



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	As at 31-Mar-15 (Unaudited) RM'000	As at 31-Dec-14 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	102,905	101,999
Investment in associates	12,934	12,035
Investment securities	1,686	2,613
Intangible assets	7,751	7,723
Deferred tax assets	1,881	1,895
	<u>127,157</u>	<u>126,265</u>
Current assets		
Inventories	146,231	143,566
Trade and other receivables	123,278	116,085
Tax recoverable	142	235
Cash and bank balances	38,657	44,685
	<u>308,308</u>	<u>304,571</u>
TOTAL ASSETS	<u>435,465</u>	<u>430,836</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	64,281	64,281
Share premium	12,454	12,454
Treasury shares	(9,141)	(7,729)
Irredeemable Convertible Unsecured Loan Stock ("ICULS") equity	25,873	25,253
Other reserves	1,647	2,037
Retained earnings	131,820	127,978
Total equity attributable to owners of the parent	<u>226,934</u>	<u>224,274</u>
Non-controlling interests	28,034	26,915
Total equity	<u>254,968</u>	<u>251,189</u>
Non-current liabilities		
ICULS liability	5,419	6,193
Bank borrowings	19,403	21,925
Deferred tax liabilities	366	425
	<u>25,188</u>	<u>28,543</u>
Current liabilities		
Trade and other payables	41,213	40,236
Bank borrowings	111,796	109,023
Tax payable	2,300	1,845
	<u>155,309</u>	<u>151,104</u>
Total liabilities	<u>180,497</u>	<u>179,647</u>
TOTAL EQUITY AND LIABILITIES	<u>435,465</u>	<u>430,836</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THREE MONTHS ENDED 31 MARCH 2015 (UNAUDITED)**

	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2015 RM '000	2014 RM '000	2015 RM '000	2014 RM '000
Revenue	60,641	54,411	60,641	54,411
Operating expenses	(51,410)	(45,796)	(51,410)	(45,796)
Other income	402	125	402	125
Operating profit	9,633	8,740	9,633	8,740
Interest expense	(2,792)	(2,555)	(2,792)	(2,555)
Interest income	221	63	221	63
Share of results of associates	(133)	26	(133)	26
Profit before tax	6,929	6,274	6,929	6,274
Tax expense	(1,954)	(1,696)	(1,954)	(1,696)
Profit for the period	4,975	4,578	4,975	4,578
Profit attributable to:				
Owners of the parent	3,842	3,199	3,842	3,199
Non-controlling interests	1,133	1,379	1,133	1,379
Profit for the period	4,975	4,578	4,975	4,578
Earnings per share (EPS) attributable to owners of the parent (sen):				
Basic EPS	3.22	2.66	3.22	2.66
Diluted EPS	N/A	2.14	N/A	1.77

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THREE MONTHS ENDED 31 MARCH 2015 (UNAUDITED)**

	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2015 RM '000	2014 RM '000	2015 RM '000	2014 RM '000
Profit for the period	4,975	4,578	4,975	4,578
Other comprehensive income / (expenses), net of tax:				
Currency translation differences arising from consolidation	(227)	(1,491)	(227)	(1,491)
Fair value movements on available for sale investments	(163)	(281)	(163)	(281)
Total comprehensive income for the period	4,585	2,806	4,585	2,806
Total comprehensive income attributable to:				
Owners of the parent	3,452	1,427	3,452	1,427
Non-controlling interests	1,133	1,379	1,133	1,379
	4,585	2,806	4,585	2,806

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THREE MONTHS ENDED 31 MARCH 2015 (UNAUDITED)**

	Cumulative quarter 3 months ended 31 March	
	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,929	6,274
Adjustments for:		
Non-cash items and non-operating items	3,788	4,071
Operating profit before working capital changes	<u>10,717</u>	<u>10,345</u>
Inventories	(2,665)	(8,216)
Receivables	(7,193)	(2,213)
Payables	977	4,085
Cash generated from operating activities	<u>1,836</u>	<u>4,001</u>
Interest paid	(2,792)	(2,555)
Net of tax paid	(1,397)	(1,145)
Net cash (used in)/generated from operating activities	<u>(2,353)</u>	<u>301</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional of intangible assets	(28)	(30)
Dividend received	24	1
Interest received	221	63
Net of purchase and disposal of investment securities	927	316
Net of purchase and disposal of property, plant and equipment	(2,277)	(5,746)
Net cash used in investing activities	<u>(1,133)</u>	<u>(5,396)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interest	(14)	-
Net of repurchase and disposal of treasury shares	(1,412)	(45)
Net changes in bank borrowings	(214)	(4,415)
Net cash used in financing activities	<u>(1,640)</u>	<u>(4,460)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(5,126)</u>	<u>(9,555)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>32,383</u>	<u>32,625</u>
Effect of foreign exchange rates changes	7,146	9,313
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>34,403</u>	<u>32,383</u>
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	38,657	36,248
Overdrafts	(4,254)	(3,865)
	<u>34,403</u>	<u>32,383</u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THREE MONTHS ENDED 31 MARCH 2015 (UNAUDITED)

	----- Non-Distributable -----						----- Distributable -----					Total equity
	----- Attributable to owners of the parent -----						Exchange fluctuation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	
(RM'000)	Share capital	Share premium	Treasury shares	ICULS equity	Warrant reserve	Capital reserve						
Balance as at 1 January 2014	66,781	13,459	(9,876)	24,014	20,946	(20,054)	(1,725)	444	119,892	213,881	24,938	238,819
Purchase of treasury shares	-	-	(45)	-	-	-	-	-	-	(45)	-	(45)
Changes in equity interest	-	-	-	-	-	-	-	-	-	-	4,521	4,521
Transfer from ICULS liability	-	-	-	620	-	-	-	-	-	620	-	620
Total comprehensive income for the period	-	-	-	-	-	-	(1,491)	(281)	3,199	1,427	1,379	2,806
Balance as at 31 March 2014	66,781	13,459	(9,921)	24,634	20,946	(20,054)	(3,216)	163	123,091	215,883	30,838	246,721
Balance as at 1 January 2015	64,281	12,454	(7,729)	25,253	20,946	(20,054)	810	335	127,978	224,274	26,915	251,189
Purchase of treasury shares	-	-	(1,412)	-	-	-	-	-	-	(1,412)	-	(1,412)
Transfer from ICULS liability	-	-	-	620	-	-	-	-	-	620	-	620
Dividends paid	-	-	-	-	-	-	-	-	-	-	(14)	(14)
Total comprehensive income for the period	-	-	-	-	-	-	(227)	(163)	3,842	3,452	1,133	4,585
Balance as at 31 March 2015	64,281	12,454	(9,141)	25,873	20,946	(20,054)	583	172	131,820	226,934	28,034	254,968

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015
NOTES TO THE INTERIM FINANCIAL REPORT
- SELECTED EXPLANATORY NOTES UNDER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 – INTERIM FINANCIAL REPORTING
A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with MFRS 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 2014. 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 2014.

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 2014 save for the following MFRS which take effect from period on 1 January 2016, 1 January 2017 and 1 January 2018.

MFRS	Description	Effective dates for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Annual Improvements to MFRSs 2012-2014 Cycle		1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments (IMFRS 9 issued by IASB in July 2014)	1 January 2018

The Group is intending to adopt the above standards and interpretations, if applicable when they become effective.

The adoption of the above standards and interpretations do not have material impact to the financial statements of the Group upon their initial application.

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.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015
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, resale and repayments of debt and equity securities during financial period ended 31 March 2015 save for shares buy back.

At the Annual General Meeting held on 24 June 2014, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 31 March 2015, the Company repurchased of 977,900 own shares.

As at 31 March 2015, a total of 10,121,866 treasury shares, representing 7.87% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM9.141 million.

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	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	45,254	2,836	9,022	3,529	-	60,641
Inter-segment revenue	12,424	965	1,002	12	(14,403)	-
Total revenue	57,678	3,801	10,024	3,541	(14,403)	60,641
Segment results	8,626	(328)	1,623	128	(80)	9,969
Unallocated expenses						(336)
Interest expense						(2,792)
Interest income						221
Share of results of associates						(133)
Profit before tax						6,929
Tax expense						(1,954)
Profit after tax						4,975
Non-controlling interests						(1,133)
Profit attributable to owners of the parent for financial period ended 31 March 2015						3,842

A9 Material post balance sheet events

There was no material events subsequent to the end of the financial period ended 31 March 2015 as at the date of this report save for on 05 May 2015, Unimech Capital Sdn. Bhd., a wholly owned subsidiary company of the Company had acquired 20,000 ordinary shares of RM1.00 each, representing 20% of the total issued and paid up share capital of Tri-Axis Technology (M) Sdn. Bhd. for a total cash consideration of RM160,000 from Mr. Vincent Ooi Teong Choon.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

A10 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2015 save for on 16 March 2015, Multiplex Control & Engineering Services Pte. Ltd., a wholly owned subsidiary of the Company had disposed off 40,000 shares of SGD1.00 each representing 40% equity interest in All Torque Control Pte. Ltd. to Mr. Zhang ChengWan for a total consideration of SGD35,000 (equivalent to RM93,216) only.

A11 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 2014.

A12 Capital commitments

	31-Mar-15 RM'000
Property, plant and equipment	
Amount not contracted and not provided for	1,140

A13 Related party transactions

	3 months ended 31-Mar-15 RM'000
Purchase of goods from a company in which the director of the Company has interests	4
Sale of goods to a company in which the director of the Company has interests	82

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015
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
Current quarter and financial period-to-date

The Group reported revenue of RM60.641 million for the current quarter ended 31 March 2015 which was RM6.230 million or 11.4% higher as compared to the preceding year corresponding quarter ended 31 March 2014 of RM54.411 million. A higher revenue was reported in current quarter as compared to preceding year corresponding quarter was due mainly to the improvement in pump business.

The Group recorded a profit before tax of RM6.929 million for the current quarter which was RM0.655 million or 10.4% higher as compared to the preceding year corresponding quarter of RM6.274 million. The increase in profit before tax was in line with the increase in revenue.

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 31-Mar-15 RM'000	3 months ended 31-Dec-14 RM'000	Variance	
			RM'000	%
Revenue	60,641	60,003	638	1.1
Profit before tax	6,929	2,887	4,042	140

The revenue for the current quarter ended 31 March 2015 increased by 1.1% as compared to preceding quarter whereas profit before tax increased by 140%. A lower profit before tax in preceding quarter was due mainly to the impairment of assets and higher expenses incurred during the period.

B3 Commentary on prospects for 2015

2015 will likely remains challenging as there is remain uncertainty which is the greatest threat to the world economy at the present with the fall in worldwide crude oil price, escalation of costs due to inflation, volatility of global steel price and fluctuation of exchange rates. Although the global economic conditions are challenging, it is still expected to continue growing, albeit at a moderate pace. Barring a drastic change in the global economic conditions, the Group's core business is not expected to be significantly affected. The Group will remain focus and continue with its competitive strategies to strengthen and grow further on its own brands to enhance its market positioning and concentrate on improving its operations efficiency to further enhance its competitiveness.

Taking into consideration the abovementioned factors and subject to the global economic conditions, the Board of Directors is cautiously optimistic that the Group will report a satisfactory performance and growth for the financial year ending 31 December 2015.

B4 Profit forecast

Not applicable as no profit forecast was published.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015
B5 Income tax expense

	Current quarter 3 months ended 31-Mar-15 RM'000	Cumulative quarter 3 months ended 31-Mar-15 RM'000
Current period provision	1,999	1,999
Deferred tax	(45)	(45)
	<u>1,954</u>	<u>1,954</u>

The effective tax rate for current quarter and the cumulative quarter are higher than the statutory tax rate were due principally to losses of certain subsidiary companies cannot be used to offset against profit of other companies in the Group.

B6 Status of corporate proposals and status of utilisation of proceeds raised

- a. There was no corporate proposal being carried out during the year under review.
- b. Status of utilisation of Proceeds

The renounceable rights issue (“Rights Issue”) of 5-year 5.00% Irredeemable Convertible Unsecured Loan Stock (“ICULS”) 2013/2018 together with free detachable Warrants (“Rights Issue of ICULS with Warrants”) was completed on 25 September 2013. As at date of this report, the status of utilisation of the proceeds raised from the Rights Issue is as follows:-

Purpose of utilisation	Estimated timeframe for utilisation from date of listing	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000
i. Purchase of machineries & equipment	24 months	3,000	(860)	2,140
ii. Working capital	24 months	10,817	(7,421)	3,396
iii. Repayment of bank borrowings	12 months	15,740	(15,740)	-
iv. Estimated expenses in relation to the Rights Issue	1 month	650	(650)	-
Total		<u>30,207</u>	<u>(24,671)</u>	<u>5,536</u>

B7 Group borrowings and debt securities

Total Group borrowings as at 31 March 2015 are as follows:

	Ringgit Malaysia RM'000	Singapore Dollar RM'000	Indonesia Rupiah RM'000	Thai Bath RM'000	Chinese Yuan RM'000	Total RM'000
Current						
Secured borrowings	5,257	330	1,668	1,958	83	9,296
Unsecured borrowings	57,529	-	44,971	-	-	102,500
	<u>62,786</u>	<u>330</u>	<u>46,639</u>	<u>1,958</u>	<u>83</u>	<u>111,796</u>
Non-current						
Secured borrowings	13,148	722	4,222	-	1,311	19,403
Unsecured borrowings	-	-	-	-	-	-
	<u>13,148</u>	<u>722</u>	<u>4,222</u>	<u>-</u>	<u>1,311</u>	<u>19,403</u>
Total borrowings	<u>75,934</u>	<u>1,052</u>	<u>50,861</u>	<u>1,958</u>	<u>1,394</u>	<u>131,199</u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015
B8 Off balance sheet financial instruments

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

B9 Changes in material litigation

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

B10 Dividend

The Board of Directors proposed a first and final single tier dividend of 4.5 sen per share in respect of the financial year ended 31 December 2014. The proposed dividend payment is amounting to RM5.374 million based on the issued and paid-up capital as at 31 December 2014 of 119,417,368 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.

B11 Earnings per share ("EPS")
Basic EPS

The basic EPS had been calculated by dividing the Group's profit for the period attributable to owner of the parent by the weighted average number of shares in issue.

	Current quarter 3 months ended 31-Mar-15	Cumulative quarter 3 months ended 31-Mar-15
Profit for the period (RM'000)	4,975	4,975
Profit attributable to non-controlling interests (RM'000)	(1,133)	(1,133)
Profit attributable to owners of the parent (RM'000)	<u>3,842</u>	<u>3,842</u>
Weighted average number of ordinary shares in issue ('000)	<u>119,174</u>	<u>119,174</u>
Basic EPS (sen)	3.22	3.22

Diluted EPS

The diluted EPS is not calculated due to anti-dilutive effect as exercise price of the Warrants was higher than the market price of the ordinary shares as at 31 March 2015.

B12 Auditors' report on preceding annual financial statements

The auditors' report of the annual financial statements for the financial year ended 31 December 2014 was not subject to any qualification.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

B13 Notes to Condensed Consolidated Income Statements

	Current quarter 3 months ended 31-Mar-15 RM'000	Cumulative quarter 3 months ended 31-Mar-15 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Allowance for diminution in investment securities	9	9
Depreciation & amortization	1,656	1,656
Dividend income	(24)	(24)
Gain on disposal of property, plant & equipment	(91)	(91)
Interest expense	2,792	2,792
Interest income	(221)	(221)
Loss on foreign exchange	1,554	1,554
Property, plant and equipment written off	2	2
Rental income	(12)	(12)

B14 Breakdown of Realised and Unrealised Profits/Losses

	As at 31-Mar-15 (Unaudited) RM'000	As at 31-Dec-14 (Audited) RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	171,542	169,055
- Unrealised	(13,653)	(13,296)
Total retained profits from associate companies:		
- Realised	4,463	4,596
- Unrealised	-	-
	<u>162,352</u>	<u>160,355</u>
Less: Consolidation Adjustments	(30,532)	(32,377)
Total group retained profits as per consolidated accounts	<u>131,820</u>	<u>127,978</u>

By order of the Board

Dato' Lim Cheah Chooi
Chief Executive Officer

Dated this 28th May 2015