

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009****CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS AT 31 MARCH 2009**

	As at 31-Mar-09 RM'000	As at 31-Dec-08 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	30,969	30,521
Property development costs	22	9
Investment properties	425	425
Prepaid lease payments	1,455	1,446
Investment in associates	8,245	8,315
Other investments	4,385	3,985
Intangible assets	5,797	4,177
	<u>51,298</u>	<u>48,878</u>
Current assets		
Inventories	71,931	73,289
Trade and other receivables	46,567	41,198
Tax recoverable	440	263
Cash and bank balances	16,558	18,732
	<u>135,496</u>	<u>133,482</u>
TOTAL ASSETS	<u>186,794</u>	<u>182,360</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	68,281	68,281
Treasury shares	(8,525)	(8,425)
Reserves	15,151	14,408
Retained earnings	54,400	51,936
Total equity attributable to shareholders	<u>129,307</u>	<u>126,200</u>
Minority interests	7,946	7,663
Total equity	<u>137,253</u>	<u>133,863</u>
Non-current liabilities		
Borrowings	6,348	5,827
Deferred tax liabilities	591	591
	<u>6,939</u>	<u>6,418</u>
Current liabilities		
Trade and other payables	19,917	16,920
Short term borrowings	21,471	24,153
Provision for taxation	1,214	1,006
	<u>42,602</u>	<u>42,079</u>
Total liabilities	<u>49,541</u>	<u>48,497</u>
TOTAL EQUITY AND LIABILITIES	<u>186,794</u>	<u>182,360</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

**CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOR THREE MONTHS ENDED 31 MARCH 2009**

	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2009 RM '000	2008 RM '000	2009 RM '000	2008 RM '000
Revenue	27,765	31,212	27,765	31,212
Operating expenses	(24,135)	(26,424)	(24,135)	(26,424)
Other operating income	336	320	336	320
Operating profit	3,966	5,108	3,966	5,108
Interest expense	(363)	(399)	(363)	(399)
Interest income	65	49	65	49
Share results of associates	(128)	212	(128)	212
Profit before tax	3,540	4,970	3,540	4,970
Tax expense	(898)	(1,366)	(898)	(1,366)
Profit for the period	2,642	3,604	2,642	3,604
Attributable to:				
Shareholders of the Company	2,464	3,287	2,464	3,287
Minority interests	178	317	178	317
Profit for the period	2,642	3,604	2,642	3,604
Basic earnings per share (sen)	2.00	2.66	2.00	2.66
Diluted earnings per share (sen)	-	-	-	-

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR THREE MONTHS ENDED 31 MARCH 2009**

	Cumulative quarter 3 months ended 31 March	
	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,540	4,970
Adjustments	1,404	692
Operating profit before working capital changes	4,944	5,662
Changes in working capital	2,417	(3,330)
Cash generated from operations	7,361	2,332
Interest paid	(363)	(399)
Tax paid	(915)	(709)
Net cash generated from operating activities	6,083	1,224
CASH FLOWS FROM INVESTING ACTIVITIES		
Net of purchase and disposal of property, plant and equipment	(817)	(231)
Net of purchase and disposal of treasury shares	(100)	(671)
Other investments	(4,869)	(4,204)
Net cash used in investing activities	(5,786)	(5,106)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued	112	38
Net changes in borrowings	(4,444)	(252)
Net cash used in financing activities	(4,332)	(214)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,035)	(4,096)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	15,740	18,282
Effect of foreign exchange rates changes	461	(104)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	12,166	14,082
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	16,558	16,779
Overdrafts	(4,392)	(2,697)
	12,166	14,082

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
FOR THREE MONTHS ENDED 31 MARCH 2009**

	Non-distributable						Distributable			
	Attributable to shareholders of the Company									
(RM'000)	Share capital	Share premium	Treasury shares	Revaluation reserve	Capital reserve	Exchange fluctuation reserve	Retained earnings	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)
Foreign exchange fluctuation	-	-	-	-	-	(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 2009	68,281	13,168	(8,425)	254	892	94	51,936	126,200	7,663	133,863
Foreign exchange fluctuation	-	-	-	-	-	669	-	669	-	669
Purchase of treasury shares	-	-	(536)	-	-	-	-	(536)	-	(536)
Disposal of treasury shares	-	74	436	-	-	-	-	510	-	510
Changes in equity interest	-	-	-	-	-	-	-	-	105	105
Net profit for the period	-	-	-	-	-	-	2,464	2,464	178	2,642
Balance as at 31 March 2009	68,281	13,242	(8,525)	254	892	763	54,400	129,307	7,946	137,253

The condensed consolidated statements of change in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

**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 2008.

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 2008. 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 2008.

A2 Auditors’ report on preceding annual financial statements

The auditors’ report of the annual financial statements for the financial year ended 31 December 2008 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 2009 save for share buy-back and resell of own shares. During financial period ended 31 March 2009, the Company repurchased 796,000 shares and resold 700,000 shares. The details of resold shares are as follows:-

	RM’000
Disposal value	510
Cost of shares	436
Gain on disposal	<u>74</u>

As at 31 March 2009, a total of 13,636,566 treasury shares, representing 9.99% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM8.525 million.

At the Annual General Meeting held on 27 May 2009, the Company’s shareholders approved the renewal of authority to repurchase its own shares.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009****A7 Dividend paid**

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

A8 Segment information**By business segment**

	Valves, instruments and fittings RM'000	Heat and steam engineering RM'000	Electronic RM'000	Pump RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	19,104	1,353	1,463	4,172	1,673	-	27,765
Inter-segment revenue	8,852	12	83	161	95	(9,203)	-
Total revenue	<u>27,956</u>	<u>1,365</u>	<u>1,546</u>	<u>4,333</u>	<u>1,768</u>	<u>(9,203)</u>	<u>27,765</u>
Segment results	3,630	130	(314)	362	158	-	3,966
Interest expense							(363)
Interest income							65
Share of results of associates							<u>(128)</u>
Profit before tax							3,540
Tax expense							<u>(898)</u>
Profit after tax							2,642
Minority interests							<u>(178)</u>
Net profit for financial period ended 31 March 2009							<u>2,464</u>

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 2008.

A10 Material post balance sheet events

There were no material events subsequent to the end of the financial year period ended 31 March 2009 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 2009 save for the Company had on 13 April 2009 acquired RMB550,000 of registered capital representing 5% of the equity interest in Arita Valve (Tianjin) Co. Ltd. ("AVT") from Mr. Zhang Zhi Xin at a cash consideration of RMB600,000 (equivalent to RM319,149). In consequent thereof, the Company's equity interest in AVT increased from 95% to 100%.

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 2008.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

A13 Capital commitments

As at 31 March 2009, the Group has no material capital commitments.

A14 Related party transactions

	3 months ended 31-Mar-09 RM'000
Purchases from a company in which certain directors of the Company have interests	55
Sales to a company in which certain directors of the Company have interests	103

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
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

The Group reported revenue of RM27.765 million for the current quarter ended 31 March 2009, which was RM3.447 million lower as compared to the preceding year corresponding quarter ended 31 March 2008 of RM31.212 million. The lower revenue was due mainly to the slowdown in demand amidst the uncertainty of global economies.

In line with the lower turnover, the Group's profit before taxation for the first quarter ended 31 March 2009 of RM3.540 million was RM1.430 million or 28.8% lower than the RM4.970 million registered in the same quarter of 2008.

B2 Comparison with preceding quarter's results

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

	3 months ended	3 months ended	Variance	
	31-Mar-09	31-Dec-08	RM'000	%
Revenue	27,765	24,797	2,968	12.0
Profit before taxation	3,540	3,608	(68)	(1.9)

The revenue for current quarter ended 31 March 2009 increased by 12.0% as compared to preceding quarter. A higher revenue was reported in current quarter as compared to preceding quarter's was due mainly to the inclusion of the turnover of its newly acquired subsidiary companies during the quarter. However, profit before tax for current quarter decreased by 1.9% which was due largely to the lower turnover contributed by valves and fittings division.

B3 Commentary on prospects

The Board of Directors expects the performance for the financial year ending 2009 to be challenging taking into consideration the global financial and economy uncertainty. The Board of Directors will continue to improve the Group's operational efficiency in order to maintain its competitive edge. Barring any unforeseen circumstances, the Board of Directors is of the view that the Group shall record positive performance for the financial year ending 31 December 2009.

B4 Profit forecast

Not applicable as no profit forecast was published.

B5 Income tax expense

	Current quarter 3 months ended 31-Mar-09 RM'000	Cumulative quarter 3 months ended 31-Mar-09 RM'000
Current period provision	898	898
Deferred taxation	-	-
	<u>898</u>	<u>898</u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
B6 Sale of unquoted investments and properties

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

B7 Purchase or disposal of quoted investments

During current quarter and financial period ended 31 March 2009, the purchase of quoted investments were amounted RM0.41million. The disposal of quoted investments for the current quarter and financial period ended 31 March 2009 are as follows:

	Current quarter 3 months ended 31-Mar-09 RM'000	Cumulative quarter 3 months ended 31-Mar-09 RM'000
Disposal of quoted investment (proceeds)	4	4
Cost of purchase (at cost)	5	5
Loss on disposal	<u>1</u>	<u>1</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 2009 are as follows:

	Borrowings RM'000
Current	
Secured borrowings	2,125
Unsecured borrowings	19,346
	<u>21,471</u>
Non-current	
Secured borrowings	6,348
Unsecured borrowings	-
	<u>6,348</u>
Total borrowings	<u>27,819</u>

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.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

B12 Dividend

The Board of Directors recommended the payment of a first and final dividend of 3.7 sen per share less income tax at 25%. The proposed dividend payment is amounting to RM3.414 million based on the issued and paid-up capital as at 31 December 2008 of 123,020,768 ordinary shares of RM0.50 each (excluding treasury shares held by the Company). The proposed dividend was approved by the shareholders at Twelfth Annual General Meeting held on 27 May 2009.

B13 Earnings per share

	Current quarter 3 months ended 31-Mar-09	Cumulative quarter 3 months ended 31-Mar-09
Profit for the period (RM'000)	2,642	2,642
Amount attributable to minority interests (RM'000)	(178)	(178)
Net profit attributable to shareholders (RM'000)	<u>2,464</u>	<u>2,464</u>
Basic earnings per share		
Weighted average number of ordinary shares in issue ('000)	123,359	123,359
Basic earnings per share (sen)	2.00	2.00

By order of the Board

Dato' Lim Cheah Chooi
Chairman

Dated this 28th May 2009