



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

	As at 31-Mar-12 (Unaudited) RM'000	As at 31-Dec-11 (Audited & Restated) RM'000	As at 1-Jan-11 (Audited & Restated) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	59,412	57,441	47,715
Investment in associate companies	10,246	9,734	8,807
Investment securities	5,451	5,446	5,734
Intangible assets	9,049	8,913	8,921
	<u>84,158</u>	<u>81,534</u>	<u>71,177</u>
Current assets			
Inventories	114,911	113,570	90,776
Trade and other receivables	81,178	75,992	64,963
Tax recoverable	311	432	328
Cash and cash equivalents	17,586	20,693	21,132
	<u>213,986</u>	<u>210,687</u>	<u>177,199</u>
TOTAL ASSETS	<u>298,144</u>	<u>292,221</u>	<u>248,376</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	66,781	66,781	68,281
Treasury shares	(8,533)	(8,056)	(8,525)
Reserves	13,759	13,759	14,134
Retained earnings	95,949	92,379	76,092
Total equity attributable to owners of the parent	<u>167,956</u>	<u>164,863</u>	<u>149,982</u>
Non-controlling interests	<u>13,421</u>	<u>12,983</u>	<u>10,788</u>
Total equity	<u>181,377</u>	<u>177,846</u>	<u>160,770</u>
Non-current liabilities			
Borrowings	19,016	20,396	13,996
Deferred tax liabilities	898	870	517
	<u>19,914</u>	<u>21,266</u>	<u>14,513</u>
Current liabilities			
Trade and other payables	41,745	40,988	35,739
Borrowings	51,516	49,115	35,809
Tax payable	3,591	3,006	1,545
	<u>96,853</u>	<u>93,109</u>	<u>73,093</u>
Total liabilities	<u>116,768</u>	<u>114,375</u>	<u>87,606</u>
TOTAL EQUITY AND LIABILITIES	<u>298,144</u>	<u>292,221</u>	<u>248,376</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012****CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THREE MONTHS ENDED 31 MARCH 2012 (UNAUDITED)**

	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2012 RM '000	2011 RM '000	2012 RM '000	2011 RM '000
Revenue	49,442	49,408	49,442	49,408
Operating expenses	(42,218)	(43,781)	(42,218)	(43,781)
Other operating income	485	1,347	485	1,347
Operating profit	7,709	6,974	7,709	6,974
Interest expense	(899)	(892)	(899)	(892)
Interest income	56	75	56	75
Share of results of associate companies	584	54	584	54
Profit before tax	7,450	6,211	7,450	6,211
Tax expense	(2,046)	(1,736)	(2,046)	(1,736)
Profit for the period	5,404	4,475	5,404	4,475
Profit attributable to:				
Owners of the parent	4,627	4,014	4,627	4,014
Non-controlling interests	777	461	777	461
Profit for the period	5,404	4,475	5,404	4,475
Earnings per share (EPS) attributable to owners of the parent (sen):				
Basic EPS	3.83	3.27	3.83	3.27
Diluted EPS	-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THREE MONTHS ENDED 31 MARCH 2012 (UNAUDITED)**

	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2012 RM '000	2011 RM '000	2012 RM '000	2011 RM '000
Profit for the period	5,404	4,475	5,404	4,475
Other comprehensive income / (expenses), net of tax:				
Currency translation differences arising from consolidation	(1,303)	114	(1,303)	114
Fair value movements on available for sale investments	201	(63)	201	(63)
Total comprehensive income for the period	4,302	4,526	4,302	4,526
Total comprehensive income attributable to:				
Owners of the parent	3,570	4,054	3,570	4,054
Non-controlling interests	732	472	732	472
	4,302	4,526	4,302	4,526

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012****CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THREE MONTHS ENDED 31 MARCH 2012 (UNAUDITED)**

	Cumulative quarter 3 months ended 31 March	
	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,452	6,211
Adjustments for:		
Non-cash items and non-operating items	(1,963)	1,700
Operating profit before working capital changes	5,489	7,911
Inventories	1,341	1,982
Receivables and deposits	(5,186)	(4,655)
Payables	757	(3,965)
Cash generated from operating activities	2,401	1,273
Interest paid	(899)	(894)
Tax paid	(1,346)	(1,128)
Net cash generated from/(used in) operating activities	156	(749)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	25	2
Interest received	56	88
Net of purchase and disposal of investment securities	333	(602)
Net of purchase and disposal of property, plant and equipment and investment properties	(2,692)	(1,736)
Investment in associate	-	(49)
Additional trademark	(55)	(7)
Purchase of treasury shares	(477)	-
Net cash used in investing activities	(2,810)	(2,304)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(313)	(133)
Proceeds from shares issued to non-controlling interests	105	180
Net changes in bank borrowings	1,021	1,439
Net cash generated from financing activities	813	1,486
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,841)	(1,567)

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)
FOR THREE MONTHS ENDED 31 MARCH 2012 (UNAUDITED)**

	Cumulative quarter 3 months ended 31 March	
	2012 RM'000	2011 RM'000
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	9,429	13,625
Effect of foreign exchange rates changes	2,360	35
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	9,948	12,093
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	17,586	18,029
Overdrafts	(7,638)	(5,936)
	9,948	12,093

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THREE MONTHS ENDED 31 MARCH 2012 (UNAUDITED)**

	----- Non-distributable -----							Distributable			
	----- Attributable to owners of the parent -----										
(RM'000)	Share capital	Share premium	Treasury shares	Revaluation reserve	Capital reserve	Exchange fluctuation reserve	Fair value adjustment reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2011	68,281	13,242	(8,525)	887	892	42	277	74,657	149,753	10,788	160,541
Effect on transition to MFRS	-	-	-	(887)	-	(42)	(277)	1,435	229	-	229
Balance as at 1 January 2011 (Restated)	68,281	13,242	(8,525)	-	892	-	-	76,092	149,982	10,788	160,770
Changes in equity interest	-	-	-	-	-	-	-	-	-	129	129
Dividends paid	-	-	-	-	-	-	-	-	-	(133)	(133)
Total comprehensive income for the period	-	-	-	-	-	-	-	4,054	4,054	472	4,526
Balance as at 31 March 2011 (Restated)	68,281	13,242	(8,525)	-	892	-	-	80,146	154,036	11,256	165,292
Balance as at 1 January 2012	66,781	12,867	(8,056)	900	892	1,535	155	89,574	164,648	12,983	177,631
Effects of transition to MFRS	-	-	-	(900)	-	(1,535)	(155)	2,805	215	-	215
Balance as at 1 January 2012 (Restated)	66,781	12,867	(8,056)	-	892	-	-	92,379	164,863	12,983	177,846
Purchase of treasury shares	-	-	(477)	-	-	-	-	-	(477)	-	(477)
Changes in equity interest	-	-	-	-	-	-	-	-	-	19	19
Dividends paid	-	-	-	-	-	-	-	-	-	(313)	(313)
Total comprehensive income for the period	-	-	-	-	-	-	-	3,570	3,570	732	4,302
Balance as at 31 March 2012	66,781	12,867	(8,533)	-	892	-	-	95,949	167,956	13,421	181,377

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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 Malaysian Financial Reporting Standard 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market 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 2011. These 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 year ended 31 December 2011.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2011, except for the Group has adopted the Malaysian Financial Reporting Standards (MFRS) framework issued by Malaysian Accounting Standards Boards (MASB) with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards (FRS) framework with the International Financial Reporting Standards (IFRS) framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption of MFRS on the financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2012. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

This Condensed Report is the Group’s first MFRS compliant Condensed Report and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

In preparing its opening Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has restated the amounts previously reported in the financial statements prepared in accordance with FRS. The impact of the transition from FRS to MFRS is described as below.

Reconciliation of equity as at 1 January 2011

	FRS as at 1-Jan-11 RM’000	Effect of transition RM’000	MFRS as at 1-Jan-11 RM’000
<i>Non-Current Assets</i>			
Property, plant and equipment	47,185	530	47,715
Investment properties	530	(530)	-
<i>Equity</i>			
Reserve	15,340	(1,206)	14,134
Retained earnings	74,657	1,435	76,092
<i>Non-Current Liabilities</i>			
Deferred tax liabilities	746	(229)	517

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
Reconciliation of equity as at 31 December 2011

	FRS as at 31-Dec-11 RM'000	Effect of transition RM'000	MFRS as at 31-Dec-11 RM'000
<i>Equity</i>			
Reserve	16,349	(2,590)	13,759
Retained earnings	89,574	2,805	92,379
<i>Non-Current Liabilities</i>			
Deferred tax liabilities	1,085	(215)	870

A3 Auditors' report on preceding annual financial statements

The auditors' report of the annual financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

A4 Seasonal or cyclical factors

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

A5 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.

A6 Changes in estimates

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

A7 Debt and equity securities

There were no issuances, resale and repayments of debt and equity securities during financial period ended 31 March 2012 save for shares buy back.

At the Annual General Meeting held on 22 June 2011, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the period ended 31 March 2012, the Company repurchased 551,700 own shares.

As at 31 March 2012, a total of 12,908,166 treasury shares, representing 9.66% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM8.533 million.

A8 Dividend paid

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



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

A9 Segment information

By business segment

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	40,937	1,889	4,063	2,553	-	49,442
Inter-segment revenue	11,177	77	465	-	(11,719)	-
Total revenue	52,114	1,966	4,528	2,553	(11,719)	49,442
Segment results	7,191	73	413	302	-	7,979
Unallocated expenses						(270)
Interest expense						(899)
Interest income						56
Share of results of associate companies						584
Profit before tax						7,450
Tax expense						(2,046)
Profit after tax						5,404
Non-controlling interests						(777)
Profit attributable to owners of the parent for financial period ended 31 March 2012						4,627

A10 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 2011.

A11 Material post balance sheet events

There were no material events subsequent to the end of the financial period ended 31 March 2012 as at the date of this report.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2012 save for on 16 January 2012, Unimech Capital Sdn. Bhd., a wholly owned subsidiary of the Company had subscribed for 195,000 ordinary shares of RM1.00 each representing 65% of the total issued and paid-up capital of Unimech ABS Sdn. Bhd. for a cash consideration of RM195,000 only.

A13 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 2011.

A14 Capital commitments

	31-Mar-12 RM'000
Property, plant and equipment	
Contracted but not provided for	4,140



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

A15 Related party transactions

	3 months ended 31-Mar-12 RM'000
Purchase of goods from a company in which the director of the Company has interest	13
Sale of goods to a company in which the director of the Company has interest	99

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
NOTES TO THE INTERIM FINANCIAL REPORT
- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS
B1 Review of performance for current quarter and financial period-to-date

The Group reported revenue of RM49.442 million for the current quarter ended 31 March 2012, a marginal improvement of RM34,000 or 0.06% as compared to the preceding year corresponding quarter ended 31 March 2011 of RM49.408 million.

The Group recorded a profit before tax of RM7.450 million for the current quarter which was RM1.239 million or 19.9% higher as compared to the preceding year corresponding quarter of RM6.211 million. A higher profit reported in current quarter was due mainly to better gross margin of the products and improvement of losses on certain subsidiaries.

B2 Comparison with preceding quarter's results

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

	3 months ended	3 months ended	Variance	
	31-Mar-12	31-Dec-11	RM'000	%
Revenue	49,442	51,501	(2,059)	(4.0)
Profit before tax	7,450	7,988	(538)	(6.7)

The revenue for the current quarter ended 31 March 2012 decreased by 4.0% as compared to preceding quarter. A lower revenue was reported in current quarter as compared to preceding quarter's was due mainly to the softer demand and festival holidays in the first quarter of 2012. In line with lower revenue, the profit before tax for current quarter reported a decrease of 6.7% as compared to preceding quarter.

B3 Commentary on prospects for 2012

The uncertainty in Eurozone has a dampening impart on the global economic. The global economic conditions are expected to be challenging but it is envisioned that the economy will continue to grow, albeit at a moderate pace. The Group's core business is not expected to be significantly adversely affected barring a drastic change in global economics conditions. The Group will continue with its competitive strategy of developing further on its own brands to enhance its market position. In addition, the Group will focus on improving the efficiency in operations to achieve the competitive edge in the market.

Taking into consideration the abovementioned factors and subject to the global economic conditions, the Board of Directors is of the view that the Group is optimistic of reporting a better performance and growth in the financial year ending 31 December 2012.

B4 Profit forecast

Not applicable as no profit forecast was published.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012
B5 Income tax expense

	Current quarter 3 months ended 31-Mar-12 RM'000	Cumulative quarter 3 months ended 31-Mar-12 RM'000
Current period provision	2,018	2,018
Deferred tax	28	28
	2,046	2,046

The effective tax rate for current quarter is marginally higher than the statutory tax rate was due principally to losses of certain subsidiary companies can not be used to offset against profit of other companies in the Group.

B6 Sale of unquoted investments and properties

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

B7 Quoted investments

The total investments in quoted investments as at 31 March 2012 are as follows:-

	Investment Securities RM'000
At cost	5,943
At carrying amount	5,451
At fair value	5,451

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 2012 are as follows:

	Ringgit Malaysia RM'000	Singapore Dollar RM'000	Indonesia Rupiah RM'000	Thai Bath RM'000	Total RM'000
Current					
Secured borrowings	5,539	232	2,227	1,182	9,180
Unsecured borrowings	39,416	-	2,920	-	42,336
	44,955	232	5,147	1,182	51,516
Non-current					
Secured borrowings	14,001	1,642	3,373	-	19,016
Unsecured borrowings	-	-	-	-	-
	14,001	1,642	3,373	-	19,916
Total borrowings	58,956	1,874	8,520	1,182	70,532



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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 Board of Directors had proposed a first and final tax exempt dividend of 5 sen per share in respect of the financial year ended 31 December 2011. The proposed dividend payment is amounting to RM6.060 million based on the issued and paid-up capital as at 31 December 2011 of 121,204,868 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.

B13 Earnings per share ("EPS")

	Current quarter 3 months ended 31-Mar-12	Cumulative quarter 3 months ended 31-Mar-12
Profit for the period (RM'000)	5,404	5,404
Profit attributable to non-controlling interests (RM'000)	(777)	(777)
Profit attributable to owners of the parent (RM'000)	4,627	4,627
Basic EPS		
Weighted average number of ordinary shares in issue ('000)	120,913	120,913
Basic EPS (sen)	3.83	3.83

B14 Breakdown of Realised and Unrealised Profits/Losses

	As at 31-Mar-12 (Unaudited) RM'000	As at 31-Dec-11 (Audited & Restated) RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:		
- Realised	116,240	114,949
- Unrealised	(1,386)	(1,085)
Total retained earnings from associate companies:		
- Realised	2,928	2,344
- Unrealised	-	-
	117,782	116,208
Less: Consolidation adjustments	(21,833)	(23,829)
Total group retained earnings as per consolidated accounts	95,949	92,379



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

B15 Notes to Condensed Consolidated Income Statements

	Current quarter 3 months ended 31-Mar-12 RM'000	Cumulative quarter 3 months ended 31-Mar-12 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Depreciation and amortisation	1,086	1,086
Dividend income	(25)	(25)
Loss on foreign exchange	560	560
Interest expense	899	899
Interest income	(56)	(56)
Rental income	(22)	(22)

By order of the Board

Dato' Lim Cheah Chooi
Executive Chairman

Dated this 28th May 2012