333	55	12	-	423
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segmental assets	113,075	219,361	5,493	2,056	(139,915)	200,070
Income tax asset	888	200	383	-	-	1,471
Consolidated total assets	<u>113,963</u>	<u>219,561</u>	<u>5,876</u>	<u>2,056</u>	<u>(139,915)</u>	<u>201,541</u>

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<b>March 31, 2008</b>						
<b>Results</b>						
<b>Liabilities</b>						
Segmental liabilities	671	106,163	879	379	(94,581)	13,511
Income tax liabilities	-	969	-	462	-	1,431
Consolidated total liabilities	671	107,132	879	841	(94,581)	14,942
<b>March 31, 2007</b>						
<b>Revenue</b>						
External sales	-	38,892	62	-	-	38,954
Inter-segment sales	270	12,906	230	-	(13,406)	-
Total revenue	270	51,798	292	-	(13,406)	38,954
<b>Results</b>						
Profit/(Loss) before tax	(699)	22,240	(102)	(28)	(54)	21,357
Income tax expense	(14)	(212)	(17)	-	-	(243)
Net profit/(loss) for the year	(713)	22,028	(119)	(28)	(54)	21,114
<b>Other information</b>						
Capital additions	-	29	-	-	-	29
Depreciation and amortisation	23	252	75	12	-	362
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segmental assets	128,862	201,965	10,069	2,105	(109,724)	233,277
Income tax assets	512	2,617	237	-	-	3,366
Consolidated total assets	129,374	204,582	10,306	2,105	(109,724)	236,643
<b>Liabilities</b>						
Segmental liabilities	572	93,690	5,354	358	(78,724)	21,250
Income tax liabilities	-	861	-	473	-	1,334
Consolidated total liabilities	572	94,551	5,354	831	(78,724)	22,584

## 10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The short leasehold land and buildings were revalued during the financial year ended December 31, 2004, and have been brought forward without amendment from the previous annual report.

## 11. MATERIAL SUBSEQUENT EVENT

There was no significant or material events subsequent to the end of the period reported on that have not been reflected in the financial statements for the said period.

## 12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter.

### 13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets arising since December 31, 2007.

### 14. PERFORMANCE REVIEW

Revenue in Ringgit Malaysia for the period ended March 31, 2008 (RM36.816 million which equivalent to USD11.443 million), decreased by 5% as compared to March 31, 2007 (RM38.954 million which equivalent to USD11.121 million), mainly due to appreciation of Ringgit Malaysia against US Dollar.

### 15. COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS

The Group recorded a profit before taxation of RM19 million for the current quarter as compared to RM17 million, the immediate preceding quarter ended December 31, 2007 mainly due to increase in sales of higher margin products.

### 16. COMMENTARY ON CURRENT YEAR PROSPECT

Barring any unforeseen circumstances and to the best of our knowledge at this juncture, the Group anticipates a reduction in revenue for the year ending 2008 due to deferment of sales order in consequence of customer's logistic planning restructuring.

### 17. VARIANCE OF ACTUAL AND FORECASTED PROFIT AND SHORTFALL IN PROFIT GUARANTEE

Not applicable.

### 18. INCOME TAX EXPENSES

	3 months ended March 31	
	2008 RM'000	2007 RM'000
Estimated tax expense:		
Current	<u>614</u>	<u>243</u>

The Group's income tax for the quarter under review reflects an effective tax rate which is lower than the statutory income tax rate due mainly to:

The pioneer status granted by the Malaysian Industrial Development Authority to one of its subsidiary companies for the design, development and manufacture of mixed signal microprocessor based application and system integration.

Under this incentive, 100% of the statutory income derived from the design, development and manufacture of the abovementioned products will be exempted from income tax for a period of five years commencing from the production day, which has been fixed on January 1, 2008 by the Malaysian Industrial Development Authority.

### 19. PROFITS ON ANY SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no sale of unquoted investment and/ or properties during the financial period under review.



## 20. OTHER INVESTMENT

- a. Summary of dealings in quoted securities for the current financial quarter ended March 31, 2008:

	3 months ended March 31	
	2008 RM'000	2007 RM'000
Purchase of Quoted Securities	-	-
	3 months ended March 31	
	2008 RM'000	2007 RM'000
Sales of Quoted Securities	8,412	-
Carrying Amount of Quoted Securities	7,718	-
Gain on Sales of Quoted Securities	694	-

- b. Summary of investment in quoted securities as at March 31, 2008

	RM'000
Total Quoted Investment at cost	4,700
Total Quoted Investment at carrying value / book value	4,632
Total Quoted Investment at market value	4,666

## 21. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT YET TO COMPLETED

There were no corporate proposals announced but yet to complete as of May 14, 2008.

## 22. GROUP BORROWINGS AND DEBT SECURITIES

There was no group borrowing as of March 31, 2008.

## 23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

As of March 31, 2008:

- (a) The forward exchange contracts, which the Group had entered into to sell and remain outstanding is USD3,000,000 at approximately RM3.4164 per United States Dollar.
- (b) The Group has entered into foreign exchange derivative with a foreign bank, with a bi-monthly settlement of USD900,000. The foreign exchange derivative has been terminated on April 26, 2008.

As of May 14, 2008:

- (a) The forward exchange contracts, which the Group had entered into to sell and remain outstanding is USD5,400,000 at approximately RM3.2793 per United States Dollar.
- (b) The Group has entered into the followings with a foreign bank:
- (i) Foreign exchange derivative with a monthly settlement of USD1,000,000, which the last settlement will complete in the second quarter of 2011.
  - (ii) Foreign exchange derivative with a monthly settlement of USD1,000,000, which the last settlement will complete in the second quarter of 2009. The foreign exchange derivative is subject to the termination at the contracting bank's discretion, upon certain terms and condition being met.

## 24. MATERIAL LITIGATION

There was no material litigation pending since December 31, 2007.

## 25. DIVIDENDS DECLARED OR PAYABLE

A final dividend of 6 Sen per share of RM0.20 each, exempt from income tax and a special final dividend of 4 Sen per share of RM0.20 each, exempt from income tax for the year ended December 31, 2007, if approved by the shareholders, will be paid on July 18, 2008 to depositors registered in the Records of Depositors at the closed of business on June 30, 2008.

There were no dividends declared or payable for the year ending December 31, 2008.

## 26. SHARE CAPITAL

	3 months ended March 31	
	2008	2007
	RM'000	RM'000
Ordinary shares of RM0.20 each:		
Authorised:		
At beginning of the period	100,000	100,000
Created during the period	-	-
	<u>100,000</u>	<u>100,000</u>

	3 months ended March 31	
	2008	2007
	RM'000	RM'000
Ordinary shares of RM0.20 each:		
Issued and fully paid:		
At beginning of the period	75,015	74,788
ESOS	-	-
	<u>75,015</u>	<u>74,788</u>

During the current interim period, the issued and paid up share capital of the Company remain unchanged.

At an Extraordinary General Meeting held on May 28, 2008, the Company's shareholders approved the Company's plan to repurchase its own shares. Under the share buy-back exercise, the Company is authorised to purchase up to maximum of 10% of the total issued and paid-up share capital.

During the financial period, the Company repurchased 4,232,300 (2007: Nil) of its issued and fully paid-up ordinary shares from the open market. The average price paid for the shares repurchased was approximately RM1.80 (2007: Nil) per ordinary share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965. The Company has the right to reissue the shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As of March 31, 2008, out of the total 375,076,800 (2007: 373,940,800) issued and paid-up share capital, 4,232,300 (2007: Nil) are held as treasury shares. Hence, the number of outstanding ordinary shares in issue and fully paid-up is 370,844,500 (2007: 373,940,800) ordinary shares of RM0.20 each.

## 27. EARNINGS PER SHARE

### *Basic earnings per share*

The calculation of basic earnings per share for the quarter is based on the net profit attributable to ordinary shareholders of RM18.572 million divided by the weighted average number of ordinary shares outstanding during the quarter of 374,260,000 calculated as follows:

### *Weighted average number of ordinary shares*

	March 31	
	2008 '000	2007 '000
Issued ordinary shares at beginning of the period	375,077	373,941
Effect of the exercise of ESOS	-	-
Effect of the shares buy-back	(817)	-
Weighted average number of ordinary shares	374,260	373,941

### *Fully diluted earnings per share*

The calculation of diluted earnings per share for the quarter is based on the net profit attributable to ordinary shareholders of RM18.572 million divided by the diluted weighted average number of ordinary share outstanding during the quarter of 374,260,000 calculated as follows:

### *Weighted average number of ordinary shares (diluted)*

	March 31	
	2008 '000	2007 '000
Weighted average number of ordinary shares	374,260	373,941
Effect of the exercise of ESOS	-	-
Weighted average number of ordinary shares (diluted)	374,260	373,941

The diluted earnings per ordinary share in 2007 and 2006 has not been presented as the effect of the conversions of employee share option to ordinary shares would be anti-dilutive due to the fair value of the ordinary shares is currently lower than the subscription price.

## 28. DEFERRED TAX

	March 31	
	2008 RM'000	2007 RM'000
Deferred tax liabilities	1,303	1,334
Deferred tax assets	(365)	(298)
	938	1,036

The movement for the period in the Group's deferred tax liabilities was as follows:

	3 months ended March 31	
	2008 RM'000	2007 RM'000
Balance at beginning of period	1,303	1,334
Transfer to income statement	-	-
Balance at end of period	1,303	1,334

The deferred tax liabilities are in respect of the following:

	<b>March 31</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Revaluation surplus of revalued properties	<u>1,303</u>	<u>1,334</u>

The movement for the period in the Group's deferred tax assets was as follows:

	<b>3 months ended March 31</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of period:	(365)	(298)
Transfer (from)/to income statement:		
(Increase)/decrease in deferred tax assets relating to origination and reversal of temporary differences in current year	-	-
At end of period	<u>(365)</u>	<u>(298)</u>

The deferred tax assets are in respect of the following:

	<b>March 31</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Tax effect of timing differences between tax capital allowances and depreciation of property, plant and equipment	276	363
Tax effect in respect of:		
Allowance for doubtful debts	(100)	(100)
Allowance for obsolete inventories	-	-
Provision for rework and warranty	(128)	(148)
Unabsorbed capital allowance	(236)	(233)
Other timing differences	(177)	(180)
	<u>(365)</u>	<u>(298)</u>